

REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, June 19, 2025 at 8:00 A.M.

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

The public is invited.

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

AGENDA

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS 2900 Buck Owens Boulevard Bakersfield, California 93308

Regular Meeting Thursday, June 19, 2025

8:00 A.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: Watson, Thygerson, Patel, Elliott, Acharya, Alva, Bowers, Hoffmann, Johnson, Ma, McGlew, Meave, Singh, Tamsi, Turnipseed ROLL CALL:

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –
- 2) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Government Code § 54956.9 (d)(2).) Number of cases: 1 Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on: Facts and circumstances that might result in litigation against Kern Health Systems, but which Kern Health Systems believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed. (Government Code § 54956.9 (e) (1).)

Page 2 6/19/2025

8:15 A.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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 FACILATATOR 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))

Page 3 6/19/2025

DEPARTMENTAL MATTERS

- CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on April 17, 2025 (Fiscal Impact: None) APPROVE
 - 6) Report from the Milliman actuary firm regarding capital reserves and liquidity (Fiscal Impact: None) APPROVE
- CA-7) Report on Kern Health Systems investment portfolio for the first quarter ending March 31, 2025 (Fiscal Impact: None) RECEIVE AND FILE
- CA-8) Proposed renewal and binding of insurance coverages for crime, excess crime, property, auto physical damage, fiduciary liability, cyber insurance, excess cyber insurance, managed care errors and omissions, flood insurance and deadly weapon response program from July 1,2025 through June 30, 2026 (Fiscal Impact: \$960,000 Estimated; Budgeted) APPROVE
- CA-9) Proposed renewal and binding of employee benefit plans for medical (self-funded), dental, vision, life insurance, short-term and long-term disability, long-term care and worker's compensation from January 1, 2026, through December 31, 2026 (Fiscal Impact: \$13,200,000 Estimated; Budgeted) APPROVE
 - 10) Proposed New Agreement with Kennaday Leavitt, PC for outside general counsel services from July 1, 2025, through June 30, 2030, with a not to exceed amount of \$1,000,000 per contract year. (Fiscal Impact: \$5,000,000 Estimated; Not budgeted) APPROVE; AUTHORIZE CHAIRMAN TO SIGN
 - Report on Kern Health Systems Strategic Plan Draft (Fiscal Impact: None) –
 RECEIVE AND FILE
 - 12) Report on Kern Health Systems 2024 Managed Care Accountability Set (Fiscal Impact: None) –
 RECEIVE AND FILE
- CA-13) Proposed New Agreement with Crowe and DELL for the implementation and licensing of a new Accounting Enterprise Resource Planning (ERP) System from July 1, 2025, through June 30, 2030, with a Not-to-Exceed amount of \$1,585,000 for implementation (Crowe) and for increasing the current Microsoft Enterprise Agreement by \$353,550 for the Microsoft Dynamics 365 Finance and Operations software and licenses (DELL) over the term of the contract. (Fiscal Impact: \$1,938,550; Budgeted) APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

- CA-14) Proposed New Agreement with Citiguard, Inc. for Security Guard Services from August 1, 2025, through July 31, 2028, with a Not-to-Exceed amount of \$653,177 over the term of the contract. (Fiscal Impact: \$653,177; Budgeted) APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-15) Proposed Contract Extension with Bitfocus for the Licensing for the Homeless Management Information System (HMIS) from June 22, 2025, through September 30, 2026. Increasing the Not-to-Exceed amount by \$239,588 from \$416,665 to \$656,253 over the term of the contract. (Fiscal Impact: \$239,588; Budgeted) APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-16) Proposed Contract Extension with Milliman Care Guidelines (MCG) for Evidence Based Clinical Care Guidelines from August 5, 2025, through August 4, 2030. Increasing the Not-to-Exceed by \$8,878,564 from \$5,692,237 to \$14,570,801 over the term of the contract. (Fiscal Impact: \$8,878,564; Budgeted) APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-17) Proposed Contract Amendment with ImageNet for the Health Risk Assessment/ Optical Character Recognition (HRA/OCR) Process from June 20, 2025, through April 4, 2027. Increasing the Not-to-Exceed by \$75,092 from \$197,000 to \$272,092 over the term of the contract. (Fiscal Impact: \$75,092; Budgeted) APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
 - 18) Report on Kern Health Systems financial statements for February 2025, March 2025 and April 2025 (Fiscal Impact: None) RECEIVE AND FILE
- CA-19) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for February 2025, March 2025 and April 2025 and IT Technology Consulting Resources for the period ended March 31, 2025 (Fiscal Impact: None) RECEIVE AND FILE
- CA-20) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
 - 21) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) RECEIVE AND FILE
 - 22) Kern Health Systems Chief Compliance and Fraud Prevention Officer report (Fiscal Impact: None) RECEIVE AND FILE
 - 23) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) RECEIVE AND FILE

Page 5 6/19/2025

- 24) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) RECEIVE AND FILE
- CA-25) Miscellaneous Documents RECEIVE AND FILE
 - A) Minutes for Kern Health Systems Population Health Management Committee meeting on March 5, 2025
 - B) Minutes for Kern Health Systems Physician Advisory Committee meeting on April 2, 2025
 - C) Minutes for Kern Health Systems Finance Committee meeting on April 11, 2025
 - D) Minutes for Kern Health Systems Fraud, Waste, and Abuse Committee meeting on May 5, 2025
 - E) Minutes for Kern Health Systems Physician Advisory Committee meeting on May 7, 2025
 - F) Minutes for Kern Health Systems Health Equity Transformation Steering Committee meeting on May 13, 2025
 - G) Minutes for Kern Health Systems Compliance Committee meeting on May 14, 2025
 - H) Minutes for Kern Health Systems Governance and Compliance Committee meeting on May 29, 2025

ADJOURN TO AUGUST 14, 2025 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.

SUMMARY

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS 2900 Buck Owens Boulevard Bakersfield, California 93308

Regular Meeting Thursday, April 17, 2025

8:00 A.M.

BOARD RECONVENED

Directors: Watson, Thygerson, Patel, Elliott, Acharya, Alva, Bowers, Hoffmann, Johnson, Ma, McGlew, Meave, Singh, Tamsi, Turnipseed ROLL CALL: 9 – Present; 6 Absent – Elliott, Bowers, McGlew, Meave, Singh, Tamsi

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

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

BOARD ACTION SHOWN IN CAPS

ADJOURNED TO CLOSED SESSION

CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) SEE RESULTS BELOW
- 2) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Government Code § 54956.9 (e)(3).) Number of cases: one (1) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on the receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection. SEE RESULTS BELOW

8:15 A.M.

BOARD RECONVENED

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Page 2 4/17/2025

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR <u>INITIAL</u> <u>CREDENTIALING</u> FOR MARCH 2025 – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON NORRIS-KINDRED, CASTLEMAN, JOTA, LIM; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON PACE, SIDDEN; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON HOM

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR INITIAL CREDENTIALING FOR APRIL 2025 - HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON KAUR, TAMAYO; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON SHORELINE: DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON STERN, RIGGS Item No. 1 concerning a Request for Closed Session regarding peer review of a provider Institutions Code Section 14087.38(o)) RECOMMENDED RECREDENTIALING FOR MARCH 2025 - HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON COPPOLA, ELIAS, HANDMAN, HILLYER, HUTCHINS, LAZAGA, MOOSAVI; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON FAN, NALOS, PATEL; DIRECTOR BOWERS ABSTAINED FROM VOTING ON NALOS: DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON ANAND, AUBURN PHARMACY, BEARE, COVARRUBIAN PEREZ, OCAMPO DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON DOI, FLORES, HARWICK, JAIN, RANDOLPH, WAUGH, WINT

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR RECREDENTIALING FOR APRIL 2025 – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON DANDAMUDI, DE FREESE, GONZALEZ, KUNHI VEEDU, LE, MONTANA, NALESNIK, ORHAN, SALAMEH; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON CHEN, FRANCO, MAJEED; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON DUGINSKI, HOEHNE, NALESNIK

Item No. 2 concerning a CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Government Code § 54956.9 (e)(3).) Number of cases: one (1) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on the receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection. HEARD; NO REPORTABLE ACTION TAKEN

NO ONE HEARD

Page 3 4/17/2025

PUBLIC PRESENTATIONS

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!

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DIRECTOR JOHNSON REQUESTED THAT AGENDA ITEMS 11, 16 AND 21 BE REMOVED FROM CONSENT

DIRECTOR JOHNSON MADE A COMMENT ABOUT RIDGECREST REGIONAL HOSPITAL, GIVEN THE CURRENT DISCUSSION TO POTENTIALLY RE-STRUCTURE AND THE IMPACTS ON EAST KERN FOR KERN HEALTH SYSTEMS. REFERRAL TO STAFF TO EVALUATE AND REPORT BACK TO THE BOARD THE IMPACT OF RIDGECREST REGIONAL HOSPITAL BECOMING A HEALTHCARE DISTRICT AND EFFECT ON MEMBERS IN EAST KERN COUNTY.

DEPARTMENTAL MATTERS

- CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on February 20, 2025 (Fiscal Impact: None) APPROVED
 - Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
- CA-6) Minutes for Kern Health Systems Board of Directors special meeting on April 2, 2025 (Fiscal Impact: None) APPROVED

Patel-Acharya: 9 Ayes; 6 Absent – Elliott, Bowers, McGlew, Meave, Singh, Tamsi

NOTE: DIRECTOR BOWERS ARRIVED AT 8:45 AM; DURING THE DISCUSSION OF ITEM 7

7) Report by Moss Adams on the audited financial statements of Kern Health Systems for the year ending December 31, 2024 (Fiscal Impact: None) – DAMU STELIAN AND ASHLEY MERDA, MOSS ADAMS, HEARD; APPROVED

Turnipseed-Hoffmann: 9 Ayes; 1 Abstention – Thygerson; 5 Absent – Elliott, McGlew, Meave, Singh, Tamsi

- CA-8) Report on Kern Health Systems 2024 Provider Satisfaction Survey (Fiscal Impact: None) RECEIVED AND FILED

 Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
- CA-9) Report on Kern Health Systems 2024 Member Satisfaction Survey (Fiscal Impact: None)
 RECEIVED AND FILED

 Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
- CA-10) Report on Kern Health Systems Quality Improvement Health Equity (QIHEC) Work Plan and the 2025 Work Plan (Fiscal Impact: None) APPROVED

 Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi

 NOTE: DIRECTOR SINGH ARRIVED AT 8:53 AM; DURING THE DISCUSSION OF ITEM 11
 - Proposed Increase in the Not-to-Exceed amount with Blackhawk by \$287,400 from \$195,000 to \$482,400 for the Member Rewards Program, from July 1, 2025, through June 30, 2026, which includes a contract extension for one (1) year. (Fiscal Impact: \$287,400 over the term of the contract; Budgeted) APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN

 Bowers-Patel: 11 Ayes; 4 Absent Elliott, McGlew, Meave, Tamsi
- CA-12) Proposed Increase in the Not-to-Exceed amount with Relay Network by \$100,000 from \$399,998 to \$499,998 for the Text Messaging Solution, from June 1, 2025, through December 31, 2025, which includes a contract extension for seven (7) months. (Fiscal Impact: \$100,000 over the term of the contract; Budgeted) APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
- CA-13) Proposed Agreement with e360 for Maintenance and Support for the Rubrik Disaster and Recovery Solution from April 29, 2025, through October 31,2026 (Fiscal Impact: \$285,565 over the term of the contract; Budgeted) APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN

 Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
- CA-14) Proposed increase in the Not-to-Exceed amount with Cognizant by \$161,865 from \$6,445,522 to \$6,607,387 for the Project Change Request, 24x7 Upgrade Emergency Support, TriZetto University, Technology Assessment, Data Purge, and Zelis integration licensing from April 21, 2025 through September 10, 2029 (Fiscal Impact: \$161,865; Budgeted) APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
 - 15) Report on Kern Health Systems Financial Statements for December 2024 and January 2025 (Fiscal Impact: None) RECEIVED AND FILED

 Turnipseed-Alva: 11 Ayes; 4 Absent Elliott, McGlew, Meave, Tamsi

- Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for December 2024 and January 2025 and IT Technology Consulting Resources for the period ended December 31, 2024 (Fiscal Impact: None) RECEIVED AND FILED
 - Acharya-Bowers: 11 Ayes; 4 Absent Elliott, McGlew, Meave, Tamsi
- CA-17) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN

 Patel-Acharya: 8 Ayes; 1 Recusal Johnson; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
- CA-18) Kern Health Systems Chief Compliance and Fraud Prevention Officer report (Fiscal Impact: None) RECEIVED AND FILED

 Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
- CA-19) Report on Kern Health Systems Enterprise Risk Management Project Update (Fiscal Impact: None) RECEIVED AND FILED

 Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
- CA-20) Report on Kern Health Systems Proposed Draft Ticket Distribution Policy (Fiscal Impact: None) RECEIVED AND FILED

 Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
 - 21) Report on Kern Health Systems Artificial Intelligence Tool Readily (PandanAI) (Fiscal Impact: Not to Exceed \$100,000; Budgeted) APPROVED NOT TO EXCEED \$100,000 **Johnson-Bowers: 11 Ayes: 4 Absent Elliott, McGlew, Meave, Tamsi**
- CA-22) Report on Kern Health Systems Managed Care Accountability Set (MCAS) (Fiscal Impact: None) RECEIVED AND FILED
 Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
 - 23) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) RECEIVED AND FILED Turnipseed-Alva: 11 Ayes; 4 Absent Elliott, McGlew, Meave, Tamsi
 - 24) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) RECEIVE AND FILE
 Bowers-Acharya: 11 Ayes; 4 Absent Elliott, McGlew, Meave, Tamsi
- CA-25) Miscellaneous Documents RECEIVED AND FILED

 Patel-Acharya: 9 Ayes; 6 Absent Elliott, Bowers, McGlew, Meave, Singh, Tamsi
 - A) Minutes for Kern Health Systems Physician Advisory Committee meeting on February 5, 2025
 - B) Minutes for Kern Health Systems Delegation Oversight Committee meeting on February 10, 2025

Page 6 4/17/2025

- C) Minutes for Kern Health Systems Health Equity Transformation Steering Committee meeting on February 11, 2025
- D) Minutes for Kern Health Systems Finance Committee meeting on February 14, 2025
- E) Minutes for Kern Health Systems Drug Utilization Review Committee meeting on February 24, 2025
- F) Minutes for Kern Health Systems Fraud, Waste, and Abuse Committee meeting on February 25, 2025
- G) Minutes for Kern Health Systems Utilization Management Committee meeting on February 26, 2025
- H) Minutes for Kern Health Systems Compliance Committee meeting on February 28, 2025
- Minutes for Kern Health Systems Physician Advisory Committee meeting on March 5, 2025
- J) Minutes for Kern Health Systems Executive Quality Improvement Health Equity Committee Meeting on March 18, 2025
- K) Minutes for Kern Health Systems Community Advisory Committee meeting on March 25, 2025
- L) Minutes for Kern Health Systems Governance and Compliance Committee meeting on March 27, 2025

ADJOURN TO JUNE 19, 2025 AT 8:00 A.M.

/s/ Vijaykumar Patel, Secretary
Kern Health Systems Board of Directors



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Robert Landis, Chief Financial Officer

SUBJECT: Annual Review of Tangible Net Equity and Minimum Liquidity Test Policy

DATE: June 19, 2025

Background

The Kern Health Systems ("KHS") Tangible Net Equity ("TNE") Policy (Attachment 1) was approved by the KHS Board of Directors ("Board") at the August 12, 2021, Board Meeting and amended at the June 15, 2023 Board Meeting to include a Minimum Liquidity Test.

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.

The current initial Minimum Liquidity Test target range established by the Board has an initial target range of two to three months of Operating Revenues which excludes certain passthrough amounts from the range.

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 purpose 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. Matt Kridgen, Consulting Actuary and Nick Johnson, Principal and Consulting Actuary both with Milliman will be available to answer questions relating to the new D-SNP line of business scheduled to start January 1, 2026. All three bios are included at the end of the presentation.

Requested Actions

Maintain the Minimum TNE Target Ratio of 500%-600% along with maintaining the Minimum Liquidity Test target range requiring a minimum unrestricted cash and investment level between two to three months of Operating Revenue excluding Hospital Directed Payment Revenue and MCO Tax Revenue passthrough amounts.

Since the actual TNE is below the Minimum TNE target range, Senior Management is not recommending any reserve distributions and/or grants at this time, so that KHS can build up its TNE to be within Minimum TNE Target Ratio of 500%-600.

The combination of these two measurements will continue to 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.

Approve.

Attachment 1

Signature



Policy and Procedure Review

KHS Policy & Procedure: 8.65-I Tangible Net Equity and Minimum Liquidity Test Policy Revised by the Controller to establish guidelines and procedures to set Minimum Liquidity Test.

Date

Reviewer

| Emily Duran | 8/7/23 | BA |
|---|---------------|--|
| Chief Executive Officer | 11100 | |
| Robert Landis | | 00 1. |
| Chief Financial Officer | 7/26/23 | Kolel Jandis Alan Avery |
| Alan Avery | | Alax. Augan |
| Chief Operating Officer | 7/28/2023 | ATOM ATOMY |
| Veronica Barker | 7/26/2023 | Veronica Barker |
| Controller | 112012023 | veronica Daneer |
| (CEO decision(s)) Board approval required: Yes No Date approved by the KHS BOD: PAC approval: Yes No Approval for internal implementation: Yes Provider distribution date: Immediately | Date of appro | mittee approval: Yes No oved by QI: oval by PAC: |
| | | |

Compliance Department



| | | HEALTH SYS | | | |
|-----------------------------|------------------------|------------|----------|-------------------|-----|
| SUBJECT: Tar Test Policy | gible Net Equity and M | | | | |
| DEPARTMENT | Finance | | | | |
| Effective Date: | Review/Revised Date: | DMHC | The same | PAC | 558 |
| 8/12/2021 | 8/12/2021 08/07/2023 | | 50 | QI/UM COMMITTEE | 100 |
| | | BOD | X | FINANCE COMMITTEE | X |
| Emily Duran Chief Executive | | Date | | | |
| Chief Financial C | | Date | _ | | |
| Controller | | Date | | | |

POLICYi:

This policy establishes guidelines and procedures to set Tangible Net Equity (TNE) and Minimum Liquidity 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 and June 15, 2023 for Minimum Liquidity.

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.

Kern Health Systems Policy 8.65-1 Tangible Net Equity Policy Revised 6/15/2023 Maintaining an appropriate level of cash liquidity will ensure KHS' 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.

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 |
| MLT | Minimum Liquidity Test |
| Required Minimum MLT | A specific calculation requiring a minimum unrestricted cash and investment level between two to three months of Operating Revenue (Excluding Hospital Directed Payments and MCO Tax Revenues). |
| Target MLT | The target range applied to a minimum MLT 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) The Minimum MLT target range will be established by the Board. The current initial target range of two to three months of Operating Revenue (Excluding Hospital Directed Payments and MCO Tax Revenues) was approved by the Board at the KHS' Board of Directors Meeting on June 15th 2023.
- C) As part of the Annual Budget, Management will present to the Board the current annual TNE and the current MLT and an updated estimate of future TNE and MLT requirements.
- D) 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.

E) Following the year-end audit, Management will update the 3-5-year proforma presented at the June 15, 2023 Board Meeting for determining prospective Minimum Liquidity Target requirements. Using this approach, the Finance Committee and Board can compare the MLT target range of two to three months of Operating Revenue (Excluding Hospital Directed Payments and MCO Tax Revenues) and confirm or modify assumptions used for future MLT target range estimates.

REFERENCE:

Revision 2023-06: Revision to establish guidelines and procedures to set Minimum Liquidity Test. ¹Revision 2021-08: Policy created by KHS Controller to establish guidelines and procedures to set Tangible Net Equity.

Kern Health Systems

Five-Year Pro Forma Analysis Kern Health System Finance Committee

Aaron Gates, FSA, MAAA Matt Kridgen, FSA, MAAA

Nick Johnson, FSA, MAAA

JUNE 2025



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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 tangible net equity (TNE), but target the "future-state"
 - With a view to the changes implemented through CalAIM, and the subsequent volatility during and after the public health emergency, 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 2030.
- The enclosed projections are based on the KHS 2025 budget, current enrollment projections, and other DHCS and CMS information
- KHS introduced a recommended minimum level for cash and equivalents of 2-3 months of average contract revenue in June of 2023



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 <u>make investments</u> 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

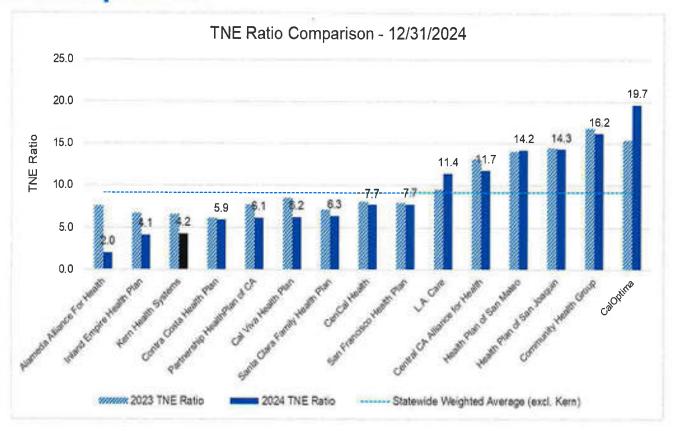


Background - why hold capital reserves? (continued)

- Political uncertainty regarding benefits currently being offered and the funding of such benefits.
- State budget issues that require retroactive negative rate adjustments as well as future negative rate adjustments
- Protect the provider community by paying bills timely, irrespective of State and Federal payment delays of up to two – three months that have occurred in the past.
- New programs, including managed Long-Term Care and a Medicare Advantage Dual Eligible Special Needs Plan (D-SNP).

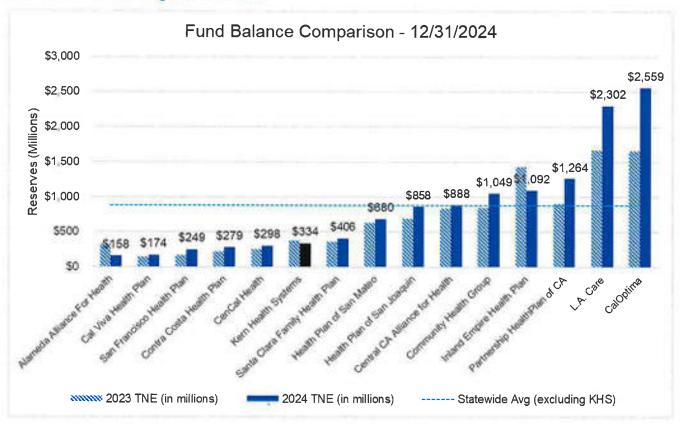


TNE Ratio Comparison



Milliman

Fund Balance Comparison





Summary

Pro Forma Projection

| | Actu | ıal | Budget | Projected | | | | |
|-----------------------------------|--------------|----------|----------|-----------|----------|----------|----------|---------|
| Year | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Avg Members | 351,700 | 401,200 | 405,800 | 407,900 | 409,800 | 410,900 | 411,800 | 412,600 |
| Current TNE Calculation (\$ shown | in millions) | | | | - In | | | |
| 500% TNE | \$291.9 | \$392.7 | \$410.4 | \$435.0 | \$456.9 | \$476.0 | ¢404.4 | ¢E44.0 |
| | | | | | | | \$494.4 | \$514.9 |
| Projected Capital | \$380.2 | \$333.6 | \$361.0 | \$382.7 | \$405.2 | \$435.3 | \$473.2 | \$514.6 |
| Difference | \$88.3 | (\$59.1) | (\$49.4) | (\$52.3) | (\$51.6) | (\$40.7) | (\$21.2) | (\$0.3) |
| Capital as % of TNE | 651% | 425% | 440% | 440% | 443% | 457% | 479% | 500% |
| | | | | | | | | |
| Prior Proforma Cap. As % of TNE | 651% | 538% | 541% | 552% | 564% | 577% | 590% | N/A |



Scenario testing: membership reduction scenario

Modeled 10% membership reduction in 2026 based on risk of state or federal policy change

| | Actu | al | Budget | | | Projected | | |
|--------------------------|---------|---------|---------|---------|---------|-----------|----------|----------|
| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Capital as a % of TNE | | | | | | | | |
| Baseline Membership | 651% | 425% | 440% | 440% | 443% | 457% | 479% | 500% |
| Reduced Membership (10%) | 651% | 425% | 440% | 477% | 478% | 491% | 511% | 532% |
| Difference | 0% | 0% | 0% | 37% | 35% | 34% | 33% | 32% |
| | | | | | | | | |
| Capital Reserve | | | | | | | | |
| Baseline Membership | \$380.2 | \$333.6 | \$361.0 | \$382.7 | \$405.2 | \$435.3 | \$473.2 | \$514.6 |
| Reduced Membership (10%) | \$380.2 | \$333.6 | \$361.0 | \$374.1 | \$395.5 | \$423.9 | \$459.3 | \$498.3 |
| Difference | \$0.0 | \$0.0 | \$0.0 | (\$8.6) | (\$9.7) | (\$11.5) | (\$13.9) | (\$16.3) |
| Minimum TNE | | | | | | | | |
| Baseline Membership | \$58.4 | \$78.5 | \$82.1 | \$87.0 | \$91.4 | \$95.2 | \$98.9 | \$103.0 |
| Reduced Membership (10%) | \$58.4 | \$78.5 | \$82.1 | \$78.4 | \$82.7 | \$86.3 | \$89.8 | \$93.7 |
| Difference | \$0.0 | \$0.0 | \$0.0 | (\$8.6) | (\$8.7) | (\$8.9) | (\$9.0) | (\$9.2) |

- 2026 impact based on analysis of 2025 members provided by KHS
- Capital of % of TNE is higher with reduced membership:
 - · Reduced membership lowers capital reserve
 - Reduction in expenditures lowers minimum TNE requirement



Scenario testing: Medi-Cal rate risk

Modeled impact of favorable and unfavorable margin shifts

| i i | Actual | | Budget | get Projected | | | | |
|---------------------------|--------|----------|--------|---------------|--------|--------|--------|--------|
| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Contribution to Surplus | | | | | | | | |
| Baseline Medi-Cal Revenue | \$61.3 | (\$46.8) | \$27.4 | \$21.7 | \$22.5 | \$30.1 | \$37.9 | \$41.4 |
| Increased Margin (+0.5%) | \$61.3 | (\$46.8) | \$27.4 | \$30.8 | \$31.9 | \$39.8 | \$47.9 | \$51.8 |
| Reduced Margin (-0.5%) | \$61.3 | (\$46.8) | \$27.4 | \$12.8 | \$13.3 | \$20.5 | \$28.0 | \$31.2 |
| Carital as a 9/ of TNE | | | | | | | | |
| Capital as a % of TNE | | | | | | | | |
| Baseline Medi-Cal Revenue | 651% | 425% | 440% | 440% | 443% | 457% | 479% | 500% |
| Increased Margin (+0.5%) | 651% | 425% | 440% | 450% | 464% | 487% | 517% | 547% |
| Reduced Margin (-0.5%) | 651% | 425% | 440% | 430% | 424% | 428% | 441% | 453% |



Summary: by line of business

Projected margin

| | Actual Budget | | Budget | | | | | |
|-------------------------|---------------|----------|--------|---------|----------|---------|---------|---------|
| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Medi-Cal | \$38.6 | (\$65.1) | \$18.2 | \$4.4 | \$9.1 | \$14.1 | \$19.5 | \$20.1 |
| D-SNP | \$0.0 | \$0.0 | \$0.0 | (\$6.7) | (\$10.6) | (\$8.0) | (\$5.6) | (\$2.7) |
| Investment Income | \$21.1 | \$31.1 | \$24.0 | \$24.0 | \$24.0 | \$24.0 | \$24.0 | \$24.0 |
| Other | \$1.6 | (\$2.8) | \$0.0 | (\$0.0) | (\$0.0) | \$0.0 | (\$0.0) | \$0.0 |
| Total Operating | \$61.3 | (\$36.8) | \$42.2 | \$21.7 | \$22.5 | \$30.1 | \$37.9 | \$41.4 |
| Grants and Startup | \$0.0 | \$10.0 | \$14.8 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Contribution to Surplus | \$61.3 | (\$46.8) | \$27.4 | \$21.7 | \$22.5 | \$30.1 | \$37.9 | \$41.4 |

• D-SNP margin does not include allocated administrative expenses from the Medi-Cal line of business.



Medicare Advantage/D-SNP Background

| Aspect | Medicare Advantage (MA) | Medi-Cal (MC) |
|-----------------|---|--|
| unding | Medical based on Medicare FFS costs at the county level | Actuarially developed rates based on plan and competitor |
| | Rx based on national and regional competitive bidding process | experience in county/region |
| Risk Adjustment | Normalized, but not revenue neutral | Revenue neutral at county/regional level |
| | Very impactful on plan revenue and financial success | Much less impactful than MA |
| | Prospective rating with retrospective settlement | Prospective rating only |
| Quality | Star Rating system | Quality withhold system |
| | Possible 5% bonus to benchmark/revenue | 1% max withhold |
| | Other more minor revenue impacts | Impact scales with quality scores |
| | • Stepwise | |
| Medical and | Primary payer for medical costs, must at least cover what | Benefits largely dictated by the state |
| Supplemental | traditional Medicare covers | Secondary payer for medical costs for dual members, covers |
| Benefits | Plans can provide supplemental benefits: dental, vision, hearin | g, services or cost sharing that Medicare does not |
| | OTC, groceries, etc. | Primary payer for most LTSS some specialized BH and other |
| | | Medi-Cal services not covered by Medicare |
| Prescription | Major component of coverage and cost | Rx is covered by the state/FFS |
| Drugs | Significant uncertainty and disruption caused by the Inflation | No member cost sharing |
| | Reduction Act | |
| | Nominal cost sharing on drugs (\$2-\$5 per script) | |
| Enrollment | Members must choose to enroll in the plan without default | Many members are assigned to the plan |
| | enrollment | Most members are required to be enrolled in a managed care |
| | Members may choose other managed care plans (limited D-SN | P plan |
| | options or standard MA plans) or opt for Medicare FFS | Most members limited to KHS or commercial plan, with some |
| | Marketing and supplemental benefits attract members | members also eligible for Kaiser |



D-SNP Considerations

- The pro forma projection in this analysis is based on the 2026 MA bid filed with CMS in early June and reflects a moderate set of longer-term financial assumptions
- Future performance trajectory is influenced by MA market dynamics:
 - New market entrants need time (5+ years) and good performance to break even on D-SNP business
 - Performance drivers:
 - Administrative costs: fixed costs spread over potentially low initial membership
 - Risk score coding: prospective model
 - Medical costs: managing costs for a complex population
 - Quality: Star Rating



D-SNP Projection

Through 2030

| Year | 2026 | 2027 | 2028 | 2029 | 2030 |
|-------------------------------|---------|----------|---------|---------|---------|
| Avg Members | 1,700 | 3,500 | 4,600 | 5,500 | 6,300 |
| | | - | | | |
| Revenue | \$38.4 | \$82.3 | \$117.2 | \$144.8 | \$176.6 |
| Expenses - Medical | \$32.9 | \$70.7 | \$95.7 | \$116.0 | \$139.3 |
| Expenses - Pharmacy | \$6.4 | \$13.8 | \$18.7 | \$22.6 | \$27.2 |
| Supplemental Benefit Expenses | \$0.8 | \$1.7 | \$2.3 | \$2.8 | \$3.3 |
| ASO (Universal Services) | \$2.0 | \$4.2 | \$5.5 | \$5.6 | \$5.8 |
| Other Administrative Costs | \$2.9 | \$2.4 | \$3.0 | \$3.5 | \$3.8 |
| Margin | (\$6.7) | (\$10.6) | (\$8.0) | (\$5.6) | (\$2.7) |



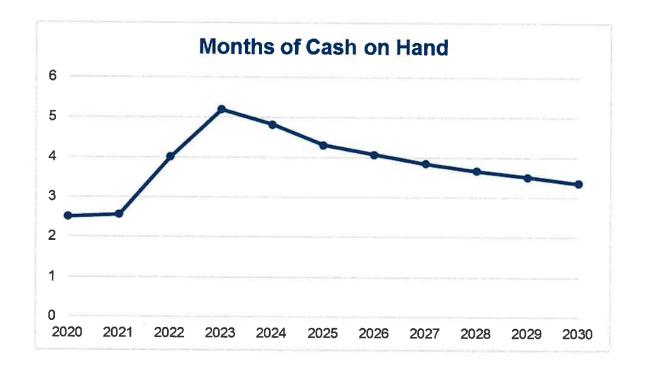
Cash Liquidity Testing - Results

- KHS introduced a recommended minimum level for cash and equivalents of 2-3 months of average contract revenue in June of 2023 at the finance and board meetings.
- The amount of unrestricted cash and investments amounts is assumed to be stable over time for the purpose of this exercise.
- Cash and investments is the sum of cash and equivalents and short-term investments from the 2024 balance sheet.

| · | Act | ual | Budget | | | rojected | | |
|--|------------|-----------|---------|---------|---------|----------|---------|---------|
| Year | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Avg Members | 351,700 | 401,200 | 405,800 | 407,900 | 409,800 | 410,900 | 411,800 | 412,600 |
| Current Cash Liquidity Testing Calculation (\$: | shown in n | nillions) | | 12 | | | | |
| Two Months Revenue | \$200.8 | \$257.5 | \$287.6 | \$304.7 | \$322.1 | \$338.4 | \$353.8 | \$370.3 |
| Projected Unrestricted Cash and Investments | \$521.9 | \$621.0 | \$621.0 | \$621.0 | \$621.0 | \$621.0 | \$621.0 | \$621.0 |
| Months of Cash on Hand | 5.2 | 4.8 | 4.3 | 4.1 | 3.9 | 3.7 | 3.5 | 3.4 |



Cash Liquidity Testing – Historical and Projected



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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 and D-SNP.
 - The economy and the impact on current and future Medi-Cal enrollment
 - The unwinding of policy from the global pandemic, including exiting and remaining membership
- 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 2026-2030 Pro Forma Exhibit.pdf"

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Exhibit 1 Supplemental Kern Health System Five-Year Pro Forma Projection (all dollar amounts shown in \$millions)

| Member Months - D-SNP 0 0 0 20,250 42,291 55,597 6 Member Months - Total 4,220,461 4,814,943 4,869,000 4,895,250 4,917,291 4,930,597 4,94 Revenue Wedi-Cal Benefits \$1,2050 \$1,544.7 \$1,725.3 \$1,789.6 \$1,850.4 \$1,913.2 \$1,7 D-SNP Benefits 0 0 0 383.4 \$82.3 \$117.2 \$1,7 Mospidal Directed Payments 233.3 288.8 293.0 303.3 313.9 324.9 \$1,7 Other Pass Through Payments (MCO Tax) 376.7 709.4 720.6 747.5 772.8 799.0 \$1,700.0 \$1,700.0 \$1,700.0 \$2,702.7 \$3,043.3 \$3,179.0 \$2,40 | 2030 6,129 75,639 1,129 4,950,639 978 1 \$2,045 2 144 8 \$176 6 336 2 348 0 826 1 854 1 24 0 24 0 309.2 \$3,447 9 844 2 \$1,906 8 141 3 \$169 7 336 2 348 0 |
|---|--|
| Member Months - D-SNP | 6,129 75,639 1,129 4,950,639 978 1 \$2,045 2 144 8 \$176 6 336 2 348 0 826 1 854 1 24 0 24 0 309 2 \$3,447 9 844 2 \$1,906 8 414 1 3 \$169 7 |
| Member Months - D-SNP | 6,129 75,639 1,129 4,950,639 978 1 \$2,045 2 144 8 \$176 6 336 2 348 0 826 1 854 1 24 0 24 0 309 2 \$3,447 9 844 2 \$1,906 8 141 3 \$169 7 |
| Revenue | 1,129 4,950,639 978 1 \$2,045 2 144 8 \$176 6 826 1 854 1 24 0 24 0 309.2 \$3,447 9 844 2 \$1,906 8 141 3 \$169 7 |
| Medi-Cal Benefits \$1,205 0 \$1,544 7 \$1,725 3 \$1,789 6 \$1,850 4 \$1,913 2 \$1,00 | 144 8 \$176 6 336 2 348 0 826 1 854 1 24 0 24 0 309.2 \$3,447 9 844 2 \$1,906 8 141 3 \$169 7 |
| D-SNP Benefits | 144 8 \$176 6 336 2 348 0 826 1 854 1 24 0 24 0 309.2 \$3,447 9 844 2 \$1,906 8 141 3 \$169 7 |
| D-SNP Benefits 0 0 0 \$38.4 \$82.3 \$117.2 \$ Hospital Directed Payments (MCO Tax) 376.7 709.4 720.6 747.5 772.8 799.0 1 Other Pass Through Payments (MCO Tax) 376.7 709.4 720.6 747.5 772.8 799.0 1 Other Revenue (interest) 21.1 31.1 24.0 24.0 24.0 24.0 24.0 Subtotal \$1,836.1 \$2,574.0 \$2,762.9 \$2,902.7 \$3,043.3 \$3,178.2 \$3 | 144 8 \$176 6 336 2 348 0 826 1 854 1 24 0 24 0 309.2 \$3,447 9 844 2 \$1,906 8 141 3 \$169 7 |
| Hospital Directed Payments 233 3 288 8 293 0 303 3 313 9 324 9 1 2 2 2 2 2 2 2 2 2 | 336 2 348 0 826 1 854 1 24 0 24 0 309 2 \$3,447 9 844 2 \$1,906 8 141 3 \$169 7 |
| Other Pass Through Payments (MCO Tax) 376 7 709 4 720 6 747 5 772 8 799 0 Other Revenue (interest) 21 1 31 1 24.0 24 0 24 0 24 0 Subtotal \$1,836 1 \$2,574.0 \$2,762.9 \$2,902.7 \$3,043.3 \$3,178.2 \$3,525.0 Expenses Sexpenses Wedi-Cal Benefits \$1,077.6 \$1,521.9 \$1,608.9 \$1,681.8 \$1,734.3 \$1,788.4 \$1,1 Medi-Cal Benefits 0 0 0 \$40.1 \$86.2 \$116.7 \$1 Hospital Directed Payments 231.9 291.6 293.0 303.3 313.9 324.9 | 826 1 854 1 24 0 24 0 309.2 \$3,447 9 844 2 \$1,906 8 141 3 \$169 7 |
| Other Revenue (interest) 21 1 31 1 24 0 24 0 24 0 24 0 24 0 24 0 24 0 Subtotal Subtotal \$1,836 1 \$2,574 0 \$2,762 9 \$2,902 7 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,044 3 \$1,044 3 | 24 0 24 0 309.2 \$3,447 9 844 2 \$1,906 8 141 3 \$169 7 |
| Subtotal \$1,836 1 \$2,574 0 \$2,762 9 \$2,902 7 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,043 3 \$3,043 3 \$3,178 2 \$3,043 3 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,043 3 \$3,178 2 \$3,044 3 \$1,076 3 \$1,078 3 \$1,078 3 \$3,043 3 \$3,178 2 \$3,041 3 \$3,047 3 \$3,043 3 \$3,178 2 \$3,047 3 \$3,047 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 \$3,049 3 | 309.2 \$3,447.9 844.2 \$1,906.8 141.3 \$169.7 |
| Medi-Cal Expenses \$1,077 6 \$1,521 9 \$1,608.9 \$1,681 8 \$1,734 3 \$1,788 4 \$1,1 0.5 NP Benefits Non-Medical Expenses 231 9 291 6 293 0 303 3 313 9 324 9 | 141 3 \$169 7 |
| D-SNP Benefits 0 0 0 \$40.1 \$86.2 \$116.7 \$ Hospital Directed Payments 231.9 291.6 293.0 303.3 313.9 324.9 Other Pass Through Payments (MCO Tax) 376.5 5 Subtotal Non-Medical Expenses Medi-Cal \$88.8 \$87.9 \$98.3 \$101.6 \$102.9 \$105.0 \$ D-SNP Direct 0 0 0 \$4.9 \$6.6 \$8.5 D-SNP Allocated 0 \$88.8 \$87.9 \$98.3 \$101.6 \$102.9 \$105.0 \$ D-SNP Allocated 5 0 0 0 \$1.9 \$4.1 \$5.6 \$ Total \$88.8 \$87.9 \$98.3 \$108.4 \$113.6 \$119.1 \$ Non-Medical Expenses Medi-Cal \$102.9 \$105.0 \$ Substitution 1 \$100.0 \$100. | 141 3 \$169 7 |
| D-SNP Benefits 0 0 0 \$40.1 \$86.2 \$116.7 \$ Hospital Directed Payments 23.1 9 291.6 293.0 303.3 313.9 324.9 3 Other Pass Through Payments (MCO Tax) 376.5 376. | 141 3 \$169 7 |
| Hospital Directed Payments 231 9 291 6 293 0 303 3 313 9 324 9 324 9 325 324 9 3 | |
| Other Pass Through Payments (MCO Tax) 376.5 Subtotal 376.5 Non-Medical Expenses Medi-Cal \$88.8 \$87.9 \$98.3 \$101.6 \$102.9 \$105.0 \$ D-SNP Direct 0 0 0 \$4.9 \$6.6 \$5.5 D-SNP Allocated 0 0 \$1.9 \$4.1 \$5.6 Total \$88.8 \$87.9 \$98.3 \$108.4 \$113.6 \$119.1 \$ Net Profit - Before Grants and D-SNP \$61.3 \$36.8 \$42.2 \$21.7 \$22.5 \$30.1 \$ Grants and D-SNP Startup \$0.0 \$10.0 \$0.0 \$0.0 \$0.0 | |
| Subtotal Non-Medical Expenses Medi-Cal \$88.8 \$87.9 \$98.3 \$101.6 \$102.9 \$105.0 | 826 1 854 1 |
| Medi-Cal \$88 8 \$87 9 \$98 3 \$101 6 \$102 9 \$105 0 \$ D-SNP Direct 0 0 0 \$49 \$66 \$85 D-SNP Allocated 0 0 \$19 \$41 \$56 Total \$88 8 \$67 9 \$98 3 \$108 4 \$113 6 \$119 1 \$ Net Profit - Before Grants and D-SNP \$61.3 (\$36.8) \$42 2 \$21 7 \$22.5 \$30.1 \$ Grants and D-SNP Startup \$0.0 (\$100) (\$14.8) \$0.0 \$0.0 \$0.0 | 147.9 \$3,278.6 |
| D-SNP Direct 0 0 0 \$4.9 \$6.6 \$8.5 D-SNP Allocated 0 0 0 \$1.9 \$4.1 \$5.6 Total \$88.8 \$87.9 \$98.3 \$108.4 \$113.6 \$119.1 \$ Net Profit - Before Grants and D-SNP \$61.3 (\$36.8) \$42.2 \$21.7 \$22.5 \$30.1 \$ Grants and D-SNP Startup \$0.0 (\$10.0) (\$14.8) \$0.0 \$0.0 \$0.0 | |
| D-SNP Allocated 0 0 0 \$19 \$41 \$556 Total \$88 8 \$87 9 \$98 3 \$108 4 \$113 6 \$119 1 \$ Net Profit - Before Grants and D-SNP \$61.3 \$68 \$19 \$42 \$217 \$22.5 \$30.1 \$67 \$61 \$100 \$100 \$100 \$100 \$100 \$100 \$100 | 107 5 \$110 1 |
| Total \$88.8 \$67.9 \$98.3 \$108.4 \$113.6 \$119.1 \$ Net Profit - Before Grants and D-SNP \$61.3 \$68.9 \$42.2 \$21.7 \$22.5 \$30.1 \$67.0 | \$91 \$96 |
| Net Profit - Before Grants and D-SNP \$61.3 (\$36.8) \$42.2 \$21.7 \$22.5 \$30.1 \$30.0 \$30 | \$69 \$81 |
| Grants and D-SNP Startup \$0.0 (\$100) (\$14.8) \$0.0 \$0.0 \$0.0 | 123 5 \$127 8 |
| | \$37 9 \$41 4 |
| Contribution to Surplus \$61.3 (\$46.8) \$27.4 \$21.7 \$22.5 \$30.1 | \$0.0 |
| | \$37 9 \$41 4 |
| | 92.5% 92.5% |
| Admin Ratio (non pass-through) 7 2% 5 6% 5 6% 5 9% 5 8% 5 8% | 5.8% 5.7% |
| Capital Reserve | |
| | \$98 9 \$103 0 |
| | 494.4 \$514.9 |
| | 473 2 \$514 6 |
| | 479% 500% |
| Difference from 500% of TNE \$88 3 (\$59 1) (\$49 4) (\$52 3) (\$51 6) (\$40 7) | \$21 2) (\$0 3) |
| Cash Liquidity Test | |
| | 176.9 \$185 1 |
| | 353 8 \$370 3 |
| | 621 0 \$621 0 |
| Months of Cash on Hand 52 4.8 4.3 4.1 3.9 3.7 | 35 34 |
| Difference from Two Months Revenue \$321 0 \$363.5 \$333.4 \$316.3 \$298.9 \$282.6 \$ | 267 2 \$250 7 |

This analysis was prepared for the internal use of Kern Health Systems

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. In particular, there are many non-actuarial accounting assumptions that were provided by KHS. We cannot opine on the appropriateness or completeness of these assumptions.

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. These exhibits should not be provided directly to DMHC as Milliman projections.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors of this document are members of the American Academy of Actuaries, and meet the qualification standards for performing the actuarial analyses in this report.

Key Assumptions – Membership

- KHS membership projection based on DHCS data
 - 500 / month newborns
 - 2025: Static enrollment assumption apart from increases to Child category for new births
 - 2026-2030: Additional membership from D-SNP (starting January 1, 2026)
 - 500 UIS members / month exit starting in 2027
 - No other increases or decreases assumed



Key Assumptions – Revenue

- Medical loss ratio increases by 1% to 93% for 2026 and 2027 due to Medi-Cal rate pressure and introduction of D-SNP, then decreases to 92.5% by 2029.
- Projected non-medical expense (administration) increases in 2026 due to D-SNP introduction and assumes consistent expense as a percent of revenue thereafter
- Investment income, cash and investments remain constant on an annual basis through 2030
- New populations
 - 2026 Medicare Dual Special Needs Plan (D-SNP)
 - Includes Part C (medical) and Part D (pharmacy) benefits



Key Assumptions – Benefits / Claims

- Projected claims based on a combination of projected 2025 claims and expenses supporting 2025 DHCS capitation rates and emerging trends
 - Medical trend = 3.5%, Maternity trend = 3.3%
 - Rate add-on component cost based on DHCS rate documents
 - Enhanced care management, and GEMT based on KHS budget
 - Member quality incentives and medical department compensation (MLR allocation) based on KHS budget

Milliman Milliman

Key Assumptions – Emerging Experience to Monitor

- Actual to expected claims experience compared to budget
- Updates from CMS that impact the D-SNP plan, including final low-income premium subsidy
- Hospital directed payments
- Direct and indirect impacts of state and federal Medicaid policy changes



Caveats and Limitations

This analysis was prepared for the internal use of Kern Health Systems.

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.

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Thank you

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Matt Kridgen, FSA, MAAA matt kridgen@milliman.com

Nick Johnson, FSA, MAAA nick.johnson@milliman.com

Nick Johnson, FSA, MAAA Principal and Consulting Actuary, Milliman Inc.

Nick is a principal and consulting actuary specializing in healthcare in Milliman's Seattle office. He joined the firm in 2009.

Nick's primary expertise is in helping clients understand the financial implications of trends and changes in the healthcare delivery system, particularly in Medicare and dual-eligible populations. He has worked with a broad range of clients, including health plans, integrated delivery systems, provider groups, reinsurers, and the Veterans Health Administration. He has significant experience in Medicare Advantage, Medicare Part D, Medicaid, commercial, and ACA markets.

Nick's primary focus areas include:

Medicare Advantage / Part D

- Bid development and certification
- Product development and feasibility analysis
- Risk score monitoring, forecasting, and optimization
- Risk-sharing contract support for health plans and providers

Managed long-term services and supports (MLTSS)

- Medicaid MLTSS RFP response
- Nursing home to HCBS transition monitoring
- Forecasting and analysis of programmatic changes
- PACE capitation rate setting

Aaron Gates, FSA, MAAA Principal and Consulting Actuary, Milliman Inc.

Aaron is a Consulting Actuary with Milliman's Seattle health practice. He joined the firm in 2011, and has many 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 focus in California. Examples of his experience include risk adjustment and capitation arrangements, minimum loss ratio analysis, reserving, capital adequacy analysis, RFP bid and response support, and Medi-Cal fee schedule analysis.

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.

Matt Kridgen, FSA, MAAA Consulting Actuary

Matt has been with Milliman for ten years and has extensive experience with many stakeholders in MA and Part D. He has developed and certified MA and Part D bids for multiple MA organizations, including other D-SNPs, local CA health plans, and plans new to the MA market. Matt also has considerable experience in the Medi-Cal market and works with numerous local health plans to support rate review, incurred but not paid (IBNP) estimates and reserving, provider contracting and capitation rate development, budgeting, rate development template (RDT) submissions, and financial projections.

Matt leads the development and certifies bids for a number of local CA health plan clients who operate D-SNPs, in addition to client's operating D-SNPs, other types of special needs plans (SNPs), or general enrollment MA plans in multiple states.

Over the past three years, outside of bid development, Matt has spent the bulk of his time supporting local CA health plans as they prepared for offering a D-SNP in 2026. This support has included educational support, Department of Managed Healthcare (DMHC) filings, multi-year financial projections, provider contracting support, review of and financial projections for delegation arrangements, and pharmacy benefit manager (PBM) contacting support. Matt has also spoken at periodic Local Health Plans of California (LHPC) events for Chief Operating Officers and Chief Information Officers.



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Robert Landis, Chief Financial Officer

SUBJECT: Quarterly Review of Kern Health Systems Investment Portfolio

DATE: June 19, 2025

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 period are utilized to pay providers, meet operating expenses, fund capital projects, distribute pass-through monies, potential State premium recoupments, MCO Tax advances, and for amounts owed under various Risk Corridors. 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 period are typically for reserves and to take advantage of obtaining higher yields.

Requested Action

Receive and File.

Kern Health Systems Investment Portfolio 31-Mar-25

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, 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.

| | | | | | | Maximum | | | |
|--|-----|-----|------|-------------|----------------|-----------------------|------------------------------|------------|---------------------------------|
| Description | | | Doll | ar Amount | % of Portfolio | Allowed Per Policy | Approximate Current Yield | Liquidity | Principal Fluctuation |
| | | | 2011 | ar Amount | | · Oney | Carrent Heid | aquitality | Tructuation |
| Wells Fargo - Cash and Sweep Accounts | | (1) | \$ | 5,000,000 | 0.94% | 100% | 3.00% | 1 Day | None |
| Money Market Accounts | (A) | (1) | \$ | 76,300,000 | 14.28% | 40% | 4.17% | 1 Day | None |
| Local Agency Investment Fund (LAIF) | (B) | (2) | \$ | 25,200,000 | 4.72% | 50% | 4.31% | 2 Days | None |
| | | | | | | | | | Subject to |
| LICT Dilla 9 Codoral Association of Michigan | | (4) | | 100 | | | | | Interest Rate |
| US T-Bills & Federal Agencies at Wells Fargo | | (1) | \$ | 199,900,000 | 37.41% | 100% | 4.24% | 1 Day | Fluctuations |
| | | | | | | | | | Subject to Interest Rate and |
| | | | | | | | | | Credit |
| KHS Managed Portfolio at Wells Fargo | (C) | (1) | \$ | 9,800,000 | 1.83% | | 4.52% | 3 Days | Fluctuations |
| Sub-Total | | | \$ | 316,200,000 | 59.17% | 10 | 4.22% | | |

Long Term Port Folio (1 - 5 years)

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

| UBS Managed Portfolio | (D) | \$ 76,600,000 | 14.33% | 4.34% | 3 Days | Subject to Interest Rate and Credit Fluctuations |
|--------------------------------------|-----|-------------------|---------|-------|--------|---|
| KHS Managed Portfolio at Wells Fargo | (C) | \$ 141,600,000 | 26.50% | 4.91% | 3 Days | Subject to Interest Rate and Credit Fluctuations |
| Sub-Total | | \$ 218,200,000 | 40.83% | 4.71% | | |
| Total Portfolio | | \$ 534,400,000 | 100.00% | 4.42% | | |

| | | Yield Curve | | |
|-------------|------------|--------------|-------------|-------|
| | | AA Corporate | A Corporate | |
| Yield Curve | Treasuries | Bonds | Bonds | CD's |
| l year | 4.00% | 4.42% | 4.60% | 3.95% |
| 2 year | 3.83% | 4.31% | 4.52% | 3.85% |
| 3 year | 3.84% | 4.40% | 4.63% | 4.00% |
| 5 year | 3.97% | 4.61% | 4.90% | 4.00% |

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
- (B) LAIF is part of a \$156.8 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 Federal Agency Securities
- (D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.
- (1) Funds are utilized to pay providers, meet operating expenses, fund capital projects, distribute pass-through monies, potential State premium recoupments, MCO Tax advances, 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 the CalPERS Liability



UBS Client Review

As of March 31, 2025

Report Prepared for: Kern Health Systems

| Account Number | Account Name | Туре | Wha |
|-------------------|-----------------|------------------------------|-------|
| EX XX120 | BOND PORTFOLIO | Portfolio Management Program | Portf |
| Risk profile: | Conservative | | Asse |
| Return Objective: | Current Income | | Asse |

at's inside

| Portfolio Review | 7 |
|--|------------|
| Asset Allocation by Account | 5 |
| Asset Allocation Review | ϵ |
| Bond Summary | 7 |
| Bond Holdings | 8 |
| Additional Information About Your Portfolio. | 16 |
| mportant Information About This Report. | 17 |

KHS Board of Directors Meeting, June 19, 2025



Portfolio Review

as of March 31, 2025

Asset Allocation Review

| | | Value on 03/31/2025 (\$) | % of Portfolio | |
|----|---------------------|-----------------------------|-------------------|---|
| A | Cash | 1,863,259.31 | 2.43 | |
| | Cash | 1,863,259.31 | 2.43 | |
| | US | 1,863,259.31 | 2.43 | |
| В | Fixed Income | 74,761,764.91 | 97.57 | |
| | US | 74,761,764.91 | 97.57 | |
| | Corporate IG Credit | 74,761,764.91 | 97.57 | |
| C | Equity | 0.00 | 0.00 | |
| D | Commodities | 0.00 | 0.00 | |
| E | Non-Traditional | 0.00 | 0.00 | В |
| F | Other | 0.00 | 0.00 | |
| To | tal Portfolio | \$76,625,024,22 | 100% | |

Balanced mutual funds and Insurance & Annuity products are allocated in the 'Other category

Portfolio Value and Investment Results

| | Perfor | mance returns (| annualized > 1 | year) |
|--------------------------|--|--|--|-------------------------------------|
| | For period of 12/31/2024 to 03/31/2025 | For period of 12/31/2024 to 03/31/2025 | For period of 12/31/2024 to 03/31/2025 | 2024 12/31/2023 to 12/31/2024 |
| Opening value | 75,185,423.80 | 75,185,423.80 | 75,185,423.80 | 62,402,938.86 |
| Net deposits/withdrawals | -30,167.59 | -30,167.59 | -30,167.59 | 9,897,427.60 |
| Div./interest income | 696,186.36 | 696,186.36 | 696,186.36 | 2,029,555.82 |
| Change in accr. interest | 47,384.40 | 47,384.40 | 47,384.40 | 179,259.02 |
| Change in value | 726,197.25 | 726,197.25 | 726,197.25 | 676,242.50 |
| Closing value | 76,625,024.22 | 76,625,024.22 | 76,625,024.22 | 75,185,423.80 |
| Net Time-weighted ROR | 1.91 | 1.91 | 1.91 | 4.46 |

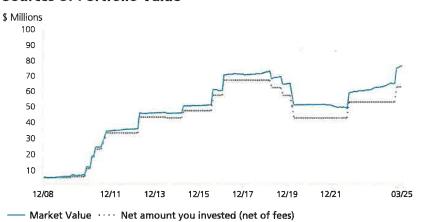
Net deposits and withdrawals include program and account fees.

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative
Return Objective: Current Income

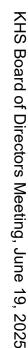
Sources of Portfolio Value



Summary of Gains and Losses

| | Short term (\$) | Long term (\$) | Total (\$) |
|--------------------------------|-----------------|----------------|------------|
| 2024 Realized gains and losses | 25,376.54 | 133,272.58 | 158,649.12 |
| Taxable | 25,376.54 | 133,272.58 | 158,649.12 |
| Tax-Deferred | 0.00 | 0.00 | 0.00 |
| 2025 Year to date | 0.00 | 0.00 | 0.00 |
| Taxable | 0.00 | 0.00 | 0.00 |
| Tax-Deferred | 0.00 | 0.00 | 0.00 |

Prior to 2024, Interest income for short-term obligations that were held to maturity or redeemed is displayed as realized gain; however, it will be reported as interest income on your annual 1099 and PR480.6 tax forms.

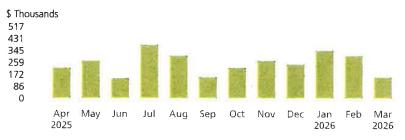




Portfolio Review

as of March 31, 2025 (continued)

Expected Cash Flow



Taxable income

Total taxable income: \$3,115,457.40 Total expected cash flow: \$3,115,457.40

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

Equity Sector Analysis

Compared to S&P 500 index

| Tomparou to bar boo mack | Value on | | | |
|--------------------------|-----------------|------------|-----------|---------------|
| | 03/31/2025 (\$) | Actual (%) | Model (%) | Gap (%) |
| Communication Services | 0.00 | 0.00 | 9.66 | -9.66 |
| Consumer Discretionary | 0.00 | 0.00 | 11.02 | -11.02 |
| Consumer Staples | 0.00 | 0.00 | 6.41 | -6.41 |
| Energy | 0.00 | 0.00 | 3.10 | - 3.10 |
| Financials | 0.00 | 0.00 | 13.90 | -13.90 |
| Health Care | 0.00 | 0.00 | 9.49 | -9.49 |
| Industrials | 0.00 | 0.00 | 8.63 | -8,63 |
| Information Technology | 0.00 | 0.00 | 31.34 | -31.34 |
| Materials | 0.00 | 0.00 | 1.92 | -1.92 |
| Real Estate | 0.00 | 0.00 | 2.13 | -2.13 |
| Utilities | 0.00 | 0.00 | 2.40 | -2.40 |
| Total classified equity | \$0.00 | _ | | |

0.00

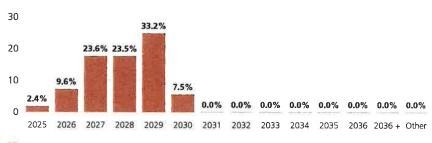
EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative
Return Objective: Current Income

Bond Maturity Schedule

\$ Millions



Effective maturity schedule

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

Unclassified Securities



EX XX120 • BOND PORTFOLIO • Portfolio Management Program

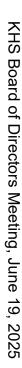
Prepared for Kern Health Systems

Risk profile: Conservative
Return Objective: Current Income

Summary of Performance by Account

Performance returns (annualized > 1 year)

| | v === === v v v v v v v v v v v v v v v | Performance start date | Value on 03/31/2025 (\$) | % of portfolio | | For period of 12/31/2024 to 03/31/2025 | For period of 12/31/2024 to 03/31/2025 | For period of 12/31/2024 to 03/31/2025 | 2024 12/31/2023 to 12/31/2024 |
|--------------------------|--|---------------------------|-----------------------------|----------------|-------------------|--|--|--|--------------------------------------|
| EX XX120 | BOND PORTFOLIO•PMP•Ira Cohen / Jason Cohen Fixed Income Risk profile: Conservative | Dec 08, 2008 | 76,625,024.22 | 100.00% | Net time-weighted | 1.91% | 1.91% | 1.91% | 4.46% |
| | Return objective: Current Income | | | | | | | | |
| Total Porti | folio | Dec 08, 2008 | \$76,625,024.22 | 100% | Net time-weighted | 1.91% | 1.91% | 1.91% | 4.46% |
| | | | | | | F | F | F | 2024 |
| Benchmari | ks - Annualized time-weighted returns | | | | | For period of 12/31/2024 to 03/31/2025 | For period of 12/31/2024 to 03/31/2025 | For period of 12/31/2024 to 03/31/2025 | 2024 12/31/2023 to 12/31/2024 |
| Benchmari Blended Inc | | | | | | 12/31/2024 to | 12/31/2024 to | 12/31/2024 to | 12/31/2023 to |
| Blended Inc | | | | | | 12/31/2024 to 03/31/2025 | 12/31/2024 to 03/31/2025 | 12/31/2024 to 03/31/2025 | 12/31/2023 to 12/31/2024 |
| Blended Inc | dex y Bill - 3 Mos | | | | | 12/31/2024 to 03/31/2025 1.62% | 12/31/2024 to 03/31/2025 1.62% | 12/31/2024 to 03/31/2025 1.62% | 12/31/2023 to 12/31/2024 4.77% |





Asset Allocation by Account

as of March 31, 2025

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile:

Conservative

Return Objective: Current Income

| | _ | E | quities (\$/%) | | Fix | ed Income (\$/%) | | | | | |
|-----------------|----------------------|--------------|----------------|---------------|------------------------|------------------|---------------|---------------------------|-----------------------|--------------|----------------------------|
| | Cash (\$/%) | U.S. | Global | International | U.S. | Global | International | Non-Traditional (\$/%) | Commodities (\$/%) | Other (\$/%) | Total |
| | 1,863,259.31 | 00,0 | 0.00 | 0.00 | 74,761,764.91 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$76,625,024.22 |
| Total Portfolio | 2.43 | 0.00 | 0.00 | 0.00 | 97.57 | 0.00 | 0.00 | 0,00 | 0.00 | 0.00 | 100% |
| | 1,863,259.31 2.43 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 | 74,761,764.91 97.57 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 | \$76,625,024.22 100.00% |

EX XX120 . BOND PORTFOLIO . BSA PMP

Risk profile: Conservative Return objective: Current Income

| | | Equ | ities (\$/%) | | Fixed | d Income (\$/%) | | | | | |
|------------------------|--------------|------|--------------|---------------|---------------|-----------------|---------------|---------------------------|-----------------------|--------------|-----------------|
| | Cash (\$/%) | U.S. | Global | International | U.S. | Global | International | Non-Traditional (\$/%) | Commodities (\$/%) | Other (\$/%) | Total |
| | 1,863,259.31 | 0.00 | 0.00 | 0.00 | 74,761,764.91 | 0.00 | 0,00 | 0.00 | 0.00 | 0.00 | \$76,625,024.22 |
| Total Portfolio | 2.43 | 0.00 | 0.00 | 0.00 | 97.57 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100% |

Balanced mutual funds and Insurance & Annuity products are allocated in the 'Other' category



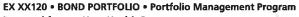
Asset Allocation Review

as of March 31, 2025

Summary of Asset Allocation

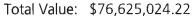
| | Market value (\$) | % of Portfolio |
|---------------------|----------------------|-------------------|
| Cash | 1,863,259.31 | 2.43 |
| Cash | 1,863,259.31 | 2.43 |
| US | 1,863,259.31 | 2.43 |
| Fixed Income | 74,761,764.91 | 97.57 |
| US | 74,761,764.91 | 97.57 |
| Corporate IG Credit | 74,761,764.91 | 97.57 |
| Equity | 0.00 | 0.00 |
| Commodities | 0.00 | 0.00 |
| Non-Traditional | 0.00 | 0.00 |
| Other | 0.00 | 0.00 |
| Total Portfolio | \$76,625,024.22 | 100% |

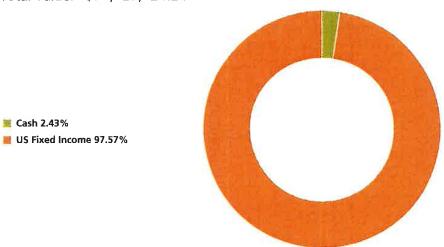
Balanced mutual funds and Insurance & Annuity products are allocated in the 'Other' category

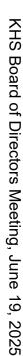


Prepared for Kern Health Systems

Risk profile: Conservative Return Objective: Current Income









Bond Summary

as of March 31, 2025

Bond Overview

| Total quantity | 74,225,000 |
|--|-----------------|
| Total market value | \$74,015,564.25 |
| Total accrued interest | \$746,200.66 |
| Total market value plus accrued interest | \$74,761,764.91 |
| Total estimated annual bond interest | \$3,073,018.50 |
| Average coupon | 4.15% |
| Average current yield | 4.15% |
| Average yield to maturity | 4.35% |
| Average yield to worst | 4.34% |
| Average modified duration | 2.69 |
| Average effective maturity | 3.16 |

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Return Objective: Current Income

Conservative

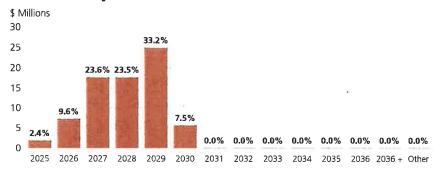
Investment Type Allocation

| U.S. corporates | Taxable (\$) | deferred (\$) | Total (\$) | port. |
|-----------------------|---|----------------|---|--------|
| | 74,761,764.91 | 0.00 | 74,761,764.91 | 100.00 |
| U.S. corporates Total | 74,761,764.91 \$74,761,764.91 | 0.00 \$0.00 | 74,761,764.91 \$74,761,764.91 | 100.00 |

Credit Quality of Bond Holdings

| Tota | al | 46 | \$74,761,764.91 | 100% | |
|----------|------------------------|--------|-----------------------------|------------|-----|
| <u>G</u> | Not rated | 0 | 0.00 | 0.00 | |
| F | Certificate of deposit | 0 | 0.00 | 0.00 | C |
| E | Non-investment grade | 0 | 0.00 | 0.00 | |
| D | Baa/BBB/BBB | 0 | 0.00 | 0.00 | H . |
| C | A/A/A | 35 | 58,812,032.92 | 78.62 | |
| В | Aa/AA/AA | 11 | 15,949,731.99 | 21.38 | |
| A | Aaa/AAA/AAA | 0 | 0.00 | 0.00 | |
| Effe | ctive credit rating | Issues | Value on 03/31/2025 (\$) | % of port. | |

Bond Maturity Schedule



Effective maturity schedule

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

Includes all fixed income securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Holdings as of March 31, 2025

Summary of Bond Holdings

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

Return Objective: Current Income

| 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 |
|------------------|--------|------------|-------------------------|----------------------|-----------------------|-----------------------|-------------------|--------------------------|---------------------------|-----------------|------------------------------|
| 2025 | 1 | 1,800,000 | 72,000.00 | 4.01% | 4.46% | 4.46% | 0.30 | 1,798,200 | -954.00 | 1,810,846.00 | 2.43% |
| 2026 | 5 | 7,250,000 | 234,687.50 | 3.28% | 4.36% | 4.36% | 1.14 | 6,914,928 | 237,987.00 | 7,222,721.25 | 9.66% |
| 2027 | 13 | 17,675,000 | 644,641.25 | 3.69% | 4.21% | 4.21% | 2.16 | 17,201,599.69 | 262,874.56 | 17,634,826.44 | 23,60% |
| 2028 | 10 | 17,525,000 | 725,733.50 | 4.16% | 4.32% | 4.31% | 2.82 | 17,291,848.98 | 137,025.52 | 17,619,041.68 | 23.55% |
| 2029 | 14 | 24,475,000 | 1,117,081.25 | 4.54% | 4.43% | 4.42% | 3.42 | 24,245,890.34 | 346,874.16 | 24,857,761.76 | 33.23% |
| 2030 | 3 | 5,500,000 | 278,875.00 | 5.00% | 4.53% | 4.53% | 4.16 | 5,507,154.28 | 72,135.72 | 5,616,567.78 | 7.54% |
| 2031 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2032 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2033 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2034 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2035 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2036 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2037 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2038 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2039 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2040 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2041 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2042 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2043 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2044 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2045 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2046 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2047 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2048 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2049 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2050 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2050 + | 0 | 0 | | | N/A | N/A | N/A | | | | |
| Other | 0 | 0 | | | N/A | N/A | N/A | | | | |
| Total | 46 | 74,225,000 | \$3,073,018.50 | 4.15% | 4.35% | 4.34% | 2,69 | \$72,959,621,29 | \$1,055,942.96 | \$74,761,764.91 | |



Details of Bond Holdings

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|--|---|------------|--------|-----------------------|-------------------------------|--|---------------------|----------------------|--|----------------------|--|-----------------------|
| Total Bond Portfolio | | 74,225,000 | 4.15% | 05/27/2028 | N/A | \$3,073,018.50 4.15% | 4.35% 4.34% | 2.69 | \$72,959,621.29 \$1,055,942.96 | N/A | \$74,015,564.25 \$746,200.66 \$74,761,764.91 | 100% |
| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
| Maturing 2025 | | | | | | | | | | | | |
| MORGAN STANLEY B/E 04.000% 072325 DTD072315 FC012316 CALL@MW+25BP | A1/A+/A- NR/NR/NR | 1,800,000 | 4.00% | 07/23/2025 | | 72,000.00 4.01% | 4.46% 4.46% | 0.30 | 1,798,200.00 -954.00 | 99.847 | 1,797,246.00 13,600.00 | 2.43% |
| Total 2025 | | 1,800,000 | 4.00% | 07/23/2025 | | \$72,000.00 4.01% | 4.46% 4.46% | 0.30 | \$1,798,200.00 \$-954.00 | | \$1,797,246.00 \$13,600.00 | 2.43% |
| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
| Maturing 2026 | | | | | | | | | | | | |
| LOCKHEED MARTIN CORP B/E 03.550% 011526 DTD112315 FC071516 CALL@MW+20BP | A2/A/A- NR/NR/NR | 1,500,000 | 3.55% | 01/15/2026 | 10/15/2025 100.00 | 53,250.00 3.57% | 4.35% 4.35% | 0.76 | 1,445,685.00 45,015.00 | 99.380 | 1,490,700.00 11,241.67 | 2.01% |
| BANK OF AMER CORP NTS 03.500% 041926 DTD041916 FC101916 B/E | A1/AA-/A- NR/NR/NR | 1,650,000 | 3.50% | 04/19/2026 | | 57,750.00 3.53% | 4.45% 4.45% | 1.00 | 1,581,525.00 52,486.50 | 99.031 | 1,634,011.50 25,987.50 | 2.21% |
| PROLOGIS NTS B/E 03,250% 063026 DTD063022 FC123022 CALL@MW+30B | NR/NR/NR | 1,250,000 | 3.25% | 06/30/2026 | 03/30/2026 100.00 | 40,625.00 3.30% | 4.39% 4.39% | 1.19 | 1,183,125.00 49,612.50 | 98.619 | 1,232,737.50 10,156.25 | 1.67% |
| ARCHER-DANIELS-MIDL& CO 02.500% 081126 DTD081116 FC021117 CALL@MW+15BP | O A2/A/A NR/NR/NR | 1,500,000 | 2.50% | 08/11/2026 | 05/11/2026 100.00 | 37,500.00 2.56% | 4.35% 4.35% | 1.31 | 1,425,765.00 37,845.00 | 97.574 | 1,463,610.00 5,208.33 | 1.98% |
| WALT DISNEY COMPANY/THE 03.375% 111526 DTD111519 CALL@MW+20BP | A2/A-/A NR/NR/NR | 1,350,000 | 3.38% | 11/15/2026 | 08/15/2026 100.00 | 45,562.50 3.42% | 4.24% 4.24% | 1.53 | 1,278,828.00 53,028.00 | 98.656 | 1,331,856.00 17,212.50 | 1.80% |

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Holdings as of March 31, 2025 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative Return Objective: Current Income

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|--|---|-----------|--------|-----------------------|-------------------------------|--|---------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2026 | | | | | | | | | | | | |
| Total 2026 | | 7,250,000 | 3.24% | 06/14/2026 | | \$234,687.50 3.28% | 4.36% 4.36% | 1.14 | \$6,914,928.00 \$237,987.00 | | \$7,152,915.00 \$69,806.25 | 9.66% |
| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
| Maturing 2027 | | | | | | | | | | | | |
| MORGAN STANLEY B/E 03.625% 012027 DTD012017 FC072017 | A1/A+/A- NR/NR/NR | 1,000,000 | 3.63% | 01/20/2027 | 11/15/2026 100.00 | 36,250.00 3.67% | 4.29% 4.29% | 1.71 | 913,100.00 75,460.00 | 98.856 | 988,560.00 7,149.31 | 1.34% |
| IBM CORP B/E 03.300% 012727 DTD012717 FC072717 CALL@MW+15B | A3/A-/A- NR/NR/NR P | 1,100,000 | 3.30% | 01/27/2027 | | 36,300.00 3.36% | 4.39% 4.39% | 1.73 | 1,060,532.00 18,700.00 | 98.112 | 1,079,232.00 6,453.33 | 1.46% |
| COCA-COLA CO NTS B/E 03.375% 032527 DTD032520 FC092520 CALL@MW+40BP | A1/WD/A+ NR/NR/NR | 1,675,000 | 3.38% | 03/25/2027 | 01/25/2027 100.00 | 56,531.25 3.42% | 4.14% 4.14% | 1.89 | 1,644,582.00 6,348.25 | 98.563 | 1,650,930.25 942.19 | 2,23% |
| AMAZON.COM INC NTS B/0 03.300% 041327 DTD041322 FC101322 CALL@MW+10BP | A1/AA-/AA NR/NR/NR | 1,000,000 | 3.30% | 04/13/2027 | 03/13/2027 100.00 | 33,000.00 3.36% | 4.19% 4.19% | 1.91 | 942,880.00 39,990.00 | 98.287 | 982,870.00 15,400.00 | 1.33% |
| QUALCOMM INC NTS B/E 03.250% 052027 DTD052617 FC112017 CAI @MW+20BP | A2/NR/A NR/NR/NR L | 1,000,000 | 3.25% | 05/20/2027 | 02/20/2027 100.00 | 32,500.00 3.31% | 4.21% 4.21% | 2.01 | 967,941.00 12,649.00 | 98.059 | 980,590.00 11,826.39 | 1.32% |
| ELI LILLY & CO NTS B/E 04.150% 081427 DTD081424 FC021425 CALL@MW+07BP | Aa3/NR/A+ NR/NR/NR | 1,500,000 | 4.15% | 08/14/2027 | 07/14/2027 100.00 | 62,250.00 4.15% | 4.14% 4.14% | 2.22 | 1,504,932.31 -4,752.31 | 100,012 | 1,500,180.00 8,127.08 | 2.03% |
| META PLATFORMS INC NTS 03.500% 081527 DTD080922 FC021523 CALL@MW+15BP | Aa3/NR/AA- NR/NR/NR | 1,500,000 | 3.50% | 08/15/2027 | 07/15/2027 100.00 | 52,500,00 3.55% | 4.16% 4.16% | 2.24 | 1,446,825.00 31,095.00 | 98.528 | 1,477,920.00 6,708.33 | 2.00% |
| WALMART INC NTS B/E 03,950% 090927 DTD090922 FC030923 CALL@MW+10BP | Aa2/AA/AA NR/NR/NR | 2,000,000 | 3.95% | 09/09/2027 | 08/09/2027 100.00 | 79,000.00 3.96% | 4.09% 4.09% | 2.29 | 1,984,580.00 8,980.00 | 99.678 | 1,993,560.00 4,827.78 | 2.69% |

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Return Objective: Current Income

UBS

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|---|---|------------|--------|-----------------------|-------------------------------|--|---------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2027 | | | | | | | | | | | | |
| CATERPILLAR FINL SERVICE 04.400% 101527 DTD081624 CALL@MW+10BP | A2/A+/A NR/NR/NR | 1,200,000 | 4.40% | 10/15/2027 | | 52,800.00 4.39% | 4.26% 4.26% | 2.33 | 1,208,139.38 -4,263.38 | 100.323 | 1,203,876.00 24,346.67 | 1.63% |
| PEPSICO INC NTS B/E 03.000% 101527 DTD101017 FC041518 CALL@MW+15BP | A1/WD/A+ NR/NR/NR | 2,100,000 | 3.00% | 10/15/2027 | 07/15/2027 100.00 | 63,000.00 3.09% | 4.18% 4.18% | 2.37 | 2,046,975.00 -6,300.00 | 97.175 | 2,040,675.00 29,050.00 | 2.76% |
| BANK OF AMER CORP 03.248% 102127 DTD102116 FC042117 CALL@MW+25BP | A1/AA-/A- NR/NR/NR | 2,000,000 | 3.25% | 10/21/2027 | 10/21/2026 100.00 | 64,960.00 3.34% | 4.34% 4.34% | 2.38 | 1,891,000.00 56,500.00 | 97.375 | 1,947,500.00 28,871.11 | 2.63% |
| THERMO FISHER SCIENTIFIC 04.800% 112127 DTD112122 CALL@MW+15BP | A3/A-/A- NR/NR/NR | 1,100,000 | 4.80% | 11/21/2027 | 10/21/2027 100.00 | 52,800.00 4.74% | 4.30% 4.29% | 2.33 | 1,096,733.00 16,808.00 | 101.231 | 1,113,541.00 19,066.67 | 1.50% |
| AMAZON.COM INC NTS B/I 04.550% 120127 DTD120122 FC060123 CALL@MW+10BP | A1/AA-/AA NR/NR/NR | 500,000 | 4.55% | 12/01/2027 | 11/01/2027 100.00 | 22,750.00 4.50% | 4.14% 4.13% | 2.37 | 493,380.00 11,660.00 | 101.008 | 505,040.00 7,583.33 | 0.68% |
| Total 2027 | | 17,675,000 | 3.65% | 07/28/2027 | | \$644,641.25 3.69% | 4.21% 4.21% | 2.16 | \$17,201,599.69 \$262,874.56 | | \$17,464,474.25 \$170,352.19 | 23.60% |
| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
| Maturing 2028 | | | | | | | | | | | | |
| ECOLAB INC NTS B/E 05.250% 011528 DTD111722 CALL@MW+15BP | A3/A-/A- NR/NR/NR | 1,000,000 | 5.25% | 01/15/2028 | 12/15/2027 100.00 | 52,500.00 5.11% | 4.19% 4.16% | 2.47 | 1,007,595.46 19,954.54 | 102.755 | 1,027,550.00 11,083.33 | 1.39% |
| BRISTOL-MYERS SQUIBB CO 03.900% 022028 DTD022020 FC082020 CALL@MW+20BP |) A2/WD/A NR/NR/NR | 2,000,000 | 3.90% | 02/20/2028 | 11/20/2027 100.00 | 78,000.00 3.94% | 4,26% 4,26% | 2.68 | 1,938,170.00 42,190.00 | 99.018 | 1,980,360.00 8,883.33 | 2.68% |

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Holdings as of March 31, 2025 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for **Kern Health Systems**

Risk profile: Conservative Return Objective: Current Income

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|--|---|------------|--------|-----------------------|-------------------------------|--|---------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2028 | | | | | | | | | | | | |
| KENVUE INC NTS B/E 05.050% 032228 DTD092223 FC032224 CALL@MW+15BP | A1/NR/A NR/NR/NR | 500,000 | 5.05% | 03/22/2028 | 02/22/2028 100.00 | 25,250.00 4.95% | 4.29% 4.28% | 2.65 | 499,325.00 11,120.00 | 102.089 | 510,445.00 631.25 | 0.69% |
| SALESFORCE.COM INC NTS 03.700% 041128 DTD041118 FC101118 CALL@MW+15BP | A1/NR/A+ NR/NR/NR | 2,000,000 | 3.70% | 04/11/2028 | 01/11/2028 100.00 | 74,000.00 3.76% | 4.25% 4.25% | 2.78 | 1,959,650.00 9,450.00 | 98.455 | 1,969,100.00 34,944.44 | 2.66% |
| GENERAL DYNAMICS CORP 03.750% 051528 DTD051118 FC111518 CALL@MW+15BP | A2/WD/A NR/NR/NR | 2,000,000 | 3.75% | 05/15/2028 | 02/15/2028 100,00 | 75,000.00 3.82% | 4.36% 4.36% | 2.87 | 1,950,170.00 14,630.00 | 98.240 | 1,964,800.00 28,333.33 | 2.65% |
| MERCK & CO INC NTS B/E 04.050% 051728 DTD051723 FC111723 | Aa3/NR/A+ NR/NR/NR | 1,975,000 | 4.05% | 05/17/2028 | 04/17/2028 100.00 | 79,987.50 4.06% | 4.14% 4.14% | 2.86 | 1,978,191.24 -8,642.24 | 99,724 | 1,969,549.00 29,773.13 | 2.66% |
| CME GROUP INC NTS B/E 03.750% 061528 DTD062118 FC121518 CALL@MW+15BP | Aa3/AA-/AA- NR/NR/NR | 1,400,000 | 3.75% | 06/15/2028 | 03/15/2028 100.00 | 52,500.00 3.80% | 4.20% 4.20% | 2.95 | 1,400,314.78 -19,018.78 | 98.664 | 1,381,296.00 15,458.33 | 1.87% |
| JPMORGAN CHASE & CO NTS 4.851% 072528 DTD072522 FC012523 CALL@MW+30BP | A1/AA-/A NR/NR/NR | 2,100,000 | 4.85% | 07/25/2028 | 07/25/2027 100.00 | 101,871.00 4.82% | 4.65% 4.57% | 2.15 | 2,108,930.50 3,585.50 | 100.596 | 2,112,516.00 18,676.35 | 2.85% |
| UNION PAC CORP B/E 03.950% 091028 DTD060818 FC031019 CALL@MW+20BP | A3/A-/A- NR/NR/NR | 2,250,000 | 3.95% | 09/10/2028 | 06/10/2028 100.00 | 88,875.00 4.00% | 4.35% 4.35% | 3.17 | 2,230,830.00 -9,337.50 | 98.733 | 2,221,492.50 5,184.38 | 3.00% |
| ABBVIE INC B/E 04.250% 111428 DTD091818 FC051419 CALL@MW+25BI | A3/NR/A- NR/NR/NR | 2,300,000 | 4.25% | 11/14/2028 | 08/14/2028 100.00 | 97,750.00 4.27% | 4,36% 4.36% | 3.26 | 2,218,672.00 73,094.00 | 99.642 | 2,291,766.00 37,199.31 | 3.10% |
| Total 2028 | | 17,525,000 | 4.15% | 06/13/2028 | | \$725,733.50 4.16% | 4.32% 4.31% | 2.82\$ | 17,291,848.98 \$137,025.52 | | \$17,428,874.50 \$190,167.18 | 23.55% |

Return Objective: Current Income

Bond Holdings as of March 31, 2025 (continued)

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|--|---|-----------|--------|-----------------------|-------------------------------|--|---------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2029 | | | | | | | | | | | | |
| PROCTER & GAMBLE CO/TH 04.350% 012929 DTD012924 FC072924 CALL@MW+5BP | IE Aa3/NR/AA- NR/NR/NR | 1,025,000 | 4.35% | 01/29/2029 | | 44,587.50 4.32% | 4.13% 4.13% | 3.47 | 1,022,627.50 10,070,25 | 100.751 | 1,032,697.75 7,678.96 | 1.40% |
| ELI LILLY & CO NTS B/E 04.500% 020929 DTD020924 FC080924 CALL@MW+10BP | Aa3/NR/A+ NR/NR/NR | 1,500,000 | 4.50% | 02/09/2029 | 01/09/2029 100.00 | 67,500.00 4.47% | 4.29% 4.29% | 3.40 | 1,492,560.00 18,375.00 | 100.729 | 1,510,935.00 9,750.00 | 2.04% |
| LOCKHEED MARTIN CORP NTS 04.500% 021529 DTD012924 FC081524 CALL@MW+10BP | A2/A/A- NR/NR/NR | 1,075,000 | 4.50% | 02/15/2029 | 01/15/2029 100.00 | 48,375.00 4.49% | 4.44% 4.44% | 3.41 | 1,065,223.50 12,152.25 | 100.221 | 1,077,375.75 6,181.25 | 1.46% |
| WASTE MGMT INC NTS B/E 04.875% 021529 DTD080323 FC021524 CALL@MW+15BP | A3/A-/A- NR/NR/NR | 2,325,000 | 4.88% | 02/15/2029 | 01/15/2029 100.00 | 113,343.75 4.80% | 4.40% 4.40% | 3,39 | 2,328,456.48 34,999.02 | 101.654 | 2,363,455.50 14,482.81 | 3.19% |
| CISCO SYSTEMS INC NTS 04.850% 022629 DTD022624 FC082624 CALL@MW+10BP | A1/NR/AA- NR/NR/NR | 1,950,000 | 4.85% | 02/26/2029 | 01/26/2029 100.00 | 94,575.00 4.77% | 4.37% 4.37% | 3,43 | 1,971,389.26 11,468.24 | 101.685 | 1,982,857.50 9,194.79 | 2.68% |
| LAM RESEARCH CORP B/E 04.000% 031529 DTD030419 FC091519 CALL@MW+25BP | A2/NR/A- NR/NR/NR | 1,500,000 | 4.00% | 03/15/2029 | 12/15/2028 100,00 | 60,000.00 4.07% | 4.45% 4.45% | 3.60 | 1,457,025.00 18,870.00 | 98.393 | 1,475,895.00 2,666.67 | 1.99% |
| HOME DEPOT INC NTS B/E 04.900% 041529 DTD120423 FC041524 | A2/A/A NR/NR/NR | 2,000,000 | 4.90% | 04/15/2029 | 03/15/2029 100.00 | 98,000.00 4.81% | 4.40% 4.39% | 3.56 | 2,002,264.69 34,335.31 | 101.830 | 2,036,600.00 45,188.89 | 2.75% |
| AMER EXPRESS CO NTS B/E 04.050% 050329 DTD050322 FC110322 | A2/A/A- NR/NR/NR | 2,000,000 | 4.05% | 05/03/2029 | 03/03/2029 100.00 | 81,000.00 4.10% | 4.38% 4.38% | 3.66 | 1,946,340.00 29,220.00 | 98.778 | 1,975,560.00 33,300.00 | 2.67% |
| UNITED HEALTH GROUP INC 04.000% 051529 DTD052022 FC111522 CALL@MW+20BP | A2/A/A+ NR/NR/NR | 2,000,000 | 4.00% | 05/15/2029 | 03/15/2029 100.00 | 80,000.00 4.07% | 4.48% 4.48% | 3.69 | 1,901,020.00 63,220.00 | 98,212 | 1,964,240.00 30,222.22 | 2.65% |

KHS Board of Directors Meeting, June 19, 2025



Bond Holdings as of March 31, 2025 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for

Kern Health Systems

Risk profile: Return Objective: Current Income

Conservative

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|--|---|------------|--------|-----------------------|-------------------------------|--|---------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2029 | | | | | | | | | | | | |
| COMCAST CORP NTS B/E 05.100% 060129 DTD052224 FC120124 CALL@MW+10BP | A3/A-/A- NR/NR/NR | 1,300,000 | 5.10% | 06/01/2029 | 05/01/2029 100.00 | 66,300.00 4.99% | 4.51% 4.50% | 3.58 | 1,294,046.00 34,762.00 | 102.216 | 1,328,808.00 22,100.00 | 1.80% |
| APPLIED MATERIALS INC 04.800% 061529 DTD061124 FC121524 CALL@MW+10BP | A2/NR/A NR/NR/NR | 2,300,000 | 4.80% | 06/15/2029 | 05/15/2029 100.00 | 110,400.00 4.73% | 4.40% 4.39% | 3.64 | 2,309,577.91 25,382.09 | 101.520 | 2,334,960.00 32,506.67 | 3.15% |
| PEPSICO INC NTS B/E 04.500% 071729 DTD071724 FC011725 CALL@MW+10BP | A1/NR/A+ NR/NR/NR | 2,000,000 | 4.50% | 07/17/2029 | 06/17/2029 100.00 | 90,000.00 4.46% | 4.28% 4.28% | 3.75 | 1,994,280.00 22,540.00 | 100.841 | 2,016,820.00 18,500.00 | 2.72% |
| ELI LILLY & CO NTS B/E 04.200% 081429 DTD081424 FC021425 CALL@MW+10BP | Aa3/NR/A+ NR/NR/NR | 1,500,000 | 4.20% | 08/14/2029 | 07/14/2029 100.00 | 63,000.00 4.23% | 4.37% 4.37% | 3.92 | 1,471,080.00 19,020.00 | 99.340 | 1,490,100.00 8,225.00 | 2.01% |
| GOLDMAN SACHS GROUP INC 05.000% 123129 DTD123124 FC123125 MED TERM NTS | A2/A/BBB+ NR/NR/NR | 2,000,000 | 5.00% | 12/31/2029 | 12/31/2026 100.00 | 100,000.00 4.99% | 4.96% 4.91% | 1.62 | 1,990,000.00 12,460.00 | 100.123 | 2,002,460.00 25,000.00 | 2.71% |
| Total 2029 | | 24,475,000 | 4.57% | 05/12/2029 | | \$1,117,081.25 4.54% | 4.43% 4.42% | 3.42\$ | 24,245,890.34 \$346,874.16 | | \$24,592,764.50 \$264,997.26 | 33.23% |
| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
| Maturing 2030 | | | | | | | | | | | | |
| CATERPILLAR FINL SERVICE 04.800% 010830 DTD010825 FC070825 CALL@MW+10BP | A2/A+/A NR/NR/NR | 2,000,000 | 4.80% | 01/08/2030 | | 96,000.00 4.74% | 4.50% 4.50% | 4.18 | 1,992,980.00 32,640.00 | 101.281 | 2,025,620.00 22,133.33 | 2.74% |
| CONOCOPHILLIPS CO NTS 04.700% 011530 | A2/A/A- NR/NR/NR | 1,000,000 | 4.70% | 01/15/2030 | 12/15/2029 100.00 | 47,000.00 4.68% | 4.59% 4.59% | 4.12 | 993,920.00 10,750.00 | 100.467 | 1,004,670.00 15,144.44 | 1.36% |

DTD120524 FC071525 CALL@MW+10BP





Bond Holdings as of March 31, 2025 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative Return Objective: Current Income

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|---|---|-----------|--------|-----------------------|-------------------------------|--|---------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2030 | | | | | | | | | | | | |
| TRUIST FINANCIAL CORP 05.435% 012430 DTD012424 FC072424 MED TERM NTS | Baa1/A-/A- NR/NR/NR) | 2,500,000 | 5.44% | 01/24/2030 | 01/24/2029 100.00 | 135,875,00 5,33% | N/A N/A | N/A | 2,520,254.28 28,745.72 | 101.960 | 2,549,000.00 0.00 | 3.44% |
| Total 2030 | | 5,500,000 | 5.07% | 01/17/2030 | | \$278,875.00 5.00% | 4.53% 4.53% | 4.16 | \$5,507,154.28 \$72,135.72 | | \$5,579,290.00 \$37,277.78 | 7.54% |
| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
| | | | | 05/27/2028 | N/A | \$3,073,018.50 | 4.35% | | 72,959,621,29 | N/A | \$74.015.564.25 | 100% |



Additional Information About Your Portfolio

as of March 31, 2025

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 - 06/30/2023: 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y **06/30/2023 - Current:** 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for **Kern Health Systems**

Risk profile: Conservative Return Objective: Current Income

Page 16 of 22



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

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

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

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

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

Client Accounts: This report may include all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs. For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your account records.

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

Time-weighted Returns for accounts / SWP/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 12/31/2010 and SWP sleeves before 04/30/2018.

Time-weighted Returns for accounts / SWP/AAP sleeves (Daily periods): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value plus the net value of cash flows that occurred during the day, if it was positive. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized. For reports generated prior to 01/26/2018, the performance calculations used the account's end of day value on the performance inception (listed in the report under the column "ITD") and all cash flows were posted at end of day. As a result of the change, the overall rate of return (TWR) and beginning market value displayed can vary from prior generated reports. This applies to all performance for all assets on or after 09/30/2010, Advisory assets on or after 12/31/2010, SWP/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 via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns, For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance. It should also be noted that where gross returns are compared to an index, the index performance also does not reflect any transaction costs, which would lower the performance results. Market index data maybe subject to review and revision.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. Although most portfolios use indices as benchmarks, portfolios are actively managed and generally are not restricted to investing only in securities in the index. As a result, your



portfolio holdings and performance may vary substantially from the index. Each index reflects an unmanaged universe of securities without any deduction for advisory fees or other expenses that would reduce actual returns, as well as the reinvestment of all income and dividends. An actual investment in the securities included in the index would require an investor to incur transaction costs, which would lower the performance results. Indices are not actively managed and investors cannot invest directly in the indices. Market index data maybe subject to review and revision. The benchmark index is selected from among the indices for which UBSFS has licensing agreements with the index provider. UBSFS does not have licensing agreements for all available indices. The benchmarks may vary from those used by the Money Manager or those listed in the prospectus. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

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

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

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

For alternative investments and 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 portfolios 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 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.

Deposits: When shown on a report, this information represents the net value of all cash and securities

contributions added to your accounts from the first day to the last day of the period. On Client Summary Report and/or Portfolio Review Report, this may exclude the Opening balance. For security contributions, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts.

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

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

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

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

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

Performance Start Date Changes: The Performance Start Date for accounts marked with a '^' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date. The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

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



Important information on options-based strategies: Options involve risk and are not suitable for everyone. Prior to buying or selling an option investors must read a copy of the Characteristics & Risks of Standardized Options, also known as the options disclosure document (ODD). 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.

Concentrated 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 use 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 account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

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

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

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

there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

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

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

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

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

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

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

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



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

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

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

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

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

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

Estimated Annual Income: The Estimated Annual Income is the dividend/interest rate paid by the investment solely as of the date of this report, annualized yearly per share and multiplied by the quantity of shares held in the selected account(s). For Expected Cash Flow and Portfolio Holdings reports prior to June 23, 2023, savings products & sweep funds do not display such calculations and instead, values are displayed as N/A. For all other reports, Estimated Annual Income for savings products & sweep funds is not calculated or factored into aggregate calculations and will be displayed as 0.

Current Yield: Current yield calculations display the current yield of the investment solely as of the date of this report, is defined as the estimated annual income divided by the total market value. For Portfolio Holdings report generated prior to June 23, 2023, savings products & sweep funds do not include such information and instead, values are displayed as N/A. For all other reports, Current Yield for savings products & sweep funds is not calculated or factored into aggregate calculations and will be displayed as 0.

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

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

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating

that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

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

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

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

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

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

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

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

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

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

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report, Payments that occur in the same month in which the report is generated — but prior to the report run ("As of") date — are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows



for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal 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 quarantee 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. For callable securities, modified duration does not address the impact of changing interest rates on a bond's expected cash flow as a result of a call or prepayment.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS FS cost basis information. The firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, for Schedule K-1 reported investments, such as alternative investment funds, please refer to your annual K-1 and 1099 tax forms. If this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

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

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

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 the account is a donor advised fund account, the assets in those accounts are owned by the Sponsoring Charitable Organization, and not the donor. You and your financial advisor have procured the appropriate authorization to view the assets in the donor advised fund account. If an account number begins with "@" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

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

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

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

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

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

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

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

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell



any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

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

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 services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business, 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/relationshipsummary.

UBS Financial Services account protection

The Firm is a member of the Securities Investor Protection Corporation (SIPC), which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). Explanatory brochure available upon request or at www.sipc.org. The SIPC asset protection limits apply to all accounts that you hold in a particular capacity.

The Firm, together with certain affiliates, has also purchased supplemental insurance. The maximum amount payable to all eligible clients, collectively under this protection is \$500 million as of December 10, 2019. Subject to the policy conditions and limitations, cash at the Firm is further protected for up to \$1.9 million in the aggregate for all your accounts held in a particular capacity. A full copy of the policy wording is available upon request.

Neither the SIPC protection nor the supplemental protection apply to:

- Certain financial assets controlled by (and included in your account value) but held away from UBS Financial Services. For example certain (i) insurance products, including variable annuities, and (ii) shares of mutual funds registered in the name of the account holder on the books of the issuer or transfer agent);
- Investment contracts or investment interests (e.g., limited partnerships and private placements) that are not registered under the Securities Act of 1933;
- Commodities contracts (e.g., foreign exchange and precious metal contracts), including futures contracts and commodity option contracts;
- Securities on loan to UBS Financial Services; and
- Deposit accounts (except certificates of deposit) at UBS Bank USA, UBS AG U.S. branches and banks in the FDIC Insured Deposit Program.

The SIPC protection and the supplemental protection do not apply to these assets even if they otherwise appear on your statements. The SIPC protection and the supplemental protection do not protect against changes in the market value of your investments (whether as a result of market movement, issuer bankruptcy or otherwise).

Report created on: May 16, 2025 Page 22 of 22



Your Financial Advisor THE COHEN GROUP

Phone: 661-663-3200/800-628-8022

Filtered by: Entry Date 01/01/2025-03/31/2025, Call/Redemption,Sold

| Filtered by: Chtry Date 01/01/2025-03/31/2025, CallyRedemption,30id | | | | | | | | | |
|---|-------------|-----------------|---|------|---------|---------------|--------------|--------------|--|
| Entry Date | Settle Date | Activity | Description | Seci | curity# | Quantity | Price/Detail | Amount | |
| 02/24/2025 | 02/24/2025 | CALL REDEMPTION | BK OF NY MELLON CORP B/E 03.000% 022425 DTD022415 | 657 | 7YH3 | -1,300,000.00 | REDEMPTION | 1,300,000.00 | |
| 01/23/2025 | 01/23/2025 | CALL REDEMPTION | JPMORGAN CHASE & CO B/E 03.125% 012325 DTD012315 | 731 | 1HD6 | -2,400,000.00 | REDEMPTION | 2,400,000.00 | |

| Filtered by: Entry Date 01/01/2025-03/31/202 |
|--|
|--|

| rittered by, chitry b | BLE 01/01/2023-03/3 | Traves, bought | | | | | ~ |
|-----------------------|---------------------|----------------|--|-----------|--------------|--------------|---------------|
| Entry Date | Settle Date | Activity | Description | Security# | Quantity | Price/Detail | Amount |
| 02/10/2025 | 02/11/2025 | BOUGHT | CONOCOPHILLIPS CO NTS 04.700% 011530 DTD120524 Trade#:08686 Blot:97 | 684783 | 1,000,000.00 | \$99.392 | -1,002,536.67 |
| 01/28/2025 | 01/29/2025 | BOUGHT | PEPSICO INC NTS B/E 04.500% 071729 DTD071724 Trade#:15473 Blot:97 | 787BF4 | 2,000,000.00 | \$99.714 | -1,997,280,00 |
| 01/24/2025 | 01/27/2025 | BOUGHT | ELI LILLY & CO NTS B/E 04.200% 081429 DTD081424 Trade#:45928 Blot:97 | 753971 | 1,500,000.00 | \$98.072 | -1,499,605,00 |
| 01/24/2025 | 01/27/2025 | BOUGHT | TRUIST FINANCIAL CORP 05.435% 012430 DTD012424 Trade#:45947 Blot:97 | 877FU6 | 2,500,000.00 | \$100.837 | -2,522,057,29 |
| 01/09/2025 | 01/10/2025 | BOUGHT | CATERPILLAR FINL SERVICE 04.800% 010830 DTD010825 Trade#:36190 Blot:97 | 700JE1 | 2,000,000.00 | \$99.649 | -1,993,513.33 |

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.

Important information about UBS 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 advisory services and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business and that you carefully read the agreements and disclosures that we provide about the products or services we offer. For more information, please review client relationship summary provided at ubs.com/relationshipsummary.

The information is based upon the market value of your account(s) as of the close of business on 03/31/2025 and is subject to daily market fluctuation and in some cases may be rounded for convenience."

Your UBS account statements and trade confirmation are the official records of your accounts at UBS. We assign index benchmarks to our asset allocations, strategies in our separately managed accounts and discretionary programs based on our understanding of the allocation, strategy, athe 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 information 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 S GRAND AVE **LOS ANGELES CA 90071**

JONATHAN CHUANG 1-213-253-6202

Page 1 of 7 **Statement Period**

Account Statement

Wells Fargo Bank, N.A.

Account Number

KERN HEALTH SYSTEMS 2900 BUCK OWENS BOULEVARD

Account Value Summary USD

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

03/01/2025 - 03/31/2025

| | | Amount Last Statement Period | | Amount This Statement Period | % Portfolio |
|-----------------------------------|--------|---------------------------------|----|---------------------------------|----------------|
| Cash | \$ | 0.00 | \$ | 0.00 | 0% |
| Money Market Mutual Funds | | 131,824,930.54 | • | 76,264,937,79 | 18% |
| Bonds | | 307,115,319.61 | | 351,331,738.60 | 82% |
| Stocks | | 0.00 | | 0.00 | 0% |
| Total Account Value | \$ | 438,940,250.15 | \$ | 427,596,676.39 | 100% |
| Value Change Since Last St | ateme | ent Period | \$ | (11,343,573.76) | |
| Percent Decrease Since Las | t Stat | ement Period | | 3% | |

\$

519,073,102.39

18%

Percent Decrease Since Last Year-End Income Summary USD

Value Last Year-End

| | | This Period | | Year-To-Date |
|-------------------------------------|----|--------------|----|--------------|
| Interest | S | 946,883.33 | \$ | 1,928,534,72 |
| Dividends/Capital Gains | | 0.00 | • | 0.00 |
| Money Market Mutual Funds Dividends | | 485.024.72 | | 1,424,361,68 |
| Other | | 0.00 | | 0.00 |
| Income Total | \$ | 1,431,908.05 | \$ | 3,352,896.40 |

Interest Charged USD

| Description | This Period |
|-------------------------------|-------------|
| Debit interest For March 2025 | 0.00 |
| Total Interest Charged | \$ 0.00 |

Money Market Mutual Funds Summary USD

| Description | Amount |
|--|--|
| Opening Balance Deposits and Other Additions Distributions and Other Subtractions Dividends Reinvested Change in Value | \$ 131,824,930.54 856,890,750.00 (912,935,767.47) 485,024.72 0.00 |
| Closing Balance | \$ 76,264,937.79 |

Important Information

This statement is provided to customers of Wells Fargo Bank, N.A. (the "Bank"). Statements are provided monthly for accounts with transactions and/or security positions.

Pricing: Security and other asset 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. The prices indicated herein are as of the stated valuation date, which may not be the date of this statement, and are subject to change without notice. For exchange-listed securities, the price provided is the closing price of the relevant security at month end. For unlisted securities, it is the "bid" price of the relevant security at month end. The prices of instruments that trade infrequently are estimated using similar securities for which prices are available. Prices on the statement may not necessarily be obtained when the asset is sold.

Cash Balances: Cash held at the Bank is not covered by SIPC, but is instead eligible for FDIC insurance of up to \$250,000 per depositor, per institution, in accordance with FDIC rules.

Mutual Funds: You have the right, in the course of normal business operations, to withdraw balances in the Bank Deposit Sweep or redeem shares of the money market mutual fund used in the sweep, subject to any open commitments in any of your accounts and have the proceeds returned to your accounts or remitted to you. Note, however, that as required by federal banking regulations, the banks in the Bank Deposit Sweep reserve the right to require seven days prior notice before permitting a transfer out of the Bank Deposit Sweep. In addition, the money market mutual funds in the sweep reserve the right to require one or more day's prior notice before permitting withdrawals. The Bank makes certain money market mutual funds available through the Bank Deposit Sweep and has

entered into agreements with the mutual fund companies with respect to the available funds. Mutual funds are sold by prospectus only. Please read the prospectus for further information including sales charges, deferred sales charges, withdrawal charges and management or other fees.

Muni Substitute Interest: With respect to transactions involving your purchase of a municipal security having interest that is exempt from federal and/or state income taxes, if you do not receive good delivery of such securities on settlement date (i.e., all requirements for transferring title from the seller to the buyer have occurred), the interest that you accrue from the settlement date of the transaction until you receive good delivery may be considered by the Internal Revenue Service ("IRS") to be taxable ("substitute") interest. If you sell such securities before receiving good delivery, the IRS may consider all of the interest that you accrue to be taxable. You should consult with your tax advisors regarding the tax implication of any such fail to receive scenario.

Non-deposit investment products offered or sold by the Bank, including investments in mutual funds available through the Bank, are not federally insured or guaranteed by or obligations of the U.S. government, the Federal Deposit Insurance Corporation ("FDIC"), the Federal Reserve System or any other government agency; are not bank deposits; are not obligations of, or endorsed or guaranteed in any way by any bank or the Bank; and are subject to risk, including the possible loss of principal, that may cause the value of the investment and the investment return to fluctuate. When the investment is sold, the amount may be higher or lower than the amount originally invested.

inquiries, statement reporting inaccuracies or discrepancies, or complaints regarding your account or the activity therein should be directed to:
Customer Service
90 South 7th Street
5th Floor, MAC N9303-054
Minneapolis, MN 55402
1-800-645-3751, option 5,
WFSCustomerService@Wellsfargo.com.
To further protect their rights, customers should also re-

Customer Complaints and Reporting Discrepancies: All

To further protect their rights, customers should also reconfirm in writing to the above address any oral communications with the Bank relating to inaccuracies or discrepancies.

The Bank's financial statements are available upon request.

Page 3 of 7 March 31, 2025

Statement Ending:

KERN HEALTH SYSTEMS Account Number:

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

| Security ID | Description | Maturity Date | Coupon | Current Par / Original Par | Market Price* | Market Value | Original Par Pledged** | Callable |
|-------------|-----------------------------|---------------|--------|-------------------------------|------------------|-----------------|---------------------------|----------|
| Bonds US | SD . | | | | | | | |
| 912797NT0 | UNITED STATES TREASURY BILL | 04/01/25 | 0.000% | 100,000,000.000 | 100.0000 | 100,000,000.00 | | |
| 912797NY9 | UNITED STATES TREASURY BILL | 04/08/25 | 0.000% | 50,000,000.000 | 99.9175 | 49,958,761.50 | | |
| 912797NZ6 | UNITED STATES TREASURY BILL | 04/15/25 | 0.000% | 50,000,000.000 | 99.8353 | 49,917,674.00 | | |
| 141781BU7 | CARGILL INC | 04/22/25 | 3.500% | 1,360,000.000 | 99.9305 | 1,359,054.24 | | Υ |
| 717081EX7 | PFIZER INC | 05/28/25 | 0.800% | 3,000,000.000 | 99.4153 | 2,982,460.41 | | Υ |
| 427866BF4 | HERSHEY COMPANY | 06/01/25 | 0.900% | 5,516,000.000 | 99.3843 | 5,482,038.48 | | Υ |
| 3134HBBG5 | FREDDIE MAC | 08/27/27 | 4.500% | 7,500,000.000 | 99.9060 | 7,492,948.95 | | Υ |
| 3136GA2K4 | FANNIE MAE | 12/30/27 | 4.800% | 5,000,000.000 | 99.9543 | 4,997,716.15 | | Y |
| 3136GA6N4 | FANNIE MAE | 01/21/28 | 5.000% | 7,500,000.000 | 99.9134 | 7,493,505.75 | | Y |
| 3134HA2F9 | FREDDIE MAC | 07/21/28 | 5.000% | 5,000,000.000 | 100.0206 | 5,001,030.85 | | Y |
| 3133ER3W9 | FEDERAL FARM CREDIT BANK | 08/14/28 | 4.840% | 5,000,000.000 | 99.8438 | 4,992,191.90 | | Y |
| 3134HAG56 | FREDDIE MAC | 08/25/28 | 5.000% | 5,000,000.000 | 99.9292 | 4,996,461.40 | | Y |
| 3136GA2J7 | FANNIE MAE | 09/05/28 | 4.750% | 5,000,000.000 | 99.9957 | 4,999,783.30 | | Υ |
| 3133ERSD4 | FEDERAL FARM CREDIT BANK | 09/06/28 | 4.930% | 5,000,000.000 | 99.9182 | 4,995,909.00 | | Y |
| 3134HAXW8 | FREDDIE MAC | 11/08/28 | 5.000% | 10,000,000.000 | 99.9769 | 9,997,692.20 | | Y |
| 3133ERC41 | FEDERAL FARM CREDIT BANK | 11/20/28 | 4.740% | 5,000,000.000 | 100.0454 | 5,002,268.40 | | Υ |
| 3133ERN49 | FEDERAL FARM CREDIT BANK | 12/26/28 | 4.910% | 5,000,000.000 | 99.9188 | 4,995,938.80 | | Y |
| 3130B0N47 | FEDERAL HOME LOAN BANK | 03/26/29 | 5.000% | 5,000,000.000 | 100.1580 | 5,007,899.25 | | Υ |
| 3133EP6X8 | FEDERAL FARM CREDIT BANK | 04/02/29 | 5.370% | 5,000,000.000 | 100.0022 | 5,000,109.45 | | Υ |
| 3134H1G56 | FREDDIE MAC | 04/17/29 | 5.500% | 4,500,000.000 | 100.0299 | 4,501,345.10 | | Υ |
| 3130B4VZ1 | FEDERAL HOME LOAN BANK | 08/14/29 | 5.000% | 5,000,000.000 | 99.8829 | 4,994,146.65 | | Υ |
| 3130B2BA2 | FEDERAL HOME LOAN BANK | 08/20/29 | 5.050% | 5,000,000.000 | 99.9231 | 4,996,157.30 | | Y |
| 3130B2UD5 | FEDERAL HOME LOAN BANK | 09/10/29 | 5.010% | 5,000,000.000 | 99.9958 | 4,999,788.00 | | Y |
| 3130B2KZ7 | FEDERAL HOME LOAN BANK | 09/11/29 | 5.000% | 5,000,000.000 | 99.9362 | 4,996,810.65 | | Ϋ́ |
| 3133ERVL2 | FEDERAL FARM CREDIT BANK | 10/01/29 | 4.620% | 10,000,000.000 | 99.8517 | 9,985,168.80 | | Ϋ́ |
| 3133ERXP1 | FEDERAL FARM CREDIT BANK | 10/15/29 | 4.600% | 10,000,000.000 | 99.8925 | 9,989,250.20 | | Y |
| 3135GAWL1 | FANNIE MAE | 10/15/29 | 5.050% | 10,000,000.000 | 99.9920 | 9,999,195.20 | | Y |
| 3133ERC58 | FEDERAL FARM CREDIT BANK | 11/20/29 | 4.600% | 5,000,000.000 | 100.4300 | 5,021,499.90 | | Y |
| 3130B5ES3 | FEDERAL HOME LOAN BANK | 03/12/30 | 5.000% | 7,200,000.000 | 99.6518 | 7,174,932.77 | | Υ |

KHS Board of Directors Meeting, June 19, 2025

Portfolio Holdings (Continued) 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 | | | | | | | |
| | | | 351,576,000.000 | | 351,331,738.60 | 0.00 | |

^{*}See important information regarding security pricing on Page 2.

Daily Account Activity

| Your invest | ment trans | actions during this state | ement period. | | | | | | |
|---------------|------------|---------------------------|---------------|-----------------------------|-----------------|-------------|-----------------|-------------|-----------------|
| | Settlemen | t / | | | | | | | |
| Transaction / | | | | | | | Principal | Income | Debit / Credit |
| Trade Date | Date | Activity | Security ID | Description | Par / Quantity | Price | Amount | Amount | Amount |
| Transact | tion Acti | vity USD | | | | | | | |
| 02/28/25 | 03/03/25 | Security Receipt | 427866BF4 | HERSHEY COMPANY | 2,516,000.00 | 99.1250000 | (2,493,985.00) | (5,786.80) | (2,499,771.80) |
| 03/06/25 | 03/07/25 | Security Receipt | 3134HBBG5 | FREDDIE MAC | 7,500,000.00 | 99.9850000 | (7,498,875.00) | (9,375.00) | (7,508,250.00) |
| 03/10/25 | 03/10/25 | Security Receipt | 313313DM7 | FED FARM CRD DISCOUNT NT | 30,000,000.00 | 99.8237500 | (29,947,125.00) | 0.00 | (29,947,125.00) |
| 02/28/25 | 03/12/25 | Security Receipt | 3130B5ES3 | FEDERAL HOME LOAN BANK | 7,200,000.00 | 100.0000000 | (7,200,000.00) | 0.00 | (7,200,000.00) |
| 03/13/25 | 03/13/25 | Security Receipt | 912797KJ5 | UNITED STATES TREASURY BILL | 50,000,000.00 | 99.9189170 | (49,959,458.50) | 0.00 | (49,959,458.50) |
| 03/13/25 | 03/13/25 | Security Receipt | 912797KJ5 | UNITED STATES TREASURY BILL | 50,000,000.00 | 99.9189170 | (49,959,458.50) | 0.00 | (49,959,458.50) |
| 03/13/25 | 03/13/25 | Security Receipt | 912797KJ5 | UNITED STATES TREASURY BILL | 50,000,000.00 | 99.9189170 | (49,959,458.50) | 0.00 | (49,959,458.50) |
| 03/13/25 | 03/13/25 | Security Receipt | 912797KJ5 | UNITED STATES TREASURY BILL | 50,000,000.00 | 99.9189170 | (49,959,458.50) | 0.00 | (49,959,458.50) |
| 03/14/25 | 03/14/25 | Security Receipt | 912797NT0 | UNITED STATES TREASURY BILL | 50,000,000.00 | 99.7915000 | (49,895,750.00) | 0.00 | (49,895,750.00) |
| 03/14/25 | 03/14/25 | Security Receipt | 912797NT0 | UNITED STATES TREASURY BILL | 50,000,000.00 | 99.7915000 | (49,895,750.00) | 0.00 | (49,895,750.00) |
| 03/14/25 | 03/17/25 | Security Receipt | 427866BF4 | HERSHEY COMPANY | 3,000,000.00 | 99.2490000 | (2,977,470.00) | (7,950.00) | (2,985,420.00) |
| 03/17/25 | 03/17/25 | Security Receipt | 912797NY9 | UNITED STATES TREASURY BILL | 50,000,000.00 | 99.7451670 | (49,872,583.50) | 0.00 | (49,872,583.50) |
| 03/20/25 | 03/20/25 | Security Receipt | 912797NZ6 | UNITED STATES TREASURY BILL | 50,000,000.00 | 99.6988330 | (49,849,416.50) | 0.00 | (49,849,416.50) |
| Income / | Paymei | nt Activity USD | | | | | | | |
| 03/04/25 | 03/04/25 | Matured | 912797NK9 | UNITED STATES TREASURY BILL | | | 30,000,000.00 | | 30,000,000.00 |
| 03/04/25 | 03/04/25 | Matured | 912797NK9 | UNITED STATES TREASURY BILL | (30,000,000.00) | | , , | | .,, |
| 03/05/25 | 03/05/25 | Interest Reversal | 3136GA2J7 | FANNIE MAE | | | | (59,375.00) | (59,375.00) |
| 03/05/25 | 03/05/25 | Interest Reversal | 3136GA2J7 | FANNIE MAE | | | | (59,375.00) | (59,375.00) |
| 03/05/25 | 03/05/25 | Interest Reversal | 3136GA2J7 | FANNIE MAE | | | | (59,375.00) | (59,375.00) |
| 03/05/25 | 03/05/25 | Interest Reversal | 3136GA2J7 | FANNIE MAE | | | | (59,375.00) | (59,375.00) |
| 03/05/25 | 03/05/25 | Interest | 3136GA2J7 | FANNIE MAE | | | | 59,375.00 | 59,375.00 |
| 03/05/25 | 03/05/25 | Interest | 3136GA2J7 | FANNIE MAE | | | | 59,375.00 | 59,375.00 |
| 03/05/25 | 03/05/25 | Interest | 3136GA2J7 | FANNIE MAE | | | | 59,375.00 | 59,375.00 |
| 03/05/25 | 03/05/25 | Interest | 3136GA2J7 | FANNIE MAE | | | | 59,375.00 | 59,375.00 |
| | | | | | | | | 30,073.00 | 33,373.00 |

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

Page 5 of 7 March 31, 2025

Statement Ending:

KERN HEALTH SYSTEMS
Account Number:

Daily Account Activity (Continued)

| Your invest | ment trans | actions during this state | ment period. | | | | | | |
|-----------------------------|------------------------|---------------------------|--------------|-----------------------------|------------------|-------|----------------|---------------------------------|-----------------------------|
| | Settlemen | it / | | | | | | | |
| Transaction / Trade Date | Effective Date | Activity | Conveile do | Departure | T /0 " | | Principal | Income | Debit / Credi |
| _ | | Activity | Security ID | Description | Par / Quantity | Price | Amount | Amount | Amoun |
| income / | Payme | nt Activity USD | | | | | | | |
| 03/05/25 | 03/05/25 | Interest | 3136GA2J7 | FANNIE MAE | | | | 59,375.00 | 59,375.00 |
| 03/06/25 | 03/06/25 | Interest | 3133ERSD4 | FEDERAL FARM CREDIT BANK | | | | 123,250.00 | 123,250.00 |
| 03/06/25 | 03/06/25 | Matured | 3135GAUP4 | FEDERAL NATL MTG ASSN | | | 10,000,000.00 | | 10,000,000.00 |
| 03/06/25 | 03/06/25 | Matured | 3135GAUP4 | FEDERAL NATL MTG ASSN | (10,000,000.00) | | | | |
| 03/06/25 | 03/06/25 | Interest | 3135GAUP4 | FEDERAL NATL MTG ASSN | | | | 254,000.00 | 254,000.00 |
| 03/10/25 | 03/10/25 | Interest | 3130B2UD5 | FEDERAL HOME LOAN BANK | | | | 115,508.33 | 115,508.33 |
| 03/11/25 | 03/11/25 | Interest | 3130B2KZ7 | FEDERAL HOME LOAN BANK | | | | 125,000.00 | 125,000.00 |
| 03/11/25 | 03/11/25 | Matured | 912797NQ6 | UNITED STATES TREASURY BILL | | | 30,000,000.00 | , | 30,000,000.00 |
| 03/11/25 | 03/11/25 | Matured | 912797NQ6 | UNITED STATES TREASURY BILL | (30,000,000.00) | | ,, | | 01,000,000.00 |
| 03/17/25 | 03/17/25 | Matured | 002824BB5 | ABBOTT LABORATORIES | (==,===,===, | | 1,000,000.00 | | 1,000,000.00 |
| 03/17/25 | 03/17/25 | Matured | 002824BB5 | ABBOTT LABORATORIES | (1,000,000.00) | | 1,000,000.00 | | 1,000,000.00 |
| 03/17/25 | 03/17/25 | Interest | 002824BB5 | ABBOTT LABORATORIES | (1,000,000.00) | | | 14,750 00 | 14,750.0 |
| 03/19/25 | 03/19/25 | Matured | 3135GAQE4 | | | | 5,000,000.00 | 14,730 00 | 5,000,000.0 |
| 03/19/25 | 03/19/25 | Matured | 3135GAQE4 | | (5,000,000.00) | | 3,000,000.00 | | 3,000,000.00 |
| 03/19/25 | 03/19/25 | Interest | 3135GAQE4 | | (0,000,000.00) | | | 130,000.00 | 130,000.00 |
| 03/20/25 | 03/20/25 | Matured | 912797KJ5 | UNITED STATES TREASURY BILL | | | 300,000,000.00 | 130,000.00 | 300,000,000.00 |
| 03/20/25 | 03/20/25 | Matured | 912797KJ5 | UNITED STATES TREASURY BILL | (300,000,000.00) | | 000,000,000.00 | | 300,000,000.00 |
| 03/25/25 | 03/25/25 | Matured | 313313DM7 | FED FARM CRD DISCOUNT NT | (000,000,000.00) | | 30,000,000.00 | | 30,000,000.00 |
| 03/25/25 | 03/25/25 | Matured | 313313DM7 | FED FARM CRD DISCOUNT NT | (30,000,000.00) | | 30,000,000.00 | | 30,000,000.00 |
| 03/26/25 | 03/26/25 | Interest | 3130B0N47 | FEDERAL HOME LOAN BANK | (30,000,000.00) | | | 125,000.00 | 125,000.00 |
| | | | 0100001147 | PEDELINE HOME EGAN BANK | | | | 125,000.00 | 125,000.00 |
| Cash Ac | - | | | | | | | | |
| Transaction / Trade Date | Settlemen Eff. Date | Activity | D | escription | | | | Debit Amount / Disbursements | Credit Amount / Receipts |
| 03/03/25 | 03/03/25 | ACH/DDA Transaction | | DESIGNATED DDA | | | | 85,000,000.00 | rieceipi |
| 03/07/25 | 03/07/25 | ACH/DDA Transaction | | DESIGNATED DDA | | | | 2,500,000.00 | |
| 03/11/25 | 03/11/25 | ACH/DDA Transaction | | DESIGNATED DDA | | | | 34,000,000.00 | |
| 03/13/25 | 03/13/25 | ACH/DDA Transaction | | DESIGNATED DDA | | | | 54,000,000.00 | 100,000,000.0 |
| 03/13/25 | 03/13/25 | ACH/DDA Transaction | | DESIGNATED DDA | | | | | 350.000.000.00 |
| 03/18/25 | 03/18/25 | ACH/DDA Transaction | | DESIGNATED DDA | | | | 65,000,000.00 | 330,000,000.0 |
| 03/24/25 | 03/24/25 | ACH/DDA Transaction | | DESIGNATED DDA | | | | 270,000,000.00 | |
| 03/28/25 | 03/28/25 | ACH/DDA Transaction | | DESIGNATED DDA | | | | | |
| | 555 | | | | | | | 7,000,000.00 | |
| | | | | | | | | | |

KHS Board of Directors Meeting, June 19, 2025

Money Market Fund Activity

| Morgan Stan *As of March | TreasSvc 8314 31, 2025 | | Dividend paid this period | 7 day* simple yield | 30 day* simple yield | |
|-----------------------------|----------------------------|--|------------------------------|-------------------------------------|-------------------------|--|
| USD | | | 210.55 | 4.150% | 4.140% | |
| Transaction Date | Activity Beginning Bala | Shares | Price 1.0000 | Market Value (\$) 65,709.22 | Dividend Amount | Share Balance |
| 03/03/25 | Reinvest | 210.55000 | 1.0000 | 00,100.22 | 040.55 | 65,709.22000 |
| 00/00/20 | Ending Balance | | 1.0000 | 65,919.77 | 210.55 | 65,919.77000 |
| Goldman FS *As of March | Tr Ob Ins 468 | | Dividend paid this period | 7 day* simple yield | 30 day* simple yield | 65,919.77000 |
| USD | | | 239,281.14 | 4.190% | 4.220% | |
| Transaction Date | Activity Beginning Bala | Shares | Price 1.0000 | Market Value (\$) | Dividend Amount | Share Balance 46,110,794.89000 |
| 03/03/25 03/03/25 | Redemption Reinvest | (2,499,771.80000) 239,281.14000 | | (2,499,771.80) | 239,281.14 | 43,611,023.09000 43,850,304.23000 |
| 03/04/25 03/05/25 | Purchase Purchase | 30,000,000.00000 118,750.00000 | | 30,000,000.00 118,750.00 | 200,201111 | 73,850,304.23000 73,969,054.23000 |
| 03/06/25 03/06/25 | Redemption Purchase | (59,375.00000) 10,377,250.00000 | | (59,375.00) 10,377,250.00 | | 73,909,679,23000 84,286,929,23000 |
| 03/07/25 | Redemption Redemption | (7,508,250,00000) (2,500,000,00000) | | (7,508,250.00) (2,500,000.00) | | 76,778,679.23000 74,278,679.23000 |
| 03/10/25 | Redemption Purchase | (29,831,616.67000) 30,125,000.00000 | | (29,831,616.67) 30,125,000.00 | | 44,447,062.56000 74,572,062.56000 |
| 03/11/25 | Redemption Redemption | (34,000,000,00000) (7,200,000,00000) | | (34,000,000.00) (7,200,000.00) | | 40,572,062.56000 33,372,062.56000 |
| 03/13/25 03/13/25 | Purchase Redemption | 350,000,000.00000 (199,837,834.00000) | | 350,000,000.00 (199,837,834.00) | | 383,372,062.56000 183,534,228.56000 |
| 03/14/25 03/17/25 | Redemption Redemption | (99,791,500,00000) (2,985,420.00000) | | (99,791,500.00) (2,985,420.00) | | 83,742,728.56000 80,757,308.56000 |
| 03/17/25 03/17/25 | Purchase Redemption | 1,014,750.00000 (49,872,583.50000) | | 1,014,750.00 (49,872,583.50) | | 81,772,058.56000 31,899,475.06000 |
| 03/19/25 03/20/25 | Purchase Purchase | 5,130,000. 00000 300,000,000.00000 | | 5,130,000.00 300,000,000.00 | | 37,029,475.06000 337,029,475.06000 |
| 03/20/25 03/24/25 | Redemption Redemption | (49,849,416.50000) (270,000,000.00000) | | (49,849,416.50) (270,000,000.00) | | 287,180,058.56000 17,180,058.56000 |

Page 7 of 7

Statement Ending:

March 31, 2025

Money Market Fund Activity (Continued)

| Transaction | (1918) and | 521396530 | | 9892 | | |
|-------------------------------|------------------------------------|--------------------|------------------------------|------------------------|-------------------------|-------------------|
| Date | Activity | Shares | Price | Market Value (5) | Dividend Amount | Share Balance |
| 03/25/25 | Purchase | 30,000,000.00000 | | 30,000,000.00 | | 47,180,058,56000 |
| 03/26/25 | Purchase | 125,000.00000 | | 125,000.00 | | 47,305,058.56000 |
| 03/28/25 | Redemption | (7,000,000.00000) | | (7,000,000.00) | | 40,305,058,56000 |
| | Ending Balance | | 1.0000 | 40,305,058.56 | | 40,305,058.56000 |
| JPMorgan US *As of March 3 | T Plus Inst 3918 1, 2025 | | Dividend paid this period | 7 day* simple yield | 30 day* simple yield | |
| USD | | | 245,533.03 | 4.180% | 4.180% | |
| Transaction | HIS DOMEST | | 11.121.44.12 | | | |
| Date | Activity | Shares | Price | Market Value (\$) | Dividend Amount | Share Balance |
| | Beginning Balar | nce | 1.0000 | 85,648,426.43 | | 85,648,426.43000 |
| 03/03/25 | Redemption | (85,000,000.00000) | | (85,000,000.00) | | 648,426,43000 |
| 03/03/25 | Reinvest | 245,533.03000 | | , | 245,533,03 | 893,959.46000 |
| 03/13/25 | Purchase | 100,000,000.00000 | | 100,000,000.00 | , | 100,893,959,46000 |
| 03/18/25 | Redemption | (65,000,000.00000) | | (65,000,000.00) | | 35,893,959.46000 |
| | Ending Balance | | 1.0000 | 35,893,959.46 | | 35,893,959,46000 |



PMIA/LAIF Performance Report as of 04/23/25



Quarterly Performance Quarter Ended 3/31/25

PMIA Average Monthly Effective Yields⁽¹⁾

| LAIF Apportionment Rate ⁽²⁾ : | 4.48 | March | 4.313 |
|--|---------------------|----------|-------|
| LAIF Earnings Ratio ⁽²⁾ : | 0.00012266258268207 | February | 4.333 |
| LAIF Administrative Cost ^{(1)*} : | 0.26 | January | 4.366 |
| LAIF Fair Value Factor ⁽¹⁾ : | 1.000849191 | December | 4.434 |
| PMIA Daily ⁽¹⁾ : | 4.30 | November | 4.477 |
| PMIA Quarter to Date ⁽¹⁾ : | 4.34 | October | 4.518 |
| PMIA Average Life ⁽¹⁾ : | 244 | | |

Pooled Money Investment Account Monthly Portfolio Composition (1) 3/31/25 \$156.8 billion

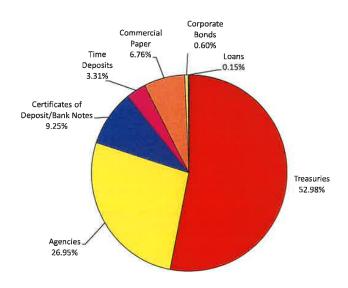


Chart does not include \$1,138,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

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).

*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Robert Landis, Chief Financial Officer

SUBJECT: Analysis of Insurance Renewals

DATE: June 19, 2025

Background

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

- Crime
- Excess Crime
- Property
- Auto Physical Damage
- Fiduciary Liability
- Cyber Liability
- Excess Cyber
- Managed Care Errors and Omissions Liability 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 coverage 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 including increased impersonation fraud limit. KHS Employee benefits plans are also covered for theft of funds. This coverage meets the DMHC requirement. Management recommends renewing the Crime insurance policy with AIG (incumbent).

- National Union Fire Insurance Company of Pittsburgh, PA (AIG)
- Rating: Carrier has an A XV rating from AM Best
- Term: July 1, 2025 through June 30, 2026
- Limits: \$10,000,000Deductible: \$2,500
- Annual Premium: \$20,265.
- Prior year's premium was \$19,425.

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 the Excess Crime policy with Zurich (incumbent).

- Zurich American Insurance Company
- Rating: Carrier has an A+ XV rating from AM Best
- Term: July 1, 2025 through June 30, 2026
- Deductible: Excess of National Union Ins. Co. of Pittsburgh, PA (AIG)
- Annual Premium: \$6,385.
- Prior year's premium was \$6,055.

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 \$85.9 million in property values (\$44.6 million Building and \$41.3 million Contents) which is a \$5 million property value increase from the expiring coverage. Management recommends renewing Property policy with the Federal Insurance Company (Chubb) (incumbent).

- Federal Insurance Company (Chubb)
- Rating: Carrier has an A++ XV rating from AM Best
- Term: July 1, 2025 through June 30, 2026
- Limit per Occurrence
 - Building \$44,607,336 repair or replacement cost
 - Contents \$41,226,470 repair or replacement cost
 - Extra Expense \$25,000,000
 - Boiler and Machinery \$44,607,336 Building and \$41,226,470 Contents
 - Flood \$5,000,000
 - Earthquake Sprinkler Leakage \$25,000,000
 - Various Sub-limits apply
- All Risk Deductible: \$25,000, Flood \$25,000, Earthquake Sprinkler Leakage \$50,000
- Annual Premium: \$89,375. Prior year's premium was \$84,292.

Auto Physical Damage

- ACGS Marine Insurance Company
- Rating: Carrier has an A+ XV rating from AM Best
- Term: July 1, 2025 to June 30, 2026
- Limit/TIV: \$190,369 including new laundry trailer
- Deductible: \$5,000 Comprehensive and \$5,000 Collision
- Annual Premium: \$1,216. Prior year's premium was \$1,020.

No claims were filed last year.

• 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. The current plan has approximately \$52.5 million in total plan assets as of March 2025. The carrier has increased several sub-limits at renewal including adding \$1M of additional aggregate limit for all defense costs. Management recommends renewing the fiduciary liability policy with Hudson Insurance Company (incumbent carrier).

- Hudson Insurance Company
- Rating: Carrier has an A+ XV rating from AM Best
- Term: August 1, 2025 through August 1, 2026
- Limit per occurrence: \$5,000,000, Various sub-limits apply
- Aggregate: \$5,000,000, \$1,000,000 Additional Aggregate Limit for Defense Costs, \$6,000,000 Maximum Aggregate Limit including Defense Limit
- Self-Insured Retention: \$0 Non-indemnifiable losses, \$100,000 Class Action and Derivative Claims, \$25,000 All other losses
- Annual Premium: \$15,255. Prior year's premium was \$14,667.

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. The policy includes first party coverages including Breach Response, Crisis Management and Public Relations, Cyber Extortion (Ransomware), Business Interruption and Extra Expenses, Digital Asset Restoration. The policy also includes third party coverages including Network and Information Security Liability, Regulatory Defense Penalties, Multimedia Content Liability, Payment Card Industry (PCI) Fines and Assessments. There is a Separate Limit for Notified Individuals for Breach Response Costs which we were able to negotiate an increase from 350,000 to 400,000 Notified Individuals limit Breach Response are costs for an actual or suspected security failure or data breach including computer forensic fees/expenses; notification costs; legal fees; credit monitoring. This is an added enhancement to the policy and is not widely available in today's market. It provides a per individual limit for Breach Response outside of the other coverage limits.

Management recommends keeping the Primary Cyber Liability coverage with a \$10 million limit at Beazley and increasing from \$5 million to \$10 million of Excess Cyber Liability coverage with Resilience. This would increase the total limits from \$15 million to \$20 million for an additional cost of approximately \$136,000 (\$143,000 to \$279,000).

Primary Cyber

- Syndicate 623/2623 at Lloyd's (Beazley)
- Rating: Carrier has an A+ XV rating from AM Best
- Term: July 1, 2025 through June 30, 2026
- Per Claim Limit/Aggregate: \$10,000,000
- Breach Response Costs Notified Individuals: \$400,000
- \$1,500,000 Legal, Forensic & Public Relations/Crisis Management
- The Breach Response Limits Above Are in Addition to The Policy Aggregate Limit of Liability
- Retention: \$250,000 / 250 Notified Individuals Threshold / Breach Response:
 \$150,000 Legal, Forensic & Public Relations & Crisis Management / \$75,000 for Legal /10 hour waiting period
- Annual Premium: \$442,642. Prior year's premium was \$402,402.

Excess Cyber Option

- Homeland Insurance Company of New York (Resilience)
- Rating: Carrier has an A+ XV rating from AM Best
- Term: July 1, 2025 through June 30, 2026
- Per Claim Limit/Aggregate: \$5,000,000 above \$10,000,000 Primary Cyber
- Annual Premium: \$142,688. Prior year's premium was \$130,306.80.
- Option \$10M above \$10M Primary Cyber Annual Premium: \$278,886.

There were two precautionary Cyber Insurance claim reported on 2/23/24 relating to the Change Healthcare ransomware matter which did not impact KHS directly and was closed with \$0 incurred and Omni Provider breach claim which is closed with \$0 incurred.

• Managed Care Errors and Omissions Liability Insurance

Managed Care E&O coverage 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 \$77,771, which is a flat renewal premium. Alliant was able to negotiate a flat renewal even with 11% increase in enrollee membership which is a (11%) **net rate decrease**. Management recommends renewing Managed Care E&O policy with TDC National Assurance Company (incumbent).

- TDC National Assurance Company
- Rating: Carrier has an A XV rating from AM Best
- Term: July 1, 2025 through June 30, 2026
 Limit per occurrence: \$1,000,000
 Aggregate: \$3,000,000
- Self-Insured Retention: \$100,000 each claim except \$150,000 for Antitrust
- Annual Premium: \$77,771. Prior year's premium was \$77,771.

No claims were filed last year.

• Flood Insurance

Flood insurers against the peril of flood for KHS owned property. Management recommends renewing the Flood Insurance policy with Hartford Ins. Company of the Midwest (incumbent).

- Hartford Ins. Company of the Midwest
- Rating: Carrier has a superior A+ XV rating from AM Best
- Term: November 18, 2025 through November 18, 2026
- 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 \$2,089.

No claims were filed last year.

(Please note that KHS has additional flood insurance of \$5,000,000 under its property policy.)

• 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 is 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 Alliant Deadly Weapon Response Program (ADWRP) policy with Underwriters at Lloyd's of London (incumbent).

- Underwriters at Lloyd's of London
- Rating: Carrier has an Excellent A XV rating from AM Best
- Term: July 1, 2025 to June 30, 2026
- \$1,000,000 Per Occurrence and Annual Aggregate, Various sub-limits apply.
- \$10,000 Deductible Each Event including Claims Expenses, \$2,500

Counseling Services within Crisis Management Services Endorsement

Annual Premium: \$15,093. Prior year's premium was \$13,711.

No claims were filed last year.

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

Requested Action

Approve; authorizing the CEO to sign, enter into and/or amend contracts relating to insurance coverage for crime, excess crime, property, auto physical damage, fiduciary liability, cyber insurance, excess cyber insurance, managed care errors and omissions, flood insurance and deadly weapon response program in an amount not to exceed \$960,000 in estimated expenses.



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Devin W. Brown, Chief Human Resources Officer

SUBJECT: Employee Benefits Renewal 2026

DATE: June 19, 2025

Background

Each year, Kern Health Systems (KHS) conducts a comprehensive review of its employee benefits package to ensure it remains competitive, cost-effective, and aligned with organizational goals. The 2026 proposal maintains stability in most core benefits while implementing targeted enhancements to support employee well-being and attract and retain top talent.

In 2025, KHS transitioned from Kaiser to a self-funded Blue Shield PPO plan, with support from INSURICA. The transition resulted in projected savings compared to the prior fully insured model. The initial 2025 budget was approximately \$9.6 million, compared to \$11.3 million if the Kaiser plan had been renewed.

Enrollment has increased from May 2024 to May 2025. Based on these trends, projected 2026 costs are closer to \$11.4 million, a more accurate reflection of anticipated claims, administrative fees, network utilization, and stop-loss coverage.

2026 Proposed Benefit Renewals and Enhancements

1. Medical Plan

- Renew the Blue Shield PPO Self-Funded plan.
- HealthNow will continue as the third-party administrator, and Optum RX as the pharmacy benefit manager (PBM).
- Secure stop-loss coverage for claims above \$150,000-\$300,000 by October 2025.
- Estimated total cost: \$11,400,000. The plan continues to provide strong employee satisfaction, flexibility, and transparency in claims data.

2. Dental Plans

- Continue Delta Dental DHMO and PPO options.
- Estimated annual cost: \$662,000 (6% increase).

3. Vision Plan

- Replace VSP with EyeMed to offer enhanced benefits with no premium increase.
- Estimated annual cost: \$145,000.

4. Life and Disability Insurance

- Renew Prudential for Basic Life, Voluntary Life, Short-Term Disability (7% increase), and Long-Term Disability with no changes to coverage.
- Estimated annual cost: \$530,000.
- Increase Class 1 basic life insurance from \$1,000,000 to \$1,200,000 at no additional cost.

5. Long-Term Care

- Maintain current policy with Unum.
- Estimated annual cost: \$210,000 (14% increase). The last increase received was in February 2020.

6. Worker's Compensation

- Maintain current policy with Zurich
- Estimated annual cost: \$200,000 with no premium increase.

Requested Action

Approve; authorizing the CEO to sign, enter into and/or amend contracts relating to employee benefits for medical (self-funded), dental, vision, life insurance, short-term and long-term disability, long-term care and worker's compensation from January 1, 2026, through December 31, 2026 in an amount not to exceed \$13,200,000 in estimated expenses.



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Devin W. Brown, Chief Legal and Human Resources Officer

SUBJECT: Proposed Agreement with Kennaday Leavitt, PC for General Counsel Services

DATE: June 19, 2025

Introduction

On December 19, 2024, the Kern Health Systems (KHS) Board of Directors (Board) established an Ad Hoc Committee for General Counsel Services (Committee) to discuss and make recommendations to the Board on hiring or contracting for General Counsel services.

The Committee met and, with KHS staff assistance, developed and published a Request for Proposal (RFP) for General Counsel services. The RFP was posted publicly on January 31, 2025. KHS received six law firm proposals in response to the RFP. The Committee reviewed the proposals and provided initial scoring and evaluation of each proposal. The top three scored proposals were invited to interview with the Committee on May 6, 2025.

After completion of this procurement process, the Committee recommends awarding the contract bid to the firm Kennaday Leavitt, PC to provide General Counsel services to your Board and KHS.

Discussion

Over the past few years, KHS has experienced an increased need for legal services to the organization. During this time, the KHS employee-base has nearly doubled in size. KHS has also grown in the number of contractual documents requiring legal review to a count of approximately 700.

In June 2024, KHS onboarded an Assistant General Counsel. In addition, the Chief Human Resources Officer was tasked with overseeing the newly created legal service department. The primary responsibility of in-house counsel has been to provide full legal review of all contracts, both administrative and operational, to ensure KHS is adequately protected. In additional in-house counsel has provided counsel to your Board and KHS leadership on a number of sensitive and regulatory matters. In-house attorneys have also assisted outside retained litigation counsel in preparing for, mediating, and resolving outstanding litigation matters.

In December 2024, your Board expressed a desire to modify the reporting structure and make up of KHS legal services. After a thoughtful and deliberative procurement process, the Ad Hoc Committee brings forward its recommendation for new contracted General Counsel services through the proposed award to and contract with Kennaday Leavitt.

The proposed contract is for a five-year duration. Kennaday Leavitt brings significant experience in providing the specific services sought by the RFP. They have and currently assist similar Local Health Plans of California as General Counsel throughout the state of California. Kennaday Leavitt is a firm that brings decades of healthcare and managed care legal experience to the table. Additionally, they have attorneys proposed in its service model that will provide KHS with direct legal advice on important areas such as public law, corporate governance, employment law, and compliance and regulatory matters. The Committee found that Kennaday Leavitt was the firm best positioned to assist KHS with the legal services needs it faces and will continue to face in the foreseeable future.

In the proposed agreement, Kennaday Leavitt will monitor and provide direction and guidance to your Board on all legal matters. KHS is expected to retain in-house counsel and utilize alternative outside specialized counsel with coordination of the full suite of legal services monitored and coordinated by Kennaday Leavitt. KHS in-house counsel will continue to serve as the primary source for contract review and assist Kennaday Leavitt as directed.

The anticipated annual expenditure for these services is projected at a not-to-exceed amount of \$1,000,000 based upon the expected time commitment and contracted hourly rates. As the decision to explore outside General Counsel was made following adoption of the 2025 KHS budget, this proposed agreement is not directly budgeted. KHS did budget for outside counsel expenses in 2025, and it is anticipated that the expenditures under this agreement will be covered for the current budget year.

Committee Recommendation

The Committee recommends awarding the RFP selection for Outside General Counsel services to Kennaday Leavitt, PC and authorizing the Chair to sign a Professional Services Agreement with Kennaday Leavitt, PC for a five-year term and with an annual not-to-exceed amount of \$1,000,000, effective July 1, 2025.

Attachments:

Contract Award Presentation Agreement At A Glance Proposed Professional Services Agreement

General Counsel Services

Devin W. Brown

Chief Legal and Human Resources Officer

June 19, 2025



Agenda

- Overview
- Sequence of Events
- RFP Committee Selection Criteria
- Scoring Matrix
- Kennaday Leavitt Overview
- Board of Directors Request



Overview

Over the past few years, Kern Health Systems (KHS) has experienced an increased need for legal services to the organization. During this time, the KHS employee-base has nearly doubled in size. KHS has also grown in the number of contractual documents requiring legal review to a count of approximately 700.

In June 2024, KHS onboarded an Assistant General Counsel. In addition, the Chief Human Resources Officer was tasked with overseeing the newly created legal service department. The primary responsibility of in-house counsel has been to provide full legal review of all contracts, both administrative and operational, to ensure KHS is adequately protected. In additional in-house counsel has provided counsel to your Board and KHS leadership on sensitive employment and regulatory matters. In-house attorneys have also assisted outside retained litigation counsel in preparing for, mediating, and resolving outstanding litigation matters.

On December 19, 2024, the KHS Board of Directors established an Ad Hoc Committee to discuss and make recommendations to the Board on hiring or contracting for General Counsel services. The Ad Hoc Committee met and, with KHS staff assistance, developed and published a Request for Proposal (RFP) for General Counsel services.



Sequence of Events

| Date | Milestone |
|------------------|-----------------------------------|
| January 31, 2025 | RFP Released |
| March 3, 2025 | Proposals Received (6 total) |
| March 2025 | Proposals Review and Scoring |
| May 6,2025 | Finalist Interviews and Selection |
| June 19, 2025 | Board Approval Request |



RFP Committee Selection Criteria

- A total of six proposals were received in response to the RFP.
 - The three highest scoring proposals were invited to interview with the Ad Hoc Committee.
- The recommendation is based on the following:
 - Direct experience in serving as General Counsel to a Managed Care Plan.
 - Direct experience in providing legal advice to Managed Care Plans.
 - Direct experience in providing legal advice regarding regulatory issues with DMHC and DHCS.
 - Ability to staff the project.
- Scoring Criteria:
 - · Experience and qualifications
 - Approach to providing scope of services
 - · Firm history and stability
 - Contract acceptance
 - Pricing and cost competitiveness



Scoring Matrix

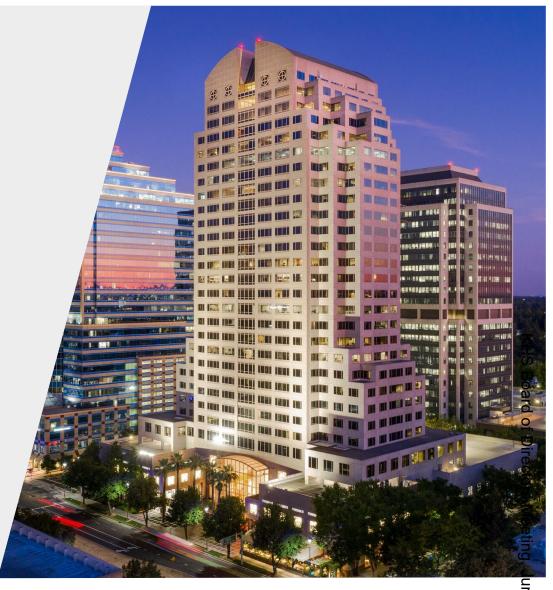
| <u>Vendor</u> | <u>Total</u> | <u>Total %</u> | |
|------------------|-------------------|----------------|--|
| | Possible 300 pts. | Possible 100% | |
| Kennaday Leavitt | 264 | 88% | |
| Vendor 2 | 257 | 85.7% | |
| Vendor 3 | 249 | 83% | |

| Evaluation Criteria | % of Score | Description |
|---|---------------|---|
| Experience and qualifications | 40% | Direct experience representing MCOs, experience in health care law, public law (Brown Act, etc.). |
| Approach to providing Scope of Services | 20% | Ability to dedicate time and resources to KHS, quality and experience of Principal Lawyer. |
| Corporate history and stability | 15% | Company profile, similar client references, company history. |
| Contract acceptance | 15% | Willingness to accept standard PSA without substantial modifications. |
| Pricing & Cost Competitiveness | 10% | Overall proposed fees, including for Principal Lawyer, and diversity of rate structure. |

| Scoring Categories | | | | |
|--------------------|--|-----|--|--|
| Score | Description | 707 | | |
| 0 | Does not meet requirements; proposal lacks necessary details or is noncompliant. | | | |
| 1 | Below expectations; meets some requirements but has significant weaknesses. | | | |
| 2 | Meets expectations; proposal is adequate but does not stand out. | | | |
| 3 | Exceeds expectations; proposal is well- structured with strong responses. | | | |







About our firm

KENNADAY LEAVITT PC IS A BOUTIQUE FIRM FOCUSING ON HEALTH CARE AND EMPLOYMENT LAW.

- FOUNDED IN 2016
- 18 ATTORNEYS AND 4 PARALEGALS
- BASED IN SACRAMENTO, CALIFORNIA
- ONLY NORTHERN CALIFORNIA LAW FIRM RECOGNIZED BY CHAMBERS SPOTLIGHT ON HEALTH CARE FIRMS (ONLY HEALTH PLAN AND PAYOR FOCUSED FIRM)
- ONE OF FIVE HEALTH CARE FIRMS IN ALL OF CALIFORNIA RECOGNIZED BY CHAMBERS SPOTLIGHT



Organization



TROY R. SZABO Lead Contact



JAMES F. NOVELLO
Governance &
Investigations Lead



RUSSELL J. COOPER Contracts & Regulatory Lead



KELLI M. KENNADAY Employment Law Lead

OTHER KEY ATTORNEY

PATRICK S. FOSTER, Partner Litigation, State Hearings

ALLISON M. NYE, Partner Litigation, Employment

RYAN N. DUNLEVY, Partner Litigation, Regulatory

CURTIS LEAVITT, Partner Litigation, Regulatory



HEALTHCARE PRACTICE AREAS

- ADMINISTRATIVE LAW
- ADVICE AND COUNSEL
- LEGAL DEPARTMENT SERVICES
 - REGULATORY COMPLIANCE
- AUDITS AND INVESTIGATIONS
 - LICENSING
- PROVIDER AND VENDOR CONTRACTING
 - LITIGATION
 - MERGERS AND ACQUISITIONS
- CORPORATE FORMATION AND GOVERNANCE



LITIGATION AND REGULATORY EXPERTISE

MANAGED CARE LITIGATION

- Between health plans and providers, health plans and regulators, member disputes, and employment matters
- Experience before arbitrators, judges, and juries
- Managed care liability defense
- Qui Tam cases (fraud, waste, and abuse)

REGULATORY COMPLIANCE & ENFORCEMENT

- Licensing and compliance
- DHCS, DMHC, CMS, DOJ, Covered California
- Investigations and enforcement actions
- Audit preparation and response





Employment law

WE REPRESENT HEALTH PLAN AND HEALTH INSURER CLIENTS IN ALL ASPECTS OF THEIR
EMPLOYMENT LAW MATTERS

- DISCRIMINATION, HARASSMENT, WAGE AND HOUR CLAIMS
- OVER FORTY YEARS' EXPERIENCE ADVISING BOTH PRIVATE AND PUBLIC EMPLOYERS ON COMPLYING WITH CALIFORNIA'S COMPLEX AND EVER-CHANGING EMPLOYMENT LAWS
- DISABILITY ACCOMMODATION AND LEAVE ISSUES, WAGE AND HOUR AUDITS, HUMAN RESOURCES AUDITS, AND EMPLOYEE CLASSIFICATION ISSUES
- ADMINISTRATIVE MATTERS BEFORE THE DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING, THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION AND THE DEPARTMENT OF LABOR



KHS Board of Directors Meeting, June 19, 2025

Board of Directors Request

Approve; Authorize the Chair to sign the contract for a five (5) year term with Kennaday Leavitt, PC for a total not to exceed amount of \$1,000,000 annually for Outside General Counsel Services.



You + Us = a better day!



Attachment A



AGREEMENT AT A GLANCE

Department Name: HR Department Head: Devin Brown

Vendor Name: Kennaday Leavitt, PC Contact name & e-mail: <u>Troy R. Szabo@kennadayleavitt.com</u>

What services will this vendor provide to KHS? Kennaday Leavitt will monitor and provide direction and guidance to the

| Board on all legal matters. | | | | | |
|---|---|--|--|--|--|
| Description of Contract | | | | | |
| Type of Agreement: Other | Background: On December 19, 2024, KHS Board of | | | | |
| | Directors established an Ad Hoc Committee to discuss | | | | |
| ☐ Contract | and make recommendations to the Board on hiring or | | | | |
| Purchase | contracting for General Counsel Services. The Ad Hoc | | | | |
| Purchase | Committee met with KHS staff and developed a Request | | | | |
| New agreement ■ New agreement | for Proposal for General Counsel services posted on | | | | |
| The wag recine in | January 31, 2025. KHS received six proposals, and the | | | | |
| Continuation of Agreement | committee reviewed the proposals and interviewed the | | | | |
| | top three scored proposals. Kennaday Leavitt is | | | | |
| Addendum | recommended as the successful bidder to award this | | | | |
| | contract to. | | | | |
| Amendment No | | | | | |
| Retroactive Agreement | Brief Explanation: Kennaday Leavitt will monitor and | | | | |
| Retroactive Agreement | provide direction and guidance to the KHS Board on all | | | | |
| | legal matters. KHS is expected to retain in-house | | | | |
| | counsel and utilize alternative outside specialized counsel with coordination of those full suite of legal | | | | |
| | services monitored and coordinated by Kennaday | | | | |
| | Leavitt. | | | | |
| Summary of Quotas and/or Rids attached Resource to VI | IS Policy #8.11-I, KHS will secure competitive quotes and bids to obtain the | | | | |
| | on may be used for purchases of up to One Hundred Thousand Dollars or | | | | |
| more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollar | rs or more if budgeted (\$200,000.00) 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 One Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). Request | | | | |
| | s over Two Hundred Thousand Dollars (\$200,000). Lowest bid price not | | | | |
| accepted must be fully explained and justified in writing. All bids will b | be treated as a not to exceed amount with "change orders" used to track any | | | | |
| changes.) | | | | | |
| Brief vendor selection justification: | | | | | |
| Sole source – no competitive process can be performed | 1. | | | | |
| | | | | | |
| Brief reason for sole source: | | | | | |
| Conflict of Interest Form is required for this Contract | | | | | |
| HIPAA Business Associate Agreement is required for this Contract | | | | | |

Form updated 6/12/23

| Subcontractor Disclosure of Ownership and Control | form is required for this Contract | | - |
|--|---|----------------|---------|
| Fi | scal Impact | | |
| KHS Governing Board previously approved this expens | e in KHS' FY 2023 Administrative Budget | ⊠ NO | ☐YES |
| Will this require additional funds? | | \boxtimes NO | YES |
| Capital project | | ⊠ NO | ☐YES |
| Project type: | | | |
| Budgeted Cost Center: 520 Legal GL# 54 Maximum cost of this agreement not to exceed: \$1,000 | | | |
| Notes: N/A | | | |
| Contract T | erms and Conditions | | |
| Effective date: 7/1/2025 | Termination date: 6/30/2030 | | |
| Explain extension provisions, termination conditions and without cause with 30 days' notice, for cause with immediate upon termination, both parties must return relevant documents. | ediate notice, or due to funding changes with | n 90 days' no | otice. |
| | Approvals | mate parties | <u></u> |
| Compliance DMHC/DHCS Review: | Legal Review: | | |
| | - | | |
| Chief Compliance and Fraud Prevention Officer or Director of Compliance and Regulatory Affairs | Legal Counsel | | |
| | Date | | |
| Date | Duic | | |
| | | | |
| | | | |
| | | | |
| Contract Owner: | Purchasing: | | |
| Department Head | Director of Procurement and Facilities | | |
| Date | Date | | |

Form updated 6/12/23

Attachment A

| Reviewed as to Budget: | Recommended by the Executive Committee: |
|--|--|
| Chief Financial Officer or Controller | Chief Operating Officer |
| Date | Date |
| IT Approval: | Chief Executive Officer Approval: |
| Chief Information Officer or IT Direct | or Chief Executive Officer |
| Date | Date |
| Board of Directors approval is req | uired on all contracts over \$100,000 if not budgeted and \$200,000 if budgeted. |
| KHS | Board Chairman |
| Date | |

PROFESSIONAL SERVICES AGREEMENT

FOR

Outside General Counsel Services

BETWEEN

KERN HEALTH SYSTEMS

AND

Kennaday Leavitt, PC

PROFESSIONAL SERVICES AGREEMENT KERN HEALTH SYSTEMS

This Professional Services Agreement ("Agreement") is made and entered into on ("June 19, 2025") by and between Kern Health Systems ("KHS"), a county health authority, and Kennaday Leavitt, PC, ("Contractor"), with reference to the following facts:

RECITALS

- (a) Welfare and Institutions Code section 14087.38 authorizes KHS to contract for services required to meet its obligation to administer Medi-Cal benefits to its health plan members ("Members"); and
- (b) Contractor has offered evidence of having the relevant specialized training, experience and knowledge and is interested in providing the scope of work as set forth herein; and,
- (c) KHS desires to engage Contractor to provide said services on the terms and conditions set forth in this Agreement;

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

1. Term.

- 1.1 <u>Term of Agreement</u>. The term of this Agreement shall commence on July 1, 2025 and be in effect until June 30, 2030, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.
- 1.2 <u>Term of Scope of Work.</u> The term of a Scope of Work shall be set forth in such Scope of Work (the initial term together with all renewal terms, the "Scope of Work Term").

2. Scope of Services.

2.1 <u>Contractor's Specified Services</u>. Contractor shall perform the services described in **Exhibit "A,"** attached hereto and incorporated herein by this reference ("**Scope of Work**"), and within the times or by the dates provided in **Exhibit "A."** The Scope of Work services set forth in **Exhibit "A"** shall be primarily provided at KHS's principal place of business or through Contractor's principle place of business which is located at 400 Capitol Mall, Suite 2840, Sacramento, CA 95814.

- 2.2 <u>Cooperation with KHS</u>. Contractor shall cooperate with KHS and KHS staff in the performance of all work hereunder.
- 2.3 <u>Representations</u>. Contractor makes the following representations which are agreed to be material to and form a part of the inducement for this Agreement: (a) Contractor has the expertise, support staff and facilities necessary to provide the services described in this Agreement; and (b) Contractor shall provide all required services in a timely and professional manner in accordance with the terms and conditions set forth in this Agreement.
- 2.4 Performance Standards. Contractor shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Contractor's profession. KHS has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor's work by KHS shall not operate as a waiver or release. During the Scope of Work Term, if KHS determines that any of Contractor's work is not in accordance with such level of competency and standard of care, KHS, in its -reasonable discretion, shall have the right to do any or all of the following: (a) require Contractor to meet with KHS to review the quality of the work and resolve matters of concern; (b) require Contractor to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of **Section 36**; or (d) pursue any and all other remedies at law or in equity.
- Compliance with Standards. All services performed by Contractor shall be 2.5 performed in accordance with the applicable requirements of 42 CFR 438.230 (c) (1)(i) - (iii), Knox-Keene Health Care Services Plan Act of 1975, Health and Safety Code Section 1340 et seq.; Title 28 of the California Code of Regulations ("CCR"), Section 1300 et seq.; Welfare and Institutions Code Section 14200 et seq.; and other applicable federal and State laws, regulations and regulatory guidance issued by Department of Health Care Services ("DHCS") and Department of Managed Health Care ("DMHC"); requirements set forth in Exhibit "G", Medi-Cal **Requirements**; and KHS policies and procedures; and the terms of the Medi-Cal contract between KHS and DHCS ("Medi-Cal Contract"). Contractor shall also comply, to the extent applicable, with the Social Security Act and its implementing regulations, the Health Insurance Portability and Accountability Act ("HIPAA") and its implementing regulations, the Health Information Technology for Economic and Clinical Health ("HITECH") Act, the Deficit Reduction Act of 2005 and its implementing regulations, the Federal Patient Protection and Affordable Care Act (Public Law 111-148) as amended by the Federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152) (collectively, "Affordable Care Act"), the California Consumer Privacy Act of 2018 and its implementing regulations, and the California Confidentiality of Medical Information Act.

2.6 <u>Assigned Personnel</u>.

2.6.1 Contractor shall assign only competent personnel to perform work hereunder. Contractor's personnel shall be licensed or certified by a respective board or

agency as required by law. In addition, Contractor's personnel shall ensure that equipment is licensed or registered as required by law. In the event that at any time KHS, in its sole discretion, desires the removal of any person or persons assigned by Contractor to perform work hereunder, Contractor shall remove such person or persons immediately upon receiving written notice from KHS.

- 2.6.2 <u>Replacements</u>. In the event that any of Contractor's personnel assigned to perform services under this Agreement becomes unavailable due to resignation, sickness or other factors outside of Contractor's control, Contractor shall be responsible for timely provision of adequately qualified replacements.
- 2.7 Taxes. Contractor agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Contractor agrees to indemnify and hold KHS harmless from any liability which it may incur to the United States or to the state of California as a consequence of Contractor's failure to pay, when due, all such taxes and obligations. In case KHS is audited for compliance regarding any withholding or other applicable taxes, Contractor agrees to furnish KHS with proof of payment of taxes on these earnings.

3. **Payment for Services.**

- 3.1 <u>Compensation</u>. For all services and incidental costs required hereunder, Contractor shall be paid on a time and material basis in accordance with the terms and conditions contained in "Exhibit "B," attached hereto and incorporated herein by this reference. The total cost paid to Contractor under this agreement shall not exceed an annual amount of \$1,000,000, unless otherwise mutually agreed to in writing by the parties.
- 3.2 <u>Invoices</u>. Contractor shall submit its invoices in arrears on a monthly basis in a form approved by KHS. The invoices shall show or include: (a) the task(s) performed; (b) the time in one-tenth (0.1) hours devoted to the task(s); (c) the hourly rate or rates of the persons performing the task(s); and (d) copies of receipts for reimbursable materials/expenses, if any. Expenses not expressly authorized by this Agreement shall not be reimbursed. Payments shall be made paid within forty-five (45) days following receipt by KHS of an invoice in a form approved by KHS for services performed.
- 3.3 Overpayment. If KHS overpays Contractor for any reason, Contractor agrees to return the amount of such overpayment to KHS, or at KHS's option, permit KHS to offset the amount of such overpayment against future payments owed to Contractor under this Agreement or any other agreement. In the event of a good faith dispute regarding overpayment the parties shall follow the dispute resolution process set forth in Section 24 of this agreement, Informal Dispute Resolution.
- 3.4 <u>Taxpayer Identification</u>. To ensure compensation is reported as paid to the proper party, Contractor shall complete and execute IRS Form W-9 (**Exhibit "C,"** attached hereto and incorporated herein by this reference), which identifies the taxpayer identification number for Contractor.

- 3.5 Equipment. Contractor will be required to provide Contractor employee with all necessary equipment. In the event KHS provides equipment, all equipment provided by KHS shall be returned to KHS within thirty (30) days after termination of the agreement and/or termination of resource assignment, unless the parties mutually agree to a different date in writing. In the event KHS provides Contractor employee with equipment to perform the Services, Contractor employee shall not use personal equipment to perform the Services. If other equipment is necessary to perform the Services, Contractor employee shall obtain prior authorization from KHS. In the event that the equipment provided by KHS is not returned to KHS within the agreed-upon timeframe, or if the equipment is returned to damaged beyond normal wear and tear, vendor agrees, and KHS reserves the right, to offset the value of the equipment against any outstanding payments due from the Contractor. The determination of damage beyond normal wear and tear shall be at the sole discretion of KHS.
- 4. Access to Books and Records. Until the expiration of ten (10) years after the expiration or termination of the Medi-Cal Contract period or from the date of completion of any audit, whichever is later, KHS and Contractor shall make available, upon written request of the Secretary of the United States, Secretary of Health and Human Services ("Secretary") or the Comptroller General of the United States General Accounting Office ("Comptroller General"), or any of their duly authorized representatives, a copy of this Agreement and such books, documents and records of either party as are necessary to certify the nature and extent of costs of the services Contractor provided under this Agreement. Contractor further agrees that if it carries out any of its duties under this Agreement through a subcontract with a value or cost of \$10,000 or more over a 12-month period with a related organization, that such subcontract shall contain a clause to the effect that until the expiration of ten (10) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request of the Secretary or the Comptroller General, or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.
- 5. Assignment and Delegation. No contract or agreement shall be made by Contractor with any party for the furnishing of any of the work or Services described in this Agreement ("Subcontractors"), without KHS's prior written consent. This provision shall not require the approval of employment contracts or agreements between Contractor and personnel that have been specifically named in this Agreement or in any attachments hereto. Contractor shall notify KHS upon termination of any approved subcontracting of services and the parties shall amend the agreement and provide notices as required pursuant to California Code of Regulations, Title 28, section 1300.52.4. Contactor shall require subcontractors to comply with the terms and conditions contained in this Agreement and Exhibits. Contractor shall assume all liability for use of approved subcontractors and agrees to indemnify KHS for any claim or penalties associated with Contractor's use of approved subcontractors. Subcontractors do not include third parties who provide support or incidental services to Contractor and no prior written approval is necessary. Agreement shall not be assigned by either party, either in whole or in part, without prior written consent of the other party. Notwithstanding the foregoing, Contractor expressly

agrees that any assignment or delegation of this Agreement shall be void unless prior written approval is obtained from DHCS and DMHC where required by applicable law, including any modification or alterations pursuant to California Code of Regulations, Title 28, section 1300.52.4. In the event DHCS, and/or DMHC requires amendment of this Agreement, the parties agree to amend this Agreement to comply with DHCS and/or DMHC requirements; notwithstanding the foregoing, Contractor will make a good faith effort to comply with all regulatory requirements. If Contractor cannot commit to the new requirements, Contractor shall have the right to terminate the agreement without penalty.

- **Audits, Inspection and Retention of Records.** Contractor shall allow the DHCS, CMS, 6. the Department of Health and Human Services (DHHS) Inspector General, the Comptroller General of the United States, the Department of Justice (DOJ), Attorney General's Division of Medi-Cal Fraud and Elder Abuse (DMFEA), DMHC, and other authorized State or Federal agencies, or their duly authorized representatives or designees, including DHCS' External Quality Review Organization (EQRO) contractor, to audit, inspect, monitor, examine, and otherwise evaluate the quality, appropriateness, and timeliness of services performed under this Agreement, and to inspect, evaluate, examine, copy, and audit, pursuant to the Access Requirements and State's Right to Monitor, as set forth in the Medi-Cal Contract, Exhibit E, Section 1.1.22 (Inspection and Audit of Records and Facilities), any and all premises, books, records, equipment, and physical facilities, contracts, computers, or other electronic systems maintained by Contractor and/or Subcontractors pertaining to the obligations and functions undertaken pursuant to this Agreement. Records and documents will include, but are not limited to, all physical books or records originated or prepared pursuant to the performance under this Agreement, including working papers, reports, financial records, subcontracts, information systems and procedures, and any other documentation pertaining to medical and non-medical services rendered to Members.
 - Records. Contractor shall maintain all of these records, documents, and encounter data for a minimum of ten (10) years from the final date of the Medi-Cal Contract period or from the date of completion of any audit, whichever is later. The books and records of Contractor relative to all its activities under this Agreement will be available in electronic format in California. After such books and records have been preserved for two years, they may be warehoused or stored, or microfilmed, subject to their availability upon written request within not more than five (5) days after request therefore. The books and records of Contractor relative to all its activities under this Agreement shall not be removed from the State of California without the prior consent of DMHC.
 - 6.2 <u>Inspection and Audit</u>. Contractor shall furnish any record, or copy of it, to DHCS or any other entity listed in this Section 6, at Contractor's sole expense. Contractor shall allow authorized agencies listed in this Section 6, the right to audit at all reasonable times, including normal business hours, at the Contractor's place of business or at such mutually agreeable location in California for a minimum of ten (10) years from the final date of the Medi-Cal Contract period or from the date of completion of any audit, whichever is later. In addition, DMHC shall be entitled to conduct an examination of Contractor's fiscal and administrative affairs as often as DMHC deems necessary.

- 6.3 Alternative to Audit. Notwithstanding the foregoing, solely with respect to audits for information security purposes only, if Contractor's operations related to the services are covered by an active HITRUST Certification, Service Organization Control 2 ("SOC 2") report or other third-party assessment (a "Third Party Assessment") then KHS agrees to accept the Third-Party Assessment in lieu of an audit and as evidence of Contractor's compliance with any security controls or requirements.
- 7. **<u>Authority to Bind KHS.</u>** It is understood that Contractor, in its performance of any and all duties under this Agreement, has no authority to bind KHS to any agreements or undertakings.
- **8.** <u>Captions.</u> 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.
- 9. Change in Law. In the event that a change in state or federal law or regulatory requirement (or the application thereof), any of which renders this Agreement illegal, impossible to perform, or commercially impracticable, the parties agree to negotiate immediately, in good faith, any necessary or appropriate amendments(s) to the terms of this Agreement. If the parties fail to reach a mutually agreeable amendment within 30 days of such negotiation period, this Agreement shall automatically terminate at the end of such 30-day period. If the change in law occurs prior the end of the 30-day negotiation period, the parties agree to comply with the law until the end of the 30-day negotiation period. The parties, by mutual agreement, may waive the 30-day negotiation requirement and terminate the Agreement immediately if negotiation would be futile.
- 10. Choice of Law/Venue. The parties hereto agree that the provisions of this Agreement will be construed pursuant to the laws of the state of California. It is expressly acknowledged that this Agreement has been entered into and will be performed within the County of Kern. Should any suit or action be commenced to enforce or interpret the terms of this Agreement or any claim arising under it, it is expressly agreed that proper venue shall be in County of Kern, State of California.
- 11. <u>Compliance with Law.</u> Each party, in performing their obligations and exercising their rights under the Agreement, shall observe and comply with all applicable county, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part of this Agreement and incorporated herein by reference.
- 12. **Regulatory Approval Requirement.** This Agreement, including any amendments, or modifications, is subject to the approval of all applicable regulatory authorities. The Parties agree to cooperate fully and promptly in obtaining any necessary regulatory approvals. No amendment or modification of this Agreement shall be effective until such approval is obtained. If any regulatory authority disapproves this Agreement or any proposed amendment, or termination, the Parties shall negotiate in good faith to modify the

Agreement to address the concerns of the regulatory authority. The Parties agree to comply with all applicable laws, regulations, and orders of any regulatory authority having jurisdiction over this Agreement.

13. Confidentiality.

- 13.1 <u>Use and Disclosure Restrictions</u>. Neither party shall, without the written consent of the other, communicate Confidential Information of the other, designated in writing or identified in this Agreement as such, to any third party and shall protect such information from inadvertent disclosure to any third party in the same manner that the receiving party would protect its own confidential information. Confidential Information means specific facts or documents identified as "confidential" by any law, regulations or contractual language ("Confidential Information"). The foregoing obligations will not restrict either party from disclosing confidential information of the other party: (a) pursuant to applicable law; (b) pursuant to the order or requirement of a court, administrative agency, or other governmental body, on condition that the party required to make such a disclosure gives reasonable written notice to the other party to contest such order or requirement; and (c) on a confidential basis to its legal or financial advisors. Upon termination of this Agreement, Contractor shall return or destroy Confidential Information as instructed by KHS and in accordance with applicable laws and regulations regarding the maintenance of records.
- 13.2 <u>Data Protection and Geographic Restrictions.</u> Contractor agrees that the Services to be performed, and all confidential data associated therewith, shall be within the geographical boundaries of the United States. Contractor shall not perform any Services or transmit any confidential data outside of the United States without prior written consent from KHS. Any breach of this provision will result in a material breach of this Agreement and provide grounds for immediate termination.
- 13.3 <u>Trade Secrets</u>. The parties acknowledges that each party, in connection with its business, has developed certain operating manuals, symbols, trademarks, trade names, service marks, designs, patient lists, procedures, processes, and other copyrighted, patented, trademarked, or legally protectable information which is confidential and proprietary to the party that constitute its trade secrets. The parties shall not use any name, symbol, mark, trade secret or other proprietary information of the other party except as expressly permitted.
- 13.4 Medical Records. Contractor agrees to maintain the confidentiality of all medical records pertaining to the provision of services under this Agreement in accordance with applicable federal and state laws and regulations including, but not limited to, the California Confidentiality of Medical Information Act, codified at section 56.107 of the California Civil Code, California Evidence Code sections 1156 and 1157, Welfare and Institutions Code section 14100.2, Title 42 CFR Section 431.300 et seq., and the Health Insurance Portability and Accountability

Act of 1996 and its implementing regulations. Contractor shall not use medical records pertaining to the provision of services under this Agreement for any purpose other than carrying out the express terms of this Agreement, shall promptly transmit to KHS all requests for disclosure of such information, and shall not disclose except as otherwise specifically permitted by this Agreement any such information to any party other than KHS, without KHS's prior written authorization specifying that the information is releasable under applicable law.

- Protected Health Information. Contractor and KHS recognize that in performing services, Contractor may receive, create, or otherwise have access to Protected Health Information ("PHI") or Personal Information ("PI") and thereby become a business associate of KHS (as defined by the privacy, security, breach notification, and enforcement rules at 45 C.F.R. Part 160 and Part 164). Accordingly, the parties shall protect PHI in accordance with the HIPAA Business Associate Addendum, attached as Exhibit "D" and incorporated herein by this reference. In the event of a conflict between Exhibit "D" and any other confidentiality provision of this Agreement, Exhibit "D" shall control.
- 13.6 Ownership of Records. All documents, papers, notes, memoranda, computer files and other written or electronic records of any kind in whatever form or format, assembled, prepared or utilized by Contractor or Contractor's assigned personnel during and in connection with this Agreement that contain Confidential Information of KHS or that consist of intellectual property or materials provided by KHS ("Documents"), shall remain the property of KHS at all times. Upon the expiration or termination of this Agreement, Contractor shall promptly deliver to KHS all such Documents, which have not already been provided to KHS in such form or format as KHS deems appropriate. Such Documents shall be and will remain the property of KHS without restriction or limitation. Contractor may retain copies of the above described Documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of KHS For clarity, nothing contained in this Section shall transfer to KHS any rights of ownership, intellectual property rights, or any other proprietary right in the Platform or any portion thereof or any Confidential Information of Contractor.
- 14. Conflict of Interest. Contractor covenants that Contractor and its employees, officers, and directors have no and will not acquire any interest, financial or otherwise, direct or indirect, that represents a conflict of interest under state law or as set forth in Exhibit H, Section C of the Medi-Cal Contract (Conflicts of Interest), or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Contractor further covenants that no person or entity having any such interests shall be employed or subcontracted for obligations relating to the performance of this Agreement. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement, KHS may immediately terminate this Agreement by giving written notice thereof.
 - 14.1 Contractor and Subcontractors must provide written disclosure of information on

ownership and control as required under 42 CFR section 455.104 and written disclosure of any prohibited affiliation under 42 CFR section 438.610, upon request by KHS. Such information is subject to audit by appropriate government entities, including, but not limited to, DHCS. In addition, if requested to do so by KHS, Contractor, Subcontractor, and/or any employee, officer, and/or director of Contractor or Subcontractor shall complete and file a Form 700 - "Statement of Economic Interest" with KHS, which will be provided by KHS. Contractor and Subcontractors must accurately and timely provide all required information in their disclosures.

- 14.2 Contractor and Subcontractors must notify KHS and DHCS within ten (10) Working Days of when they become aware of any potential, suspected, or actual conflict of interest, or when any change occurs to the information provided to KHS and DHCS previously. The notice provided to DHCS shall be in a form and manner directed by DHCS through an All-Plan Letter ("APL") or other similar instructions.
- 15. <u>Consent.</u> 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.
- 16. 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 in the event that 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. Contractor and KHS 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. Contractor and KHS acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.
- 17. <u>Counterparts.</u> 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.
- 18. **Disaster Recovery Plan.** Contractor shall develop and maintain a disaster recovery plan during the term of this Agreement, in the event there is a significant disruption to Contractor's core business as a result of a cause beyond its control, including acts of God, terrorist attacks, act of any military, civil or regulatory authority, change in law or regulation, fire, flood, earthquake, storm or like event, pandemic, disruption or outage of communications, power or other utility, labor problem, unavailability of supplies, or any other causes reasonably beyond its control ("**Force Majeure Event**"). The disaster recovery plan shall describe the key recovery steps to be performed by Contractor during and after a disruption in services, to enable Contractor to return to normal operations as

soon as possible. Upon occurrence of a Force Majeure Event, Contractor shall promptly notify KHS of the Force Majeure Event, its effect on performance, and how long Contractor expects it to last. Thereafter, Contractor shall update that information as reasonably necessary. During a Force Majeure Event, Contractor shall use reasonable efforts to limit damages to KHS and to resume its performance under this Agreement. Notwithstanding the foregoing, KHS shall have to right to terminate this Agreement immediately if Contractor is unable to resume performance of the delegated functions within a reasonable period of time, as determined by KHS in its sole discretion.

- 18.1 State of Emergency. Upon declaration of a State of Emergency by the Governor or declaration by the State Public Health Officer of a health emergency that displaces or has the immediate potential to displace Members, Contractor will immediately notify KHS to provide the following information, as applicable:
 - 18.1.1 Description of whether the Contractor has experienced or expects to experience any disruption to operations;
 - 18.1.2 Explanation of how the Contractor is communicating with potentially impacted enrollees; and,
 - 18.1.3 Summary of actions the Contractor has taken or is in process of taking to ensure the health care needs of enrollees are met.
- **<u>Disqualified Persons.</u>** The parties mutually represent and warrant to one another that they 19. and their respective representatives are not and have not been: (a) excluded, debarred, suspended, or otherwise ineligible to participate in the state health care programs or federal health care programs as defined in 42 U.S.C. section 1320a-7b-(f) (the "governmental health care programs") and/or present on the exclusion database of the Office of the Inspector General ("OIG") or the Government Services Administration ("GSA"); (b) convicted of a felony; (c) convicted of a misdemeanor involving fraud, abuse of the governmental health care program or any patient, or otherwise substantially related to the qualifications, functions, or duties of a provider of service;; (d) lost or surrendered a license, certificate, or approval to provide health care; or (e) debarred, suspended, excluded or disqualified by any federal governmental agency or department or otherwise declared ineligible from receiving federal contracts or federally approved subcontracts or from receiving federal financial and nonfinancial assistance and benefits. This shall be an ongoing representation and warranty during the term of this Agreement and a party shall immediately notify the other party of any change in the status of any of the representations and/or warranties set forth in this section. Any breach of this section shall give the nonbreaching party the right to terminate this Agreement immediately.
- 20. <u>Enforcement of Remedies.</u> No right or remedy herein conferred on or reserved to a party 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.
- 21. <u>Immigration Compliance</u>. Contractor shall comply with all provisions of immigration law with respect to hiring, recruiting or referring for employment persons whose

authorization for employment in the United States has been verified. Contractor agrees to indemnify, defend, and hold harmless KHS, its agents, officers, and employees, from any liability, damages, or causes of action arising out of Contractor's failure to comply with this paragraph.

22. <u>Indemnification and Hold Harmless</u>.

- 22.1 **Indemnification.** Contractor agrees to indemnify, defend and hold harmless KHS and KHS's agents, board members, officers, employees, agents, volunteers, and authorized representatives from any and all losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs, and expenses, regulatory agency imposed penalties or sanctions (including, but not limited to, reasonable attorneys' fees of counsel retained by KHS, expert fees, costs of staff time, and investigation costs) of whatever kind or nature, which arise out of or are in any way connected with violation of any law or gross negligence or willful misconduct of Contractor or Contractor's officers, agents, employees, independent contractors, subcontractors of any tier, or authorized representatives. Without limiting the generality of the foregoing, the same shall include bodily and personal injury or death to any person or persons; damage to any property, regardless of where located, including the property of KHS; and any workers' compensation claim or suit arising from or connected with any services performed pursuant to this Agreement on behalf of Contractor by any person or entity.
- Release and Hold Harmless. KHS shall release and hold harmless Contractor, and Contractor's agents, board members, officers, employees, agents, volunteers, and authorized representatives from, and Contractor shall be excused from any obligations of indemnification related to, any claims arising in connection with:

 (i) the violation by any materials provided by KHS of the intellectual property rights of a third party; (ii) KHS's failure to obtain any consents or approvals required by applicable law; (iii) KHS's violation of any law applicable to its obligations; or (iv) KHS's gross negligence, fraud, or willful misconduct.
- 23. <u>Independent Contractor</u>. In the performance of the services under this Agreement, Contractor shall be, and acknowledges that Contractor is in fact and law, an independent contractor and not an agent or employee of KHS. Contractor has and retains the right to exercise full supervision and control over the manner and methods of providing services to KHS under this Agreement. Contractor retains full supervision and control over the employment, direction, compensation and discharge of all persons assisting Contractor in the provision of services under this Agreement. With respect to Contractor's employees, if any, Contractor shall be solely responsible for payment of wages, benefits and other compensation, compliance with all occupational safety, welfare and civil rights laws, tax withholding and payment of employment taxes whether federal, state or local, and compliance with any and all other laws regulating employment.

- 24. <u>Informal Dispute Resolution</u>. It is the intent of the Parties that all disputes arising under this Agreement be resolved expeditiously, amicably, and at the level within each Party's organization that is most knowledgeable about the disputed issues. The Parties understand and agree that the procedures outlined in this Section are not intended to supplant the routine inquiries and handling of complaints through informal contact with their respective managers. Accordingly, for purposes of the procedures set forth in this paragraph, a "dispute" shall mean any action, dispute, claim, or controversy, of any kind, whether in contract or tort, statutory or common law, legal or equitable, now existing or hereafter arising under or in connection with, or in any way pertaining to the Agreement. The steps for dispute resolution are set forth below.
 - 24.1 The complaining Party's representative will notify the other Party's representative in writing of the dispute, and the non-complaining Party will exercise good faith efforts to resolve the matter as expeditiously as possible.
 - 24.2 If such matter remains unresolved ten (10) business days after delivery of the complaining Party's written notice, a senior representative of each Party shall meet or participate in a telephone conference call within five (5) business days of a request for such a meeting or conference call by either Party to resolve such matter.
 - 24.3 If the meeting or conference call specified above does not resolve such matter, a senior officer of each Party shall meet or participate in a telephone conference call within five (5) business days of a request for such a meeting or conference call by either Party to discuss a mutually satisfactory resolution of such matter.
 - 24.4 If the meeting or conference call specified above does not resolve such matter, either Party may request that the Parties participate in nonbinding mediation, in a forum and with a mediator mutually agreeable to both Parties, and at a cost to be borne equally by both Parties. If the Parties are not able to agree on mediation proceedings or are otherwise unable to reach a resolution of the dispute following mediation, the Parties may thereupon seek all remedies available to them under the Agreement, at Law or in equity.
 - 24.5 Notwithstanding any dispute between KHS and Contractor, if practical, the Parties shall continue to perform their obligations under the Agreement in good faith during the resolution of the dispute
- 25. <u>Insurance</u>. With respect to performance of work under this Agreement, Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in **Exhibit "E**," attached hereto and incorporated herein by this reference.
- 26. <u>Modifications of Agreement</u>. No alteration, amendment, or variation of the terms of this Agreement, including subcontracting of services pursuant to this Agreement, shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto. Only the

governing board of KHS may authorize any modification or revision of this Agreement on behalf of KHS. The parties expressly recognize that KHS personnel, including the Chief Executive Officer are without authority to either change or waive any requirements of this Agreement. Any amendment shall become effective only upon approval by DMHC in writing (if required by applicable law), and by DHCS in writing or by operation of law where DHCS has acknowledged receipt of the proposed amendment, and has failed to approve disapprove, or postpone the proposed amendment within sixty (60) calendar days of receipt. KHS shall notify DMHC and DHCS in the event this Agreement is amended, in accordance with applicable law. Notice to DMHC is considered given when properly addressed through the filing of an Amendment or a Notice of Material Modification in accordance with California Code of Regulations, Title 28, section 1300.52.4. Notice is considered given to DHCS when submitted as required by the DHCS and contract.

- 27. Monitoring, Assessment and Evaluation. Authorized state, federal and/or KHS representatives shall have the right to monitor, assess, and evaluate Contractor's performance pursuant to this Agreement. Said monitoring, assessment, and evaluation may include, but is not limited to, audits, inspections of project premises, interviews of project staff and participants, and review of all records and documents as the governmental or KHS representatives deem appropriate, at any time pursuant to 42 CFR 438.3(h). Contractor shall cooperate with KHS in the monitoring, assessment, and evaluation process, which includes making any program or administrative staff available during any scheduled process. The monitoring activities will be either announced or unannounced.
- 28. No Third Party Beneficiaries. It is expressly understood and agreed that the enforcement of this Agreement and all rights of action relating to such enforcement, shall be strictly reserved to KHS, Contractor, and DHCS. Nothing contained in this Agreement shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of KHS and Contractor that any such person or entity, other than KHS or Contractor, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary only.
- 29. **Non-Collusion Covenant.** Contractor represents and agrees that it has in no way entered into any contingent fee arrangement with any firm or person concerning the obtaining of this Agreement with KHS. Contractor has received from KHS no incentive or special payments, nor considerations, not related to the provision of services under this Agreement.
- 30. Nondiscrimination. Without limiting any other provision hereunder, Contractor shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment practices and in delivery of services because of race, color, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition, pregnancy, mental and/or physical disability, gender, gender identification, ethnic group identification, creed, health status, identification with any other persons or groups identified in Penal Code section 422.56 or other prohibited basis, including without limitation, KHS's policy on nondiscrimination. Contractor agrees to comply with all nondiscrimination rules or regulations required by law, including, but not limited to, Title VI of the Civil Rights Act of 1964 (42 USC Section 2000d, 45 C.F.R. Part

80); Titles II and III of the Americans with Disabilities Act of 1990; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; the Rehabilitation Act of 1973, as amended; Section 1557 of the Patient Protection and Affordable Care Act; Unruh Civil Rights Act; Government Code sections 7405 and 11135; Welfare and Institutions Code section 14029.91; 1365.5 of the Knox-Keene Health Care Service Plan Act; and the regulations promulgated thereunder the above listed statutes, all of which are incorporated herein by this reference. Contractor understands and agrees that administrative methods and/or procedures which have the effect of subjecting individuals to discrimination or otherwise defeating the objectives of the applicable and aforementioned laws shall be prohibited.

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

Notice to Contractor: Kennaday Leavitt, PC 400 Capitol Mall, Suite 2840 Sacramento, CA 95814

Attn.: Troy R. Szabo

Notice to KHS: Kern Health Systems 2900 Buck Owens Boulevard Bakersfield, California 93308

Attn.: Devin W. Brown

- **Signature Authority.** Each party represents that they have full power and authority to enter into and perform this Agreement, and the person(s) signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.
- **Sole Agreement.** This Agreement, including all attachments and exhibits hereto, which are incorporated herein by this reference, 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.
- 35. <u>Standards for Plan Organization</u>. In compliance with Health and Safety Code section 1367(g) and title 28, California Code of Regulations, section 1300.67.3, the KHS Chief Legal and Human Resources Officer shall retain fiscal and administrative oversight for services rendered under this Agreement. The KHS Chief Legal and Human Resources

Officer shall be responsible for primary oversight of the delegated functions set forth in **Exhibit "A."** Contractor shall apprise KHS of recommendations, plans for implementation, and continuing assessment through dated and signed monthly, quarterly, and annual reports, which shall be retained by KHS for follow-up action and evaluation of performance. The reports must include adequately detailed data elements to present an accurate report of Contractor's performance. Contractor shall also prepare and submit to the KHS Chief Legal and Human Resources Officer any special reports as requested by KHS regarding any proposed or rendered services specified in this Agreement within the specified timeframe referenced in **Exhibit "A"**.

36. <u>Termination</u>.

- 36.1 <u>Termination without Cause</u>. Notwithstanding any other provision of this Agreement, at any time and without cause, KHS shall have the right, in its sole discretion, to terminate this Agreement by giving sixty (60) days' written notice to Contractor.
- Termination for Cause. Notwithstanding any other provision of this Agreement, should either party fail to perform any of its obligations hereunder or is otherwise disqualified from participation in governmental health care programs, as provided in **Section 19** of this Agreement, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, the non-breaching party may terminate this Agreement by giving the breaching party thirty (30) days' written notice of such termination, stating the reason for termination.
- 36.3 Changes in Funding. Contractor understands and agrees that KHS shall have the right to terminate this Agreement upon written notice to Contractor in the event that (a) any state or federal agency or other funding source reduces, withholds or terminates funding which KHS anticipated using to pay Contractor for services provided under this Agreement or (b) KHS has exhausted all funds legally available for payments due under this Agreement, provided that KHS shall provide at least ninety (90) days' notice of such event.
- 36.4 <u>Termination Obligations</u>. If, for any reason, this Agreement is terminated, or any subcontracting services are terminated, prior to completion of all services, the parties agree that: (a) each party shall immediately furnish to the other party all documents related to the services rendered under this Agreement, including, but not limited to, any Confidential Information and any advertising matters bearing any trademark or trade names of the other party relating to this Agreement; (b) KHS shall discontinue use of the services and shall promptly notify Members, if applicable, that the services are no longer available; and (c) Contractor shall notify DHCS and DMHC that this Agreement has been terminated.

37. **Effect of Termination.**

- 37.1 <u>Delivery of Work Product and Final Payment upon Termination</u>. In the event of termination, Contractor, within fourteen (14) days following the date of termination, shall deliver to KHS all Documents subject to **Section 13.6** (Ownership of Records) and shall submit to KHS an invoice showing the services performed, hours worked, and copies of receipts for reimbursable expenses up to the date of termination.
- 37.2 Payment upon Termination. Upon termination of this Agreement by KHS, Contractor shall be entitled to receive as full payment for all services rendered and expenses incurred hereunder, an amount which bears the same ratio to the total payment specified in this Agreement as the services rendered in compliance with the Agreement by Contractor bear to the total services otherwise required to be performed for such total payment; provided, however, that if services which have been satisfactorily rendered are to be paid on a per-hour or per-day basis, Contractor shall be entitled to receive as full payment an amount equal to the number of hours or days actually worked prior to the termination times the applicable hourly or daily rate; and further provided, however, that if KHS terminates this Agreement for cause pursuant to **Section 36.2**, KHS shall deduct from such amount the amount of damage, if any, sustained by KHS by virtue of the breach of this Agreement by Contractor.
- 37.3 <u>Vacate Premises</u>. Upon expiration or earlier termination of this Agreement, Contractor shall immediately vacate KHS, removing at such time any and all personal property of Contractor. KHS may remove and store, at Contractor's expense, any personal property that Contractor has not so removed.
- 37.4 <u>No Interference</u>. Following the expiration or earlier termination of this Agreement, Contractor 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 provider that may replace Contractor.
- 38. <u>Time of Essence</u>. Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision hereof, and each such provision is hereby made and declared to be a material, necessary and essential part of this Agreement.
- 39. LIMITATIONS OF LIABILITY. NEITHER PARTY SHALL BE LIABLE TO THE OTHER, FOR ANY SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE, INCIDENTAL, RELIANCE, OR CONSEQUENTIAL DAMAGES, INCLUDING ANY DAMAGES RESULTING FROM LOSS OF USE OF DATA OR THE SERVICES, LOST BUSINESS, LOSS OF GOODWILL, LOST REVENUES, FAILURE TO REALIZE ANTICIPATED SAVINGS, OR LOST PROFITS, AND ANY OTHER DAMAGES FOR ECONOMIC LOSS ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE INSTALLATION, IMPLEMENTATION, CUSTOMIZATION, USE, INABILITY TO USE, OPERATION OR SUPPORT OF THE SERVICES. EACH PARTY'S MAXIMUM AGGREGATE LIABILITY TO THE OTHER OR TO ANY OTHER PERSON FOR ANY LOSS ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE INSTALLATION, IMPLEMENTATION, CUSTOMIZATION, USE, INABILITY TO USE, OPERATION OR

SUPPORT OF THE SERVICES SHALL NOT EXCEED THE TOTAL FEES PAID AND/OR PAYABLE BY KHS TO CONTRACTOR IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT(S) GIVING RISE TO SUCH LIABILITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE FOREGOING LIMITATIONS OF LIABILITY SHALL NOT APPLY TO, AFFECT, OR LIMIT CONTRACTOR'S DUTY TO INDEMNIFY KHS IN ACCORDANCE WITH THIS AGREEMENT AND/OR (II) ANY THIRD PARTY CLAIMS.

40. **Governing Law.** This Agreement shall be governed by and construed in accordance with all laws and applicable regulations governing the Medi-Cal Contract, including, but not limited to, 42 CFR section 438.230, the Knox-Keene Health Care Services Plan Act of 1975 as codified in Health and Safety Code Section 1340 *et seq.* (unless expressly excluded under the Medi-Cal Contract); 28 CCR Section 1300.43 *et seq.*; Welfare and Institutions Code Sections 14000 *et seq.*; 22 CCR Sections 53800 *et seq.*; and 22 CCR Sections 53900 *et seq.*;

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have executed this Agreement as of the Execution Date.

| KERN HEALTH SYSTEMS | CONTRACTOR |
|--|---------------------------------|
| By: Kristen Beale Watson Chair of Board of Directors | By: Troy R. Szabo Partner |
| Date: | Date: |
| APPROVED AS TO FORM: | |
| By: Devin W. Brown Chief Legal and Human Resources Officer for Kern Health Systems | |
| Date: | |

EXHIBIT "A" SCOPE OF SERVICES

Kennaday Leavitt, PC

THIS SCOPE OF SERVICES ("Scope of Work") is effective July 1, 2025, (the "**Scope of Work Effective Date**") and is governed by the Agreement between **KHS** and **Contractor** dated, June 19, 2025. Any conflict in definitions between the Agreement and this Scope of Work shall have the meanings set forth in the Agreement unless explicitly modified herein, and in such case shall apply for the purposes of this Scope of Work only.

I. SCOPE OF SERVICES

A. General Requirements.

- 1. **Principal Lawyer**. Contractor assigns Troy R. Szabo as the Principal Lawyer and primary point of contact for all services provided to KHS by Contractor under this Agreement.
- 2. **Key Personnel.** Contractor identifies the additional key personnel below to provide specified services to KHS under this Agreement:
 - (a) Russell "R.J." Cooper Regulatory, transaction, and compliance lead.
 - (b) Jim Novello Corporate governance and investigations advisor.
 - (c) Curtis S. Leavitt Litigation-strategy advisor.
 - (d) Kelli M. Kennaday Employment law lead.

All attorneys identified as "Key Personnel" in this response, will be available during the entire duration of this Agreement. Except for reasons beyond its control, Contractor will not remove any Key Personnel from performance without the prior written consent of KHS, which permission will not be unreasonably withheld or delayed. No person identified as "key" will be removed or replaced without prior written concurrence of KHS.

3. **Additional Personnel.** Other firm attorneys employed by Contractor will work in support roles to those listed above.

B. <u>Service Work Plan</u>

The Principal Lawyer will meet with KHS executive leadership, operational leaders, outside counsel, and internal counsel (as applicable) to understand requests for legal projects and analysis. They will assign projects to Contractor personnel, internal counsel, or outside counsel, as appropriate. Based on the workstream, other Contractor attorneys may be put in direct contact with KHS leadership or employees. The Principal Lawyer will implement project timelines and regularly update the operational and senior leadership of the status and results of the projects, analysis, and recommendations.

C. Contractor Duties and Responsibilities.

1. Strategic Duties.

- (a) Contractor will track industry trends, assist in identifying best practices and advise Kern Health Systems on strategic decisions impacting its business operations currently and into the future.
- (b) Contractor will regularly consult with KHS's Board of Directors ("Board") and leadership on strategy decisions. The Board and management will have access to Contractor's Key Personnel.

2. Governance Duties.

- (a) Contractor will regularly report to and attend Board meetings and attend other meetings upon request.
- (b) Contractor will meet with KHS's legal team to ensure compliance requirements, goals, and governance-related matters are achieved. Contractor will assess and assign projects accordingly.
- (c) Contractor will meet with KHS's legal team to assess, assign, and ensure written summaries of material issues will be completed monthly or as needed.

3. Health Care and Privacy Oversight Duties.

- (a) Contractor will meet with, assess, and work with compliance personnel to maintain KHS's compliance programs and policies.
- (b) Contractor will routinely attend and participate in KHS's compliance committee meetings.
- (c) Contractor will engage internal lawyers to effectively and efficiently manage outside compliance counsel as well as outside consultants in order to achieve KHS's regulatory, legal, and operational requirements.
- (d) Contractor will report to the Board and executive management regarding identified material compliance issues and risks.

4. Managed Care Regulatory Duties.

- (a) Contractor will meet with internal legal staff and any outside counsel or consultants to ensure KHS is compliant with regulatory requirements of the California Department of Health Care Services, the California Department of Managed Health Care, the federal Center for Medicare & Medicaid Services, and any other governmental entities with jurisdiction over the agency.
- (b) Contractor will regularly report to KHS's Board and leadership on material regulatory issues.

5. Managed Care Operations Duties.

- (a) Contractor will meet with KHS's internal legal team to assess, identify, and ensure KHS's managed care operational issues are identified, prioritized, and addressed in a timely manner.
- (b) Contractor will meet with KHS's legal team to ensure outside counsel, consultants, and support personnel are used efficiently and effectively to serve KHS's operational requirements.
- (c) Contractor will regularly report to and advise KHS's Board and leadership on material operations issues.

6. **Management Duties**.

- (a) Contractor will meet with, assess, and assign legal matters as appropriate. Contractor will also routinely monitor the work of both inside and outside counsel to ensure consistency and overall adherence to KHS's operational priorities and goals.
- (b) Contractor will regularly report to and advise the Board regarding material legal issues affecting KHS.

II. KHS RESOURCES AND RESPONSIBILITIES

KHS shall provide Contractor with the resources and access necessary to perform the services identified above, including:

- 1. KHS shall identify internal and external legal counsel for Principal Lawyer and other Key Personnel to assign, coordinate, and monitor legal workload.
- 2. KHS shall identify the contact in the Compliance department to coordinate with assigned regulatory counsel.
- 3. KHS shall identify the contact in Human Resources department to coordinate with assigned employment law counsel.
- 4. KHS shall ensure Contractor is provided access to secure file transmission to deliver confidential and privileged information to KHS personnel.
- 5. Access to all legal files in possession of KHS, as requested by Contractor, and in furtherance of providing continuing legal advice to KHS.
- 6. Access to KHS facilities.
- 7. Office space as needed to conduct business meetings on behalf of KHS when onsite.
- 8. Authorization to file all legal and regulatory documents on behalf of KHS.

IN WITNESS WHEREOF, the undersigned, being duly authorized to do so, has executed this Scope of Work as of the Scope of Work Effective Date.

| KERN HEALTH SYSTEMS: | CONTRACTOR: |
|----------------------|-------------|
| By: | By: |
| Name: | Name: |
| Title: | Title: |
| Date: | Date: |

EXHIBIT "B" COMPENSATION EXHIBIT Kennaday Leavitt, PC

1. Compensation

1.1 Basis of Compensation. Services provided under this agreement will be compensated at an hourly rate - billed at 0.1 hour increments.

1.2 Rates.

- 1. Paralegal \$195 per hour.
- 2. Blended Associate/Sr. Associate attorneys \$475 per hour.
- 3. Partner attorneys at \$575 per hour.
- 4. Sr. Partner attorneys at \$675 per hour. These attorneys are identified as lead attorneys.

Changes to these tiers may be made with KHS approval.

1.3 Rate Adjustments.

The rates set forth in Section 1.2 will increase in an amount not to exceed 3% per year.

- **1.4 Travel and Per Diem Compensation.** Contractor will only seek reimbursement for reasonable and related travel expenses and will not charge professional fees for travel time unless work is carried out during said travel.
 - 1.4.1 **Travel.** Contractor agrees to only seek travel reimbursement for the lowest available economy class fare, by the most direct route to KHS from the Point of Origin or other place pre-approved by KHS.
 - 1.4.2 **Per Diem.** Contractor will submit copies of receipts for meals and incidental expenses when conducting work at KHS.
 - 1.4.3 **Monthly Travel Allotment.** All travel expenses sought to be reimbursed shall not exceed a monthly travel allotment of \$2,500.
- **1.5 Approvals for Travel and Per Diem Compensation.** All travel related expenses require pre-approval from KHS. All out of state travel must be approved by KHS CEO.

2. GEOGRAPHIC SCOPE

2.1 Contractor shall provide the services contained in this Agreement through its principal office in Sacramento, California.

EXHIBIT "C"

IRS FORM W-9

EXHIBIT "D" HIPAA BUSINESS ASSOCIATE ADDENDUM

Kennaday Leavitt, PC

This Business Associate Addendum ("Addendum") by and between KHS and Contractor, which for the purposes of this Addendum shall be referred to as "Business Associate," is effective as of the Effective Date of the Professional Services Agreement.

RECITALS

WHEREAS, the parties have executed an agreement(s) whereby Business Associate provides services to KHS, and Business Associate creates, receives, maintains, uses, transmits protected health information ("PHI") in order to provide those services;

WHEREAS, as a covered entity, KHS is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act ("HIPAA") of 1996, Public Law 104-191, and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations (C.F.R.) Parts 160 and Subparts A and E of 45 C.F.R. Part 164 ("Privacy Regulations") and the Security Standards for Electronic Protected Health Information ("Security Regulations") at 45 C.F.R. Parts 160 and Subparts A and C of 45 C.F.R. Part 164, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH Act") of 2009, Public Law 111-5, and regulations promulgated thereunder including the Breach Notification Regulations at Subpart D of 45 C.F.R. Part 164, and is subject to certain state privacy laws;

WHEREAS, as a business associate, Business Associate is subject to certain provisions of HIPAA, and regulations promulgated thereunder, as required by the HITECH Act and regulations promulgated thereunder;

WHEREAS KHS and Business Associate are required to enter into a contract in order to mandate certain protections for the privacy and security of PHI;

WHEREAS, KHS's regulator(s) have adopted certain administrative, technical and physical safeguards deemed necessary and appropriate by it/them to safeguard regulators' PHI and have required that KHS incorporate such requirements in its business associate agreements with subcontractors that require access to the regulators' PHI;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

- 1. **Definitions**. Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in HIPAA, the HITECH Act, and regulations promulgated thereunder.
 - 1.1. **Addendum** as used in this document means this Business Associate Addendum.

- 1.2. **Breach** means, unless expressly excluded under 45 C.F.R. § 164.402, the acquisition, access, use, or disclosure of PHI in a manner not permitted under Subpart E of 45 C.F.R. Part 164 which compromises the security or privacy of the PHI and as more particularly defined under 45 C.F.R. § 164.402.
- 1.3. **Business associate** has the meaning given such term in 45 C.F.R. § 160.103.
- 1.4. **Confidential information** refers to information not otherwise defined as PHI in Section 1.15 below, but to which state and/or federal privacy and/or security protections apply.
- 1.5. **Data aggregation** has the meaning given such term in 45 C.F.R. § 164.501.
- 1.6. **Designated record set** has the meaning given such term in 45 C.F.R. § 164.501.
- 1.7. **Disclose** and **disclosure** mean the release, transfer, provision of access to, or divulging in any other manner of information outside the entity holding the information.
- 1.8. **Electronic health record** has the meaning given such term in 42 U.S.C. § 17921.
- 1.9. **Electronic media** means:
 - **1.9.1.** Electronic storage material on which data is or may be recorded electronically including, for example, devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or
 - 1.9.2. Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet, extranet or intranet, leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.
- 1.10. **Electronic protected health information** ("ePHI") means individually identifiable health information that is transmitted by or maintained in electronic media.
- 1.11. **Health care operations** has the meaning given such term in 45 C.F.R. § 164.501.
- 1.12. **Individual** means the person who is the subject of PHI and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

- 1.13. **Individually identifiable health information** means health information, including demographic information collected from an individual, that is created or received by a health care provider, health plan, employer or health care clearinghouse, and relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual, that identifies the individual or where there is a reasonable basis to believe the information can be used to identify the individual, as set forth under 45 C.F.R. § 160.103.
- 1.14. **Information system** means an interconnected set of information resources under the same direct management control that shares common functionality. A system normally includes hardware, software, information, data, applications, communications, and people.
- 1.15. **Protected health information** ("PHI"), as used in this Addendum and unless otherwise stated, refers to and includes both PHI as defined at 45 C.F.R. § 160.103 and personal information ("PI") as defined in the Information Practices Act at California Civil Code § 1798.3(a). PHI includes information in any form, including paper, oral, and electronic.
- 1.16. **Required by law** means a mandate contained in law that compels an entity to make a use or disclosure of PHI and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.17. **Secretary** means the Secretary of the U.S. Department of Health and Human Services or the Secretary's designee.
- 1.18. **Security incident** means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
- 1.19. **Services** means those services performed by Business Associate pursuant to the Agreement.
- 1.20. **Unsecured protected health information** ("unsecured PHI") means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of technology or methodology specified by the Secretary in the guidance issued under 42 U.S.C. § 17932(h)(2).

- 1.21. **Use** and **uses** mean, with respect to individually identifiable health information, the sharing, employment, application, utilization, examination or analysis of such information within the entity that maintains such information.
- 2. KHS intends that Business Associate may create, receive, maintain, transmit or aggregate certain information pursuant to the terms of this Addendum and the Agreement, some of which information may constitute PHI and/or confidential information protected by federal and/or state laws.
- 3. Business Associate is the business associate of KHS acting on KHS's behalf and provides services or arranges, performs or assists in the performance of functions or activities on behalf of KHS, and may create, receive, maintain, transmit, aggregate, use or disclose PHI (collectively, "use or disclose PHI") in order to fulfill Business Associate's obligations under this Addendum and the Agreement.
- 4. **Permitted Uses and Disclosures of PHI by Business Associate**. Except as otherwise indicated in this Addendum and the Agreement, Business Associate may use or disclose PHI, inclusive of de-identified data derived from such PHI, only to perform functions, activities or services specified in this Addendum and the Agreement on behalf of KHS, provided that such use or disclosure would not violate HIPAA, including the Privacy Regulations, if done by KHS.
 - 4.1. **Specific Use and Disclosure Provisions**. Except as otherwise indicated in this Addendum and the Agreement, Business Associate may use and disclose PHI if necessary for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate. Business Associate may disclose PHI for this purpose if the disclosure is required by law, or Business Associate obtains reasonable assurances, in writing, from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.
 - 4.2. **Data Aggregation**. If authorized as part of the services provided to KHS under the Agreement, Business Associate may use PHI to provide data aggregation services relating to the health care operations of KHS.

5. Prohibited Uses and Disclosures of PHI

- **5.1. Restrictions on Certain Disclosures to Health Plans.** Business Associate shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if the PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction in accordance with HIPAA and the HITECH Act, including 45 C.F.R. § 164.522(a). The term PHI, as used in this Section, only refers to PHI as defined in 45 C.F.R. § 160.103.
- **5. 2. Prohibition on Sale of PHI; No Remuneration.** Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written authorization of KHS and KHS's regulator(s), as applicable, and then, only

as permitted by HIPAA and the HITECH Act. The term PHI, as used in this Section, only refers to PHI as defined in 45 C.F.R. § 160.103.

6. Compliance with Other Applicable Laws

- 6.1. To the extent that other state and/or federal laws provide additional, stricter and/or more protective (collectively, "more protective") privacy and/or security protections to PHI or other confidential information covered under this Addendum and the Agreement beyond those provided through HIPAA, Business Associate agrees:
 - 6.1.1. To comply with the more protective of the privacy and security standards set forth in applicable state or federal laws to the extent such standards provide a greater degree of protection and security than HIPAA or are otherwise more favorable to the individuals whose information is concerned; and
 - 6.1.2. To treat any violation of such additional and/or more protective standards as a breach or security incident, as appropriate, pursuant to Section 17 of this Addendum.
- Examples of laws that provide additional and/or stricter privacy protections to certain types of PHI and/or confidential information, as defined in Section 1 of this Addendum, include, but are not limited to, the Information Practices Act, California Civil Code §§ 1798-1798.78, Confidentiality of Alcohol and Drug Abuse Patient Records, 42 C.F.R. Part 2, Welfare and Institutions Code § 5328, and California Health and Safety Code § 11845.5.
- 6.3 If Business Associate is a Qualified Service Organization ("QSO"), as defined in 42 C.F.R. § 2.11, Business Associate agrees to be bound by and comply with subdivisions (2)(i) and (2)(ii) under the definition of QSO in 42 C.F.R. § 2.11.

7. Additional Responsibilities of Business Associate

7.1. **Nondisclosure**. Business Associate shall not use or disclose PHI or other confidential information other than as permitted or required by this Addendum and the Agreement or as required by law.

7.2. Safeguards and Security

7.2.1. Business Associate shall use safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI and other confidential data and comply, where applicable, with Subpart C of 45 C.F.R. Part 164 with respect to ePHI, to prevent use or disclosure of the information other than as provided for by this Addendum and the Agreement. Such safeguards shall be, at a minimum, at Federal Information Processing Standards ("FIPS") Publication 199 protection levels. Business Associate shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of Subpart C of 45 C.F.R. Part 164, in compliance with 45 C.F.R. § 164.316. Business Associate shall maintain a comprehensive written information privacy and security program that includes administrative, technical, and physical safeguards appropriate to the size and complexity of Business Associate's operations

and the nature and scope of its activities.

- 7.2.2. Business Associate shall, at a minimum, utilize an industry-recognized security framework when selecting and implementing its security controls, and shall maintain continuous compliance with its selected framework as it may be updated from time to time. Examples of industry-recognized security frameworks include but are not limited to:
 - 7.2.2.1. NIST SP 800-53 National Institute of Standards and Technology Special Publication 800-53
 - 7.2.2.2. FedRAMP Federal Risk and Authorization Management Program
 - 7.2.2.3. PCI PCI Security Standards Council
 - 7.2.2.4. ISO/ESC 27002 International Organization for Standardization / International Electrotechnical Commission standard 27002
 - 7.2.2.6. IRS PUB 1075 Internal Revenue Service Publication 1075
 - 7.2.2.7. HITRUST CSF HITRUST Common Security Framework
- 7.2.3. Business Associate shall employ FIPS 140-2 compliant encryption of PHI at rest and in motion unless Business Associate determines it is not reasonable and appropriate to do so based upon a risk assessment, and equivalent alternative measures are in place and documented as such. Business Associate shall maintain, at a minimum, the most current industry standards for transmission and storage of PHI and other confidential information, including, but not limited to, encryption of all workstations, laptops, and removable media devices containing PHI and data transmissions of PHI.

[Alternate Provision for Section 7.2.3: "Business Associate shall maintain, at a minimum, the most current industry standards for transmission and storage of PHI and other confidential information. Without limiting the foregoing, Business Associate shall maintain, at a minimum, the most current industry standards, for encryption of all workstations, laptops, and removable media devices containing PHI and data transmissions of PHI, unless Business Associate complies with applicable requirements of the Security Regulations, including 45 C.F.R. §§ 164.306 and 164.312."]

- 7.2.4. Business Associate shall apply security patches and upgrades, and keep virus software up-to-date, on all systems on which PHI and other confidential information may be used.
- 7.2.5. Business Associate shall ensure that all members of its workforce with access to PHI and/or other confidential information sign a confidentiality statement prior to access to such data. The statement must be renewed annually.

- 7.2.6. Business Associate shall identify the security official who is responsible for the development and implementation of the policies and procedures required by 45 C.F.R. Part 164, Subpart C.
- 7.3. **Minimum Necessary**. With respect to any permitted use, disclosure, or request of PHI under this Addendum and the Agreement, Business Associate shall make reasonable efforts to limit PHI to the minimum necessary to accomplish the intended purpose of such use, disclosure, or request respectively, as specified in 45 C.F.R. § 164.502(b).
- 7.4. **Business Associate's Agent**. Business Associate shall ensure that any agents, subcontractors, subawardees, vendors or others (collectively, "agents") that use or disclose PHI and/or confidential information on behalf of Business Associate agree through a written agreement to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such PHI and/or confidential information.
- 8. **Mitigation of Harmful Effects**. Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI and other confidential information in violation of the requirements of this Addendum and the Agreement.
- 9. **Access to PHI**. Business Associate shall, to the extent KHS determines that any PHI constitutes a designated record set, make the PHI specified by KHS available to the individual(s) identified by KHS as being entitled to access and copy that PHI. Business Associate shall provide such access for inspection of that PHI within fifteen (15) calendar days after receipt of request from KHS. Business Associate shall also provide copies of that PHI ten (10) calendar days after receipt of request from KHS. If Business Associate maintains an electronic health record with PHI, and an individual requests a copy of such information in electronic format, Business Associate shall make such information available in that format as required under the HITECH Act and 45 C.F.R. § 164.524(c)(2)(ii).
- 10. **Amendment of PHI**. Business Associate shall, to the extent KHS determines that any PHI constitutes a designated record set, make PHI available for amendment and incorporate any amendments to PHI in accordance with 45 C.F.R. § 164.526 as requested by KHS in the time and manner designated by KHS.
- 11. **Accounting of Disclosures**. Business Associate shall document and make available to KHS or (at the direction of KHS) to an individual, such disclosures of PHI and information related to such disclosures, necessary to respond to a proper request by the subject individual for an accounting of disclosures of PHI in accordance with HIPAA, the HITECH Act and implementing regulations. Unless directed by KHS to make available to an individual, Business Associate shall provide to KHS, within thirty (30) calendar days after receipt of request from KHS, information collected in accordance with this Section to permit KHS to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528. The term PHI, as used in this Section, only refers to

PHI as defined in 45 C.F.R. § 160.103. Any accounting provided by Business Associate under this Section shall include:

- 11.1. The date of the disclosure;
- 11.2. The name, and address if known, of the entity or person who received the PHI;
- 11.3. A brief description of the PHI disclosed; and
- 11.4. A brief statement of the purpose of the disclosure.

For each disclosure that could require an accounting under this Section, Business Associate shall document the information enumerated above, and shall securely maintain the information for six (6) years from the date of the disclosure (but beginning no earlier than April 14, 2003).

- 12. **Compliance with HITECH Act**. Business Associate shall comply with the requirements of Title XIII, Subtitle D, of the HITECH Act, which are applicable to business associates, and shall comply with the regulations promulgated thereunder.
- 13. **Compliance with Obligations of KHS or DHCS**. To the extent Business Associate is to carry out an obligation of KHS or the California Department of Healthcare Services ("DHCS") under 45 C.F.R. Part 164, Subpart E, Business Associate shall comply with the requirements of such Subpart that apply to KHS or DHCS, as applicable, in the performance of such obligation.
- 14. **Access to Practices, Books and Records**. Business Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI on behalf of KHS available to KHS upon reasonable request, and to the DHCS and the Secretary for purposes of determining KHS's compliance with 45 C.F.R. Part 164, Subpart E. Business Associate also agrees to make its internal practices, books and records relating to the use and disclosure of PHI on behalf of KHS available to DHCS, KHS, and the Secretary for purposes of determining Business Associate's compliance with applicable requirements of HIPAA, the HITECH Act, and implementing regulations. Business Associate shall immediately notify KHS of any requests made by DHCS or the Secretary and provide KHS with copies of any documents produced in response to such request.
- 15. **Return or Destroy PHI on Termination; Survival.** At termination of this Addendum, if feasible, Business Associate shall return to KHS or, if agreed to by KHS, destroy all PHI and other confidential information received from, or created or received by Business Associate on behalf of, KHS that Business Associate or its agents or subcontractors still maintains in any form, and shall retain no copies of such information. If KHS elects destruction of PHI and/or other confidential information, Business Associate shall ensure such information is destroyed in accordance with the destruction methods specified in Sections 15.1 and 15.2 below and shall certify in writing to KHS that such information has been destroyed accordingly. If return or destruction is not feasible, Business Associate shall notify KHS of the conditions that make the return or destruction infeasible. Subject to the approval of KHS's regulator(s) if necessary, if such return or destruction is not feasible, KHS shall determine the terms and conditions under which Business Associate may retain the PHI. Business Associate shall also extend the protections of this Addendum to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
 - 15.1 **Data Destruction.** Data destruction methods for KHS PHI or confidential

information must conform to U.S. Department of Defense standards for data destruction DoD 5220.22-M (7 Pass) standard or by degaussing. Media may also be physically destroyed in accordance with NIST Special Publication 800-88. Other methods require prior written permission of KHS and, if necessary, KHS's regulator(s).

- 15.2 **Destruction of Hard Copy Confidential Data**. KHS PHI or confidential information in hard copy form must be disposed of through confidential means, such as crosscut shredding and pulverizing.
- 15.3 **Survival**. The obligations of Business Associate under this Section shall survive the termination of this Addendum.
- 16. **Special Provision for SSA Data**. If Business Associate receives data from or on behalf of KHS that was verified by or provided by the Social Security Administration ("SSA Data") and is subject to an agreement between DHCS and the Social Security Administration, Business Associate shall provide, upon request by KHS, a list of all employees and agents and employees who have access to such data, including employees and agents of its agents, to KHS.
- 17. **Breaches and Security Incidents**. Business Associate shall implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and take the following steps:

17.1. Notice to KHS

- 17.1.1. **Immediate Notice**. Business Associate shall notify KHS immediately upon the discovery of a suspected breach or security incident that involves SSA Data. This notification will be provided by email upon discovery of the breach. If Business Associate is unable to provide notification by email, then Business Associate shall provide notice by telephone to KHS.
- 17.1.2. **24-Hour Notice**. Business Associate shall notify KHS within 24 hours by email (or by telephone if Business Associate is unable to email KHS) of the discovery of:
 - 17.1.2.1. Unsecured PHI if the PHI is reasonably believed to have been accessed or acquired by an unauthorized person;
 - 17.1.2.2. Any suspected security incident which risks unauthorized access to PHI and/or other confidential information;
 - 17.1.2.3. Any intrusion or unauthorized access, use or disclosure of PHI in violation of this Addendum and/or the Agreement; or
 - 17.1.2.4. Potential loss of confidential data affecting this Addendum and/or the Agreement.
- 17.1.3. Notice shall be provided to the KHS Privacy Officer ("KHS Contact") using the KHS Contact Information at Section 17.7 below. Such notification by Business Associate shall comply with KHS's form and

- content requirements for reporting privacy incident and shall include all information known at the time the incident is reported.
- 17.2. **Required Actions**. Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI, Business Associate shall take:
 - 17.2.1. Prompt action to mitigate any risks or damages involved with the security incident or breach;
 - 17.2.2. Any action pertaining to such unauthorized disclosure required by applicable federal and state law; and
 - 17.2.3. Any corrective actions required by KHS or KHS's regulator(s).
- 17.3. **Investigation**. Business Associate shall immediately investigate such security incident or confidential breach. Business Associate shall comply with KHS's additional form and content requirements for reporting such privacy incident.
 - 17.3.1. Incident details including the date of the incident and when it was discovered;
 - 17.3.2. The identification of each individual whose unsecured PHI has been, or is reasonably believed by Business Associate to have been accessed, acquired, used or disclosed during the breach;
 - 17.3.3. The nature of the data elements involved, and the extent of the data involved in the breach:
 - 17.3.4. A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or confidential data;
 - 17.3.5. A description of where the PHI or confidential data is believed to have been improperly transmitted, sent, or utilized;
 - 17.3.6. A description of the probable causes of the improper use or disclosure;
 - 17.3.7. Any other available information that Business Associate is required to include in notification to the individual under 45 C.F.R. § 164.404(c);
 - 17.3.8. Whether the PHI or confidential data that is the subject of the security incident, breach, or unauthorized use or disclosure of PHI or confidential data included unsecured PHI;
 - 17.3.9. Whether a law enforcement official has requested a delay in notification of individuals of the security incident, breach, or unauthorized use or disclosure of PHI or confidential data because such notification would impede a criminal investigation or damage national security and whether such notice is in writing; and
 - 17.3.10. Whether Section 13402 of the HITECH Act (codified at 42 U.S.C. §

- 17932), California Civil Code §§ 1798.29 or 1798.82, or any other federal or state laws requiring individual notifications of breaches are triggered.
- 17.4. **Complete Report**. Business Associate shall provide a complete written report of the investigation ("Final Report") to the KHS Contact within seven (7) working days of the discovery of the security incident or breach. Business Associate shall comply with KHS's additional form and content requirements for reporting of such privacy incident.
 - 17.4.1. The Final Report shall provide a comprehensive discussion of the matters identified in Section 17.3 above and the following:
 - 17.4.1.1. An assessment of all known factors relevant to a determination of whether a breach occurred under HIPAA and other applicable federal and state laws;
 - 17.4.1.2. A full, detailed corrective action plan, including its implementation date and information on mitigation measures taken to halt and/or contain the improper use or disclosure and to reduce the harmful effects of the breach;
 - 17.4.1.3. The potential impacts of the incident, such as potential misuse of data, identity theft, etc.; and
 - 17.4.1.4. A corrective action plan describing how Business Associate will prevent reoccurrence of the incident in the future.

 Notwithstanding the foregoing, all corrective actions are subject to the approval of KHS and KHS's regulator(s), as applicable.
 - 17.4.2. If KHS or KHS's regulator(s) requests additional information, Business Associate shall make reasonable efforts to provide KHS with such information. A supplemental written report may be used to submit revised or additional information after the Final Report is submitted.
 - 17.4.3. KHS and KHS's regulator(s), as applicable, will review and approve or disapprove Business Associate's determination of whether a breach occurred, whether the security incident or breach is reportable to the appropriate entities, if individual notifications are required, and Business Associate's corrective action plan.
 - 17.4.4. **New Submission Timeframe**. If Business Associate does not complete a Final Report within the seven (7) working day timeframe specified in Section 17.4 above, Business Associate shall request approval from KHS within the seven (7) working day timeframe of a new submission timeframe for the Final Report. Business Associate acknowledges that a new submission timeframe requires the approval of KHS and, if necessary, KHS's regulator(s).
- 17.5. **Notification of Individuals**. If the cause of a breach is attributable to Business Associate or its agents, then KHS or, as required by KHS, Business Associate shall

notify individuals accordingly and Business Associate shall pay all costs of such notifications. The notifications shall comply with applicable federal and state law. All such notifications shall be coordinated with KHS. KHS and KHS regulator(s), as applicable, shall approve the time, manner and content of any such notifications. Business Associate acknowledges that such review and approval by KHS and KHS regulator(s), as applicable, must be obtained before the notifications are made.

- 17.6. **Responsibility for Reporting of Breaches to Entities Other than KHS**. If the cause of a breach of PHI is attributable to Business Associate or its subcontractors, Business Associate agrees that KHS shall make all required reporting of the breach as required by applicable federal and state law, including any required notifications to media outlets, the Secretary, and other government agency/regulator.
- 17.7. **KHS Contact Information**. To direct communications to KHS Privacy Officer, Business Associate shall initiate contact as indicated here. KHS reserves the right to make changes to the contact information below by giving written notice to Business Associate. These changes shall not require an amendment to this Addendum.

KHS Privacy Officer

Privacy Officer

c/o: Deborah Murr, Chief Compliance and Fraud Prevention Officer

KHS

2900 Buck Owens Blvd. Bakersfield, CA 93308

Email: deborah.murr@khs-net.com

Telephone: 661-664-5000

18. **Responsibilities of KHS**

- 18.1 KHS agrees to not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA and/or other applicable federal and/or state law.
- 18.2 **Notification of SSA Data**. KHS shall notify Business Associate if Business Associate receives data that is SSA Data from or on behalf of KHS.
- 19. **Indemnification**. Business Associate will indemnify and pay KHS for and hold it harmless from (i) any and all fees and expenses KHS incurs in investigating, responding to, and/or mitigating a breach of PHI or confidential information caused by Business Associate or its subcontractors or agents; (ii) any damages, attorneys' fees, costs, liabilities or other sums actually incurred by KHS due to a claim, lawsuit, or demand by a third party arising out of a breach of PHI or confidential information caused by Business Associate or its subcontractors or agents; and/or (iii) for fines, assessments, sanctions, and/or civil penalties assessed or imposed against KHS by any government agency/regulator based on a breach of PHI or confidential information caused by Business Associate or its subcontractors or agents. Such fees and expenses may include, without limitation, attorneys' fees and costs and costs for computer security consultants, credit reporting agency services, postal or other delivery charges, notifications of breach to individuals, and required reporting of breach.

Acceptance by KHS of any insurance certificates and endorsements required under the Agreement does not relieve Business Associate from liability under this indemnification provision. This provision shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply.

- 19.1 With respect to any action or claim subject to indemnification herein by Business Associate, Business Associate shall, at its sole cost, have the right to use counsel of its choice, subject to the approval of KHS, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim only with the prior consent of KHS, which shall not be unreasonably withheld; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Business Associate's indemnification to KHS as set forth herein. Business Associate's obligation to defend, indemnify and hold harmless KHS shall be subject to KHS having given Business Associate written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Business Associate's expense, for the defense or settlement thereof. Business Associate's obligation hereunder shall be satisfied (if KHS has no liability whatsoever for the claim) when Business Associate has provided to KHS the appropriate form of dismissal relieving KHS from any liability for the action or claim involved.
- 19.2 In the event there is a conflict between this indemnification clause and the indemnification clause contained in the Agreement, this indemnification clause shall only apply to the subject issues set forth in this Business Associate Addendum.

20. Audits, Inspection and Enforcement

- 20.1. From time to time, KHS or KHS's regulator(s) may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Addendum. Business Associate shall promptly remedy any violation of this Addendum and shall certify the same to the KHS Privacy Officer in writing. Whether or how KHS or KHS's regulator(s) exercises this provision shall not in any respect relieve Business Associate of its responsibility to comply with this Addendum.
- 20.2. If Business Associate is the subject of an audit, compliance review, investigation or any proceeding that is related to the performance of its obligations pursuant to this Addendum, or is the subject of any judicial or administrative proceeding alleging a violation of HIPAA, Business Associate shall promptly notify KHS unless it is legally prohibited from doing so.

21. Term and Termination

21.1 **Term**. This Addendum is effective as of the Effective Date and shall terminate when (i) the Agreement terminates, (ii) in accordance with this Section 21 of this Business Associate Addendum, or (iii) when all of the PHI provided by KHS to Business Associate, or created or received by Business Associate on behalf of KHS, is destroyed or returned to KHS, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in Section 15 of this Business Associate Addendum.

- 21.2. **Termination for Cause**. Upon KHS's knowledge of a violation of this Addendum by Business Associate, KHS may in its discretion:
 - 21.2.1. Provide an opportunity for Business Associate to cure the violation and terminate this Addendum and the Agreement if Business Associate does not do so within the time specified by KHS; or
 - 21.2.2. Terminate this Addendum and the Agreement if Business Associate has violated a material term of this Addendum.
- 21.3. **Judicial or Administrative Proceedings**. KHS may terminate this Addendum and the Agreement if Business Associate is found to have violated HIPAA, or stipulates or consents to any such conclusion, in any judicial or administrative proceeding.

22. **Miscellaneous Provisions**

22.1. **Disclaimer**. KHS makes no warranty or representation that compliance by Business Associate with this Addendum will satisfy Business Associate's business needs or compliance obligations. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI and other confidential information.

22.2. Amendment

- 22.2.1. Any provision of this Addendum which is in conflict with current or future applicable federal or state laws is hereby amended to conform to the provisions of those laws. Such amendment of this Addendum shall be effective on the effective date of the laws necessitating it and shall be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the parties.
- 22.2.2. Failure by Business Associate to take necessary actions required by Section 22.2.1 of this Addendum shall constitute a material violation of this Addendum.
- 22.3. Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and its employees and agents available to KHS or KHS's regulator(s) at no cost to KHS or KHS's regulator(s), as applicable, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against KHS or KHS's regulator(s), their respective directors, officers and/or employees based upon claimed violation of HIPAA, which involve inactions or actions by Business Associate.
- 22.4. **No Third-Party Beneficiaries**. Nothing in this Addendum is intended to or shall confer, upon any third person any rights or remedies whatsoever.
- 22.5. **Interpretation**. The terms and conditions in this Addendum shall be interpreted as broadly as necessary to implement and comply with HIPAA and other applicable laws.
- 22.6. No Waiver of Obligations. No change, waiver or discharge of any liability or

- obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.
- 22.7. **Statutory or Regulatory Reference**. Any reference to statutory or regulatory language in this Addendum shall be to such language as in effect or as amended.
- 22.8. **Injunctive Relief**. Notwithstanding any rights or remedies provided in this Addendum, KHS retains all rights to seek injunctive relief to prevent or stop the unauthorized use or disclosure of PHI or confidential information by Business Associate or any agent, subcontractor, employee or third party that received PHI or confidential information.
- 22.9 **Monitoring.** As applicable, Business Associate shall comply with monitoring requirements of KHS's contracts with regulator(s) or any other monitoring requests by KHS's regulator(s).
- 22.10 **Venue**. It is expressly acknowledged that this Addendum has been entered into and will be performed within the County of Kern. Should any suit or action be commenced to enforce or interpret the terms of this Addendum or any claim arising under it, it is expressly agreed that proper venue shall be in County of Kern, State of California.

EXECUTION

Subject to the execution of the Agreement or amendments thereto by Business Associate and KHS, this Business Associate Addendum shall become effective on the Effective Date.

In witness thereof, the parties have executed this Business Associate Addendum:

| Business Associate | KHS | |
|--------------------|------------|--|
| Print Name | Print Name | |
| Signature | Signature | |
| Title | Title | |
| Date | Date | |

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EXHIBIT "E" INSURANCE

With respect to performance of work under this Agreement, Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain insurance as described below unless such insurance has been expressly waived in writing by KHS. Any requirement for insurance to be maintained after completion of the work shall survive the termination or expiration of this Agreement.

KHS reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

1. Workers' Compensation and Employers Liability Insurance:

- (a) Required if Contractor has employees. If Contractor currently has no employees, Contractor agrees to obtain the specified Workers' Compensation and Employers Liability insurance should any employees be engaged during the term of this Agreement or any extensions thereof.
- (b) Workers' Compensation insurance with statutory limits as required by the Labor Code of the state of California.
- (c) Employers Liability with limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- (d) Required Evidence of Insurance: Certificate of Insurance.

2. General Liability Insurance:

- (a) Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
- (b) Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance. If Contractor maintains higher limits than the specified minimum limits, KHS requires and shall be entitled to coverage for the higher limits maintained by Contractor.
- (c) Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by KHS. Contractor is responsible for any deductible or self-insured retention and shall fund it upon KHS's written request, regardless of whether Contractor has a claim against the insurance or is named as a party in any action involving KHS.
- (d) KHS shall be named as an additional insured for liability arising out of operations by or on behalf of Contractor in the performance of this Agreement.
- (e) The insurance provided to KHS as an additional insured shall be primary to and non-contributory with any insurance or self-insurance program maintained by KHS.
- (f) The policy definition of "insured contract" shall include assumptions of liability arising

- out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the "f" definition of insured contract in ISO form CG 00 01, or equivalent).
- (g) The policy shall cover inter-insured suits between KHS and Contractor and include a "separation of insureds" or "severability" clause which treats each insured separately.
- (h) Required Evidence of Insurance: (i) Copy of the additional insured endorsement or policy language granting additional insured status; and (ii) Certificate of Insurance.

3. Automobile Liability Insurance:

- (a) Minimum Limits: \$1,000,000 combined single limit per accident.
- (b) Insurance shall apply to all owned autos. If Contractor currently owns no autos, Contractor agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions thereof.
- (c) Insurance shall apply to hired and non-owned autos.
- (d) Required Evidence of Insurance: Certificate of Insurance.

4. Professional Liability Insurance:

- (a) Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 Annual Aggregate.
- (b) If the Professional Liability Insurance is written on a claims-made basis, Contractor, at Contractor's option, shall either (i) maintain said coverage for at least three (3) years following the termination of this Agreement with coverage extending back to the effective date of this Agreement; (ii) purchase an extended reporting period of not less than three (3) years following the termination of this Agreement; or (iii) acquire a full prior acts provision on any renewal or replacement policy.
- (c) Required Evidence of Insurance: Certificate of Insurance.
- 5. <u>Standards for Insurance Companies</u>: Insurers shall have an A.M. Best's rating of at least A·VII

6. Cyber Liability Insurance:

(a) Contractor shall at the minimum obtain and maintain, without interruption, a professional liability policy and/or security and privacy liability policy covering liability arising out of unauthorized access to Contractor's computer systems or unauthorized access to KHS data stored by Contractor with limits of liability equaling at least \$1,000,000 per claim or occurrence and in the aggregate.

7. Documentation:

- (a) The Certificate of Insurance must include the following reference: Kern Health Systems
- (b) All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Contractor agrees to maintain current Evidence of Insurance on file with KHS for the entire term of this Agreement and any additional periods if specified in sections 1, 2 or 3 above.
- (c) The name and address for Additional Insured endorsements and Certificates of Insurance

- is: Kern Health Systems, 2900 Buck Owens Boulevard, Bakersfield, California 93308.
- (d) Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least 10 days before expiration or other termination of the existing policy.
- (e) Contractor shall provide immediate written notice if: (i) any of the required insurance policies is terminated; (ii) the limits of any of the required policies are reduced; or (iii) the deductible or self-insured retention is increased.
- (f) Upon written request, certified copies of required insurance policies must be provided to KHS within 30 days.
- 8. <u>Policy Obligations</u>: Contractor's indemnity and other obligations shall not be limited by the foregoing insurance requirements.
- 9. Material Breach: If Contractor fails to maintain the insurance required by this Agreement, it shall be deemed a material breach of this Agreement. KHS, at its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, KHS may purchase the required insurance, and without further notice to Contractor, KHS may deduct from sums due to Contractor any premium costs advanced by KHS for such insurance. These remedies shall be in addition to any other remedies available to KHS.

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Initials

Exhibit "F" **Vendor Data Transfer Checklist**

Kennaday Leavitt, PC

In order for Kern Health Systems ("KHS") to be assured that data shared with entities outside KHS, is protected; a checklist of basic security procedures and affirmations has been compiled for attestation by Kennaday Leavitt, PC ("Vendor"). The following Vendor Data Transfer Checklist outlines seven (7) areas that must be reviewed and signed off by any vendor receiving KHS data. A checkbox has been provided that will be initialed by an authorized signing authority prior to the transmission of KHS data to any external vendor. By initialing the checklist, Vendor attests that the area initialed has been reviewed and that all requirements are or will be satisfied by the vendor receiving the data. If Vendor cannot satisfy a requirement, then a comment section has been added at the end of the list for a detailed explanation. If additional comments are necessary, please provide an additional page. Satisfaction of these checklist requirements does not excuse Vendor from other performance obligations under the Agreement, including those obligations which may necessitate Vendor employ more stringent and protective standards than are listed within this Exhibit.

Data Transfer Checklist 1. Physical Security a. Access to facilities where data is stored are monitored with video surveillance. b. Access to facilities where the data is stored is access controlled with some type of electronic access system (i.e., security badge). c. Access control to the facilities where the data is stored is logged for security and reporting purposes. d. Location of the data transferred will reside in a data center of some type and the data center is access controlled with an electronic monitoring/security system. e. Vendor has current physical security policy. 2. Desktop Computer Security a. Desktop/Server systems access are restricted by username/password and require authentication to a central system such as Microsoft Active Directory. b. Desktop/Server access passwords are changed every 90 days by policy. c. Desktops do not grant administrative access to users carte blanch. d. USB ports on desktops and servers are restricted and data transfer is prohibited to all mass storage devices. e. All desktop/server systems have current anti-virus/malware software protection. f. Vendor has a current desktop security policy. 3. Database Security a. Database security is leveraged using an access control layer. i. Specify Access Controls: _ b. Data systems will reside within a secure database environment. 45

| | | c. Database access is monitored for security purposes. | |
|---|---|--|--|
| | | d. Data received from client will reside in an isolated database and not co- | |
| | | mingled with another client's data. | |
| | | e. Databases with Personal Healthcare Information (PHI) are encrypted. | |
| | | f. Vendor has a current data security policy. | |
| | | | |
| | 4. | Network Security | |
| | | a. Wireless access is restricted to known devices. | |
| | | b. Wireless access is restricted, secure, and encrypted.c. All network access is logged and monitored for security. | |
| | | d. Network is firewall protected from the Internet. | |
| | | e. Network has an Intrusion Detection System (IDS) on the same physical | |
| | | network where the data resides. | |
| | | f. Vendor has a current network security policy. | |
| | | | |
| | 5. | Technical Staffing | |
| | | a. Information Security Officer or similar role (please list): | |
| | | | |
| | | i. Name: | |
| | | ii. Title: | |
| | | II. Title. | |
| | | iii. Email: | |
| | | | |
| | | iv. Telephone: | |
| | | | |
| b. The vendor employs a Database Administrator. | | * * | |
| | c. The vendor employs a Network Administrator. | | |
| | | d. The vendor employs a Systems Administrator. | |
| | 6 | Data Destruction Verification | |
| | 0. | | |
| | a. Upon completion of the project/work the data that has been transferred to the contracted entity will be destroyed. | | |
| | | b. Proof that the transferred data (any metadata, compiled/calculated results, etc.) | |
| | | has been destroyed will be provided with a certified data destruction report | |
| | | from reputable digital data sanitation software. | |
| | | c. Person responsible for the data destruction (please list): | |
| | | · | |

i. Name:

| | ii. Title: | |
|--|---|---|
| | iii. Email: | |
| | iv. Telephone: | |
| d. | Estimated destruction date | e of the complete data set: |
| 7. Audit a. | data, access to the data, su nominate a reputable acco | e and complete records and accounts pertaining to the absets of calculated data, etc. Customer may audit, o counting firm to audit, Vendor's records, policies, o tices relating to the safeguarding of KHS data. |
| Comments: | | |
| | | |
| omission, or concear administrative, civil, | lment of material fact ma | and complete and understand that any falsification ay subject me or the represented organization to ermore, I am a duly authorized representative to sign |
| <u>Signatures</u> | | |
| Vendor | _ | Kern Health Systems |
| Name: | | Name: |
| Title: | | Title: |

Date:

Date:

EXHIBIT "G" MEDI-CAL REQUIREMENTS

This Exhibit sets forth the applicable requirements that are required by the contract between the California Department of Health Care Services ("DHCS") and Kern Health System ("KHS") (the "Medi-Cal Contract") to be included in this Agreement and any other provisions necessary to reflect compliance with law. Any citations in this Exhibit are to the applicable sections of the Medi-Cal Contract, or applicable law. This Exhibit will automatically be modified to conform to subsequent changes in law or government program requirements. In the event of a conflict between this Exhibit and any other provision of the Agreement, this Exhibit will control with respect to Medi-Cal. Any capitalized term utilized in this Exhibit will have the same meaning ascribed to it in the Agreement unless otherwise set forth in this Exhibit. If a capitalized term used in this Exhibit is not defined in the Agreement or this Exhibit, it will have the same meaning ascribed to it in the Medi-Cal Contract. For purposes of this Exhibit, "Contractor" means Vendor.

- 1. The parties acknowledge and agree that this Agreement specifies the services to be undertaken by Contractor. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.1; 22 CCR 53250(c)(1).)
- 2. This Agreement will be governed by and construed in accordance with all laws and applicable regulations governing the Medi-Cal Contract, including, but not limited to, 42 CFR section 438.230, the Knox-Keene Health Care Services Plan Act of 1975 as codified in Health and Safety Code Section 1340 *et seq.* (unless expressly excluded under the Medi-Cal Contract); 28 CCR Section 1300.43 *et seq.*; W&I Code Sections 14000 and 14200 *et seq.*; 22 CCR Sections 53800 *et seq.*; and 22 CCR Sections 53900 *et seq.* (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.7; 22 CCR 53250(c)(2).)
- 3. This Agreement and any amendments thereof will become effective only upon approval by DHCS in writing. (Medi-Cal Contract, Exhibit A, Attachment III, Sections 3.1.5.B.4 and 3.1.2.A.2; 22 CCR 53250(c)(3).)
- 4. The parties acknowledge and agree that the term of the Agreement, including the beginning and end dates as well as methods of extension, renegotiation, phaseout, and termination, are included in this Agreement. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.2; 22 CCR 53250(c)(4).)
- 5. Contractor agrees to submit to KHS, either directly or through a KHS subcontractor, as applicable, complete, accurate, reasonable, and timely Encounter Data and Provider Data, and any other reports or data as required by KHS, in order for KHS to meet its reporting requirements to DHCS. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.10; DHCS APL 23-006; 22 CCR 53250(c)(5).)
- 6. Contractor will comply with all monitoring provisions in the Medi-Cal Contract and any monitoring requests by DHCS. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.11; 22 CCR Sections 53250(e)(1).)

- 7. Contractor agrees to make all of its premises, facilities, equipment, books, records, contracts, computer, and other electronic systems pertaining to the obligations and functions undertaken pursuant to the terms of the Agreement, available for the purpose of an audit, inspection, evaluation, examination or copying, pursuant to the Access Requirements and State's Right to Monitor, as set forth in Medi-Cal Contract, Exhibit E, Section 1.1.22 (*Inspection and Audit of Records and Facilities*), and as follows: (a) As directed by KHS, DHCS, CMS, DHHS Inspector General, the Comptroller General, DOJ, DMFEA, DMHC, or their designees; (b) At all reasonable times at Contractor's place of business or at such other mutually agreeable location in California; and (c) For a term of at least ten (10) years from final date of the Medi-Cal Contract period or from the date of completion of any audit, whichever is later. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.13; 42 CFR 438.3(h).)
- 8. Contractor shall maintain all of its books and records, including Encounter Data, in accordance with good business practices and generally accepted accounting principles for a term of at least ten (10) years from the final date of the Medi-Cal Contract period or from the date of completion of any audit, whichever is later. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.14.)
- 9. If DHCS, DMFEA, DOJ, CMS, or the DHHS Inspector General determines there is a reasonable possibility of fraud or similar risk, DHCS, DMFEA, DOJ, CMS, or the DHHS Inspector General may inspect, evaluate, and audit Contractor at any time. Upon resolution of a full investigation of fraud, DHCS reserves the right to suspend or terminate Contractor from participation in the Medi-Cal program; seek recovery of payments made to Contractor; impose other sanctions provided under the State Plan or governing APLs, and direct KHS to terminate the Agreement due to fraud. (Medi-Cal Contract, Exhibit A, Attachment III, Section 1.3.4.D; DHCS APL 23-006; 42 CFR 438.230(c)(3)(iv).)
- 10. The parties acknowledge and agree that this Agreement contains full disclosure of the method and amount of compensation or other consideration to be received by Contractor from KHS. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.3; 22 CCR 53250(e)(2).)
- 11. Contractor agrees to maintain and make available to DHCS, upon request, copies of all downstream subcontracts Contractor enters into related to the performance of the obligations and functions it undertakes pursuant to the Agreement. Contractor shall ensure that all downstream subcontracts are in writing and contain provisions that require the downstream subcontractor to comply with all requirements under the Agreement, including this Exhibit, and the Medi-Cal Contract applicable to the specific obligations and functions Contractor delegates to the downstream subcontractor to the same extent Contractor is required to comply with said requirements. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.12; 22 CCR 53250(e)(3); 42 CFR 438.3(u).)
- 12. Contractor agrees to notify DHCS in the event this Agreement or any related downstream subcontract is amended or terminated. Notice is considered given when properly addressed and deposited in the United States Postal Service as first-class registered mail, attached.

(Medi-Cal Contract, Exhibit A, Attachment III, Sections 3.1.5.B.17 and Exhibit E, Section 1.1.12; 22 CCR 53250(e)(4).)

California Department of Health Care Services Managed Care Operations Division Attn: DHCS Contract Manager MS 4407 P.O. Box 997413 Sacramento, CA 95899-7413

- 13. Contractor agrees that assignment or delegation of the Agreement and any related downstream subcontract will be void unless prior written approval is obtained from DHCS. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.5–6; 22 CCR 53250(e)(5).)
- 14. Contractor agrees to hold harmless both the State and Members in the event KHS or another KHS subcontractor, if applicable, cannot or will not pay for obligations and functions undertaken pursuant to this Agreement. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.18; 22 CCR 53250(e)(6).)
- 15. Contractor agrees to timely gather, preserve, and provide to DHCS, CMS, DMFEA, and any authorized State or federal regulatory agencies, any records in Contractor's possession, in accordance with the Medi-Cal Contract, Exhibit E, Section 1.1.27 (*Litigation Support*). (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.15.)
- 16. Contractor agrees to comply with all applicable requirements of the DHCS Medi-Cal Managed Care Program pertaining to the obligations and functions undertaken by Contractor, including, but not limited to, all applicable Medicaid and Medi-Cal laws, regulations, subregulatory guidance, All Plan Letters, and the provisions of the Medi-Cal Contract. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.8; DHCS APL 23-006.)
- 17. Contractor agrees to all remedies specified by the Agreement and the Medi-Cal Contract, including, but not limited to, revocation of delegated functions, imposition of corrective actions, and financial sanctions, in instances where DHCS or KHS determine that the Contractor has not performed satisfactorily. Contractor acknowledges that KHS must, upon discovery of Contractor's noncompliance with the terms of the Agreement or any Medi-Cal requirements, report any significant instances (i.e., in terms of gravity, scope and/or frequency) of noncompliance, imposition of corrective actions, or financial sanctions pertaining to the obligations under the Medi-Cal Contract to DHCS within three (3) working days of the discovery or imposition. (42 CFR 438.230(c)(iii); DHCS APL 23-006.)
- 18. KHS agrees to inform Contractor of prospective requirements added by State or federal law or DHCS related to the Medi-Cal Contract that impact obligations and functions undertaken through the Agreement before the requirement is effective, and Contractor agrees to comply with the new requirements within thirty (30) calendar days of the effective date, unless otherwise instructed by DHCS. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.22.)

- 19. Contractor must inform its downstream subcontractors taking on delegated KHS functions of prospective requirements added by State or federal law or DHCS related to the Medi-Cal Contract that impact obligations and functions undertaken through the downstream subcontract before the requirement would be effective, and the downstream subcontractors must comply with the new requirements within thirty (30) calendar days of the effective date, unless otherwise instructed by DHCS. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.23.)
- 20. Contractor must ensure that cultural competency/humility, sensitivity, Health Equity, and diversity training is provided for Contractor's staff at key points of contact with Members in accordance with Exhibit A, Attachment III, Subsection 5.2.11.C of the Medi-Cal Contract (*Cultural and Linguistic Programs and Committees*). (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.24.)
- 21. This Agreement and all information received from Contractor in accordance with the requirements under the Medi-Cal Contract shall become public record on file with DHCS, except as specifically exempted in statute. The names of the officers and owners of Contractor, stockholders owning five (5) percent or more of the stock issued by Contractor and major creditors holding five (5) percent or more of the debt of Contractor will be attached to the Agreement at the time the Agreement is presented to DHCS. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.11.)
- 22. Contractor will provide KHS with written disclosure of information on its ownership and control as set forth in 42 CFR 455.104, in a format as directed by KHS prior to commencing services under this Agreement. Contractor's ownership and control disclosure information will be made available to DHCS, and upon request, the information is subject to audit by DHCS. (Medi-Cal Contract, Exhibit A, Attachment III, Section 1.3.5.A; DHCS APL 23-006; 42 CFR 438.602(c); 438.608(c)(2).)
- 23. Contractor will notify KHS within ten (10) working days of any suspected fraud, waste, or abuse. Contractor agrees that KHS may share such information with DHCS in accordance with Medi-Cal Contract, Exhibit A, Attachment III, Section 1.3.2.D (*Subcontractor's Reporting Obligations*) and Section 1.3.2.D.6) (*Confidentiality*). (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.26.)
- 24. Contractor represents and warrants that Contractor and its affiliates are not debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in nonprocurement activities under regulations issued under Executive Order No. 12549 or guidelines implementing Executive Order No. 12549. Further, Contractor represents and warrants that Contractor is not excluded from participation in any health care program under section 1128 or 1128A of the Social Security Act. (42 CFR 438.610.)
- 25. To the extent that Contractor communicates with Members, Contractor agrees to provide interpreter services for Members at all Contractor sites and comply with language assistance standards developed pursuant to Health and Safety Code section 1367.04. (Medi-Cal

- Contract, Exhibit A, Attachment III, Section 3.1.5.B.25.)
- 26. If applicable, Contractor agrees to participate and cooperate in KHS's Quality Improvement System. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.19.)
- 27. To the extent this Agreement includes the delegation of Quality Improvement activities to Contractor, the parties agree this Agreement includes those provisions stipulated in Medi-Cal Contract, Exhibit A, Attachment III, Section 2.2.5 (*Subcontractor and Downstream Subcontractor QI Activities*). (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.20.)
- 28. In the event and to the extent Contractor is at risk for non-contracting emergency services, Contractor shall comply with the requirements of Exhibit A, Attachment III, Section 3.3.16 (*Emergency Services and Post-Stabilization Care Services*) of the Medi-Cal Contract. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.9.)
- 29. If appropriate, Contractor agrees to assist KHS in the transfer of Members' care pursuant to as needed, and in accordance with Exhibit E, Section 1.1.17 (*Phaseout Requirements*) of the Medi-Cal Contract and any other applicable provisions of the Medi-Cal Contract in the event of the Medi-Cal Contract termination for any reason. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.16.)
- 30. To the extent Contractor is responsible for the coordination of care for Members, KHS agrees to share with Contractor any utilization data that DHCS has provided to KHS, and the Contractor agrees to receive the utilization data and use it solely for the purpose of Member care coordination. (Medi-Cal Contract Exhibit A, Attachment III, Section 3.1.5.B.21; 42 CFR 438.208.)
- 31. Contractor shall (i) report to KHS, or to a KHS subcontractor as applicable, when Contractor has received an overpayment, (ii) return the overpayment to KHS within sixty (60) calendar days after the date on which the overpayment was identified, and (iii) notify KHS in writing of the reason for the overpayment in accordance with Exhibit A, Attachment III, Subsection 1.3.6 (*Treatment of Overpayment Recoveries*) of the Medi-Cal Contract and 42 CFR section 438.608(d)(2). (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.27.)
- 32. Contractor must perform the obligations and functions undertaken pursuant to this Agreement, including, but not limited to, reporting responsibilities, in compliance with KHS's obligations under the Medi-Cal Contract in accordance with 42 CFR section 438.230(c)(1)(ii). (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.28.)
- 33. Contractor agrees and acknowledges that DHCS is a direct beneficiary of the Agreement with respect to all obligations and functions undertaken pursuant to this Agreement and that DHCS may directly enforce any and all provisions of the Agreement. (Medi-Cal Contract, Exhibit A, Attachment III, Section 3.1.5.B.29.)
- 34. Contractor, and Contractor's employees, officers, and directors, shall comply with the conflict of interest requirements set forth in Exhibit H of the Medi-Cal Contract. (Medi-Cal Contract, Exhibit H, Section 1.0.)

- 35. To the extent applicable to the Services rendered under the Agreement and the costs associated therewith, Contractor agrees to comply with the Federal Equal Opportunity Requirements set forth in Exhibit D(f) of the Medi-Cal Contract. Specifically, Contractor agrees as follows:
 - a. Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action includes, but is not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or DHCS, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices state Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
 - b. Contractor will, in all solicitations or advancements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
 - c. Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of Contractor's commitments under the provisions herein and post copies of the notice in conspicuous places available to employees and applicants for employment.
 - d. Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.
 - e. Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by

- regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f. In the event of Contractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and Contractor may be declared ineligible for further federal and State contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- Contractor will include these provisions set forth under this Section # in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or vendor. Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHCS, Contractor may request in writing to DHCS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

(Medi-Cal Contract, Exhibit D(f), Section 1.)

EXHIBIT "H"

Certificate of Destruction

Certificate No: Click here to enter text.

| Request Date | Click here to enter a date. |
|--------------------|-----------------------------|
| Requested By | Click here to enter text. |
| Case/Client Matter | Click here to enter text. |

| Data Destruction Scope | | | |
|---------------------------------|-----------------|--|--|
| Area | Action | | |
| Email | | | |
| Local Email Clients | Choose an item. | | |
| Email Servers | Choose an item. | | |
| Network Storage | | | |
| Network Data Storage | Choose an item. | | |
| Shared Drives | Choose an item. | | |
| Third Party Service Providers | | | |
| Cloud Storage Locations | Choose an item. | | |
| SaaS Providers | Choose an item. | | |
| Data Centers | Choose an item. | | |
| Backups | | | |
| Archived Data | Choose an item. | | |
| Electronic Media | | | |
| Hard Drives, USB Media, CD, DVD | Choose an item. | | |
| FTP | Choose an item. | | |
| Other | | | |
| Other | Choose an item. | | |

The undersigned hereby certifies that all original and copies of the above identified data residing in the above identified areas have been destroyed in accordance with National Institute of Standards and Technology Guidelines for Media Sanitization (NIST 800-88 Rev. 1)

| Business Associate Representative | Signature | Date Actioned |
|--------------------------------------|-----------|-----------------------------|
| Click here to enter text. | | Click here to enter a date. |

EXHIBIT I D-SNP REQUIREMENTS

This Exhibit sets forth Medicare program requirements that are required to be included in this Agreement with respect to the provision of services under a Medicare Advantage Part C plan, including any D-SNP, the CMS Contract, and the State Medicaid Agency Contract ("SMAC"). This Exhibit will automatically be modified to conform to subsequent changes in law or government program requirements. In the event of a conflict between this Exhibit and any other provision of the Agreement, this Exhibit will control with respect to services performed in relation to KHS' Medicare Advantage program. Capitalized terms utilized in this Exhibit will have the same meaning ascribed to them in the Agreement unless otherwise set forth in this Exhibit. To the extent a capitalized term is not otherwise defined in the Agreement nor this Exhibit, it shall have the same meaning ascribed to it in the SMAC.

Definitions:

Centers for Medicare and Medicaid Services ("CMS"): the agency within the Department of Health and Human Services that administers the Medicare program.

Completion of Audit: completion of audit by the Department of Health and Human Services ("DHHS"), the Government Accountability Office, or their designees of a Medicare Advantage Organization, Medicare Advantage Organization contractor, or Related Entity.

Downstream Entity: any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit, below the level of the arrangement between an MA Organization (or applicant) and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.

Final Contract Period: the final term of the contract between CMS and KHS.

First Tier Entity: any party that enters into a written arrangement, acceptable to CMS, with an MA Organization or applicant to provide administrative services or health care services for a Medicare eligible individual under the MA program. Contractor is deemed a First Tier Entity.

Medicare Advantage ("MA"): an alternative to the traditional Medicare program in which plans run by health insurance companies provide health care benefits that eligible beneficiaries would otherwise receive directly from the Medicare program.

Medicare Advantage Organization ("MA Organization"): a public or private entity organized and licensed by a State as a risk-bearing entity (with the exception of provider-sponsored organizations receiving waivers) that is certified by CMS as meeting the MA contract requirements. KHS is deemed an MA Organization.

Member or Enrollee: a Medicare Advantage eligible individual who has enrolled in or elected

coverage through KHS.

Related Entity: any entity that is related to the MA Organization by common ownership or control and (1) performs some of the MA Organization's management functions under contract or delegation; (2) furnishes services to Medicare enrollees under an oral or written agreement; or (3) leases real property or sells materials to the MA Organization at a cost of more than \$2,500 during a contract period.

Terms:

- 1. <u>Downstream Compliance.</u> Contractor agrees (and will require its Downstream and Related Entities to agree in writing) to all the provisions contained in this Exhibit. (42 CFR 422.504(i)(2).)
- 2. Right to Audit. DHHS, the Comptroller General, and other regulatory agencies, or their designees, have the right to audit, evaluate, collect, and inspect any books, contracts, records, computer or other electronic systems, including medical records and patient care documentation that pertain to any aspect of services performed, reconciliation of benefit liabilities, and determination of amounts payable under the SMAC or CMS Contract if applicable, or as the Secretary may deem necessary to enforce the SMAC or CMS Contract if applicable. Contractor agrees to make available, for the purposes specified in 42 CFR 422.504(d), its premises, physical facilities and equipment, and records relating to Medicare enrollees, and any additional relevant information that CMS may require. Contractor must maintain such records and other information for ten (10) years from the end date of the CMS Contract or the completion date of an audit, whichever is later. DHHS, the Comptroller General, other regulatory agencies, or their designee's right to inspect, evaluate, and audit extends through ten (10) years from the end of the Final Contract Period or Completion of Audit, whichever is later. (42 CFR 422.504(e)(2)–(4) and 422.504(i)(2)(ii).)
- 3. <u>Hold Harmless.</u> Contractor agrees under no circumstance will a KHS Medicare enrollee be liable for payment of any fees to Contractor that are the legal obligation of KHS. (42 CFR 422.504(g)(1)(i), 422.504(g)(1)(iii), and 422.504(i)(3)(i).)
- 4. <u>Accountability/Delegation</u>. KHS will oversee and continually monitor Contractor's performance and remains accountable to CMS. KHS only delegates activities or functions to Contractor in a manner consistent with the requirements set forth in 42 CFR 422.504(i)(4). CMS and KHS reserve the right to revoke the delegation of activities and reporting responsibilities or to specify other remedies in instances where KHS or CMS determines Contractor has not performed satisfactorily. (42 CFR 422.504(i)(3)(ii) and 42 CFR 422.504(i)(4)(ii).)
- 5. <u>Contract Compliance</u>. Any Services or activities performed by Contractor must be consistent and comply with KHS contractual obligations to DHCS and CMS. (42 CFR 422.504(i)(3)(iii).)

- 6. <u>Selection of Providers, Contractors, or Subcontractors</u>. To the extent KHS delegates the selection of providers, contractors, or subcontractors to Contractor, KHS retains the right to approve, suspend, or terminate any such arrangement. (42 CFR 422.504(i)(5).)
- 7. <u>Confidentiality</u>. Contractor shall comply with the confidentiality and enrollee record accuracy requirements set forth in 42 CFR 422.118. (42 CFR 422.504(a)(13).)
- 8. Reporting. To the extent applicable, Contractor agrees to provide relevant data to support KHS in complying with the requirements set forth in 42 CFR 422.516 and 42 CFR 422.310. (42 CFR 504(a)(8).)
- 9. Compliance with Medicare Laws and Regulations. Contractor shall comply with all applicable Medicare laws, regulations, and CMS instructions. Contractor must also comply with DHCS guidance, such as the guidance in the CalAIM D-SNP Policy Guide. To the extent State guidance, conflicts with Medicare requirements or regulation, Contractor shall comply with Medicare requirements and regulations. For purposes of this provision, State guidance only conflicts with Medicare requirements or regulations to the extent that the guidance requires conduct that would violate Medicare requirements or regulations. (42 CFR 422.504(i)(4)(v); SMAC, Exhibit A, Attachment 1, Section 7.)
- 10. <u>Credentialing</u>. Contractor agrees any medical credentials of medical professionals affiliated with Contractor will be either reviewed by KHS; or Contractor's credentialing process will be reviewed, approved, and audited on an ongoing basis by KHS. (42 CFR 422.504(i)(4)(iv).)
- 11. <u>Preclusion List</u>. To the extent applicable, Contractor shall ensure payments are not made to individuals and entities included on the preclusion list as defined in 42 CFR 422.2. (42 CFR 422.504(i)(2)(v).)
- 12. <u>Debarment and Suspension Certification</u>. By signing the Agreement, Contractor agrees to comply with applicable Federal suspension and debarment regulations, including, but not limited to, 7 CFR 3017, 45 CFR 76, 40 CFR 32, and 34 CFR 85. Contractor further certifies to the best of its knowledge and belief, that it and its principals: a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency; b) Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State or local) transaction or contract under a public transaction; violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, State or local) with commission of any of the offenses enumerated in the preceding clause; d) Have not within a three-year period preceding this Agreement had one or more public transactions (federal, State or local) terminated for cause or default; e) Shall not knowingly enter into any lower tier covered

transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State; and f) Will include a clause entitled "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions. (SMAC, Exhibit D(F), Section 19.)

13. <u>Integrated Appeals and Grievances</u>. The parties acknowledge KHS provided information about KHS' Integrated Appeals and Grievance system, including, at a minimum, information on Integrated Appeals, Integrated Grievances, State Hearings, and Independent Medical Review (IMR) procedures and timeframes, as applicable, to Contractor at the time the parties entered into this Agreement. (SMAC, Exhibit A, Exhibit 1, Section 20.B.)

EXHIBIT "J" DMHC ADMINISTRATIVE SERVICES REQUIREMENTS

This Exhibit sets forth provisions that are required to be included in certain agreements pursuant KHS's license with the DMHC, and other provisions necessary to reflect compliance with Applicable Requirements. Any citations in this Exhibit are to the applicable sections of the Knox-Keene Health Care Service Plan Act of 1975 as contained in Health and Safety Code Section 1340 et seq. ("Section(s)"), and the regulations promulgated thereunder as set forth in Title 28 of the California Code of Regulations ("Rule(s)") (collectively, "Knox-Keene Requirements"). This Exhibit will automatically be modified to conform to subsequent changes in law or government program requirements. In the event of a conflict between this Exhibit and any other provision of the Agreement, the parties agree the most stringent requirement will control. If a capitalized term used in this Exhibit is not defined in the Agreement or this Exhibit, it will have the same meaning ascribed to it in the Knox-Keene Requirements.

- 1. Books and Records. To the extent required by the Knox-Keene Requirements or other applicable laws (a) Contractor shall maintain and make available to KHS, DMHC, and any other state or federal agency ("Regulatory Agency") having an interest in the subject of this Agreement, accurate books and records relative to all of Contractor's activities under this Agreement for a period of at least five (5) years; and (b) a paper or electronic copy of such books and records must be available in California in order to permit KHS, DMHC, and Regulatory Agency to audit, examine, copy, review, and inspect all invoices, materials, records, or other data related to matters covered by this Agreement. (Sections 1381, 1382(a), and 1385; Rules 1300.81, 1300.85, and 1300.85.1.)
- 2. Confidentiality of Medical Information Act. To the extent applicable, Contractor shall comply with the provisions of the Confidentiality of Medical Information Act, Civil Code §56 et seq. (Section 1348.5.)
- 3. Liability. Contractor agrees that Contractor and KHS are each responsible for their own acts or omissions and are not liable for the acts or omissions of, or the costs of defending others. (Section 1371.25.)
- 4. Proper Licensure/Certification of Contracted Personnel & Equipment. To the extent applicable, Contractor represents and warrants that it shall, at all times during the term of the Agreement, hold any necessary licenses, certifications, or accreditations that, to its knowledge, are necessary to perform its obligations under this Agreement, with no restrictions or other limitations that would prevent it from performing its obligations under this Agreement, and shall ensure that personnel employed by or under contract with Contractor and who are performing any obligations under this Agreement hold any necessary licenses, certifications, or accreditations that, to Contractor's knowledge, are necessary for such personnel to perform such obligations under this Agreement, with no restrictions or other limitations that would prevent such personnel from performing such obligations under this Agreement. To the extent applicable, Contractor further represents and warrants that any and all equipment utilized for the performance of Services or obligations under this Agreement shall be licensed or registered as required by law. To the extent required by the Knox-Keene Requirements or other applicable laws, upon request, Contractor shall provide KHS with a copy of such licenses, certifications, accreditations, registrations, and any renewals thereof. (Section 1367(b)–(c).)
- 5. Administrative Capacity. Contractor shall maintain the organizational and administrative capacity to perform its obligations under this Agreement. (Section 1367(g); Rule 1300.67.3.)

- 6. Audits & Inspections. To the extent required by the Knox-Keene Requirements or other applicable laws, Contractor shall cooperate with and allow access to KHS, DMHC, and applicable Regulatory Agency for the purposes of audits, inspections, examinations, and any other reviews necessary to ensure proper performance of the terms of the Agreement and as required by law. (Sections 1381 and 1382(a); Rules 1300.82 and 1300.82.1.)
- 7. Corrective Actions. To the extent required by the Knox-Keene Requirements or other applicable laws, Contractor agrees to promptly implement any corrective actions dictated by KHS in the event there is a failure of performance on behalf of Contractor. (Rule 1300.51(d)(N)(2).)
- 8. Language Assistance Program. To the extent required by the Knox-Keene Requirements or other applicable laws, Contractor shall comply with the KHS's language assistance program developed pursuant to Section 1367.04 and Rule 1300.67.04. (Section 1367.04; Rule 1300.67.04.)
- 9. Compliance. Contractor represents and warrants that it shall perform, and shall ensure any approved subcontractor performs, its obligations under this Agreement in compliance with all applicable Knox-Keene Requirements. (Section 1367(j).)
- 10. Delegation & Assignment. In the event Contractor wants to subdelegate any of the any Services performed under this Agreement and/or assign any of its obligations under this Agreement, in whole or in part, Contractor shall obtain KHS's prior approval, which is subject to the approval of any required Regulatory Agency. Contractor will provide KHS with all downstream agreements related to the performance of Services under this Agreement. Contractor shall regularly report to KHS on the performance of any subcontractor. Contractor shall timely submit all requested reports from KHS regarding any subcontractor's performance of Services. Contractor shall timely notify KHS of any termination of a downstream agreement relating to the performance of Services under this Agreement. (Sections 1352 and 1367(g); Rules 1300.52, 1300.52.1, 1300.52.4, and 1300.67.3.)



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Emily Duran, Chief Executive Officer

SUBJECT: 2026-2028 KHS Strategy

DATE: June 19, 2025

Background

In Q1 2025 KHS leadership began the process of developing the 2026-2028 KHS Strategy. This included work on a comprehensive landscape analysis with input from the KHS Board of Directors, Executives, and Senior Management.

Then in April, a Board and Executive strategy session was held to begin shaping the 2026-2028 KHS Strategy. The outputs of that session were utilized in additional internal work efforts to refine the strategies and key outcomes.

Enclosed is a presentation providing an overview of the 2026-2028 KHS Strategy. Included are the 4 key goals:

- Provider Network is Developed, Strengthened & Aligned
- Best-in-Class Member Engagement
- Talent Developed, Retained & Agile
- Financial Innovation & Responsibility

The strategy will act as a foundational input into setting budgets, goals, and selecting projects for 2026 and beyond. At a future meeting, Staff will provide the Board with an updated version of the KHS Strategy which includes the Key Activities to support each strategic goal.

Requested Action

Receive and File.





Kern Health Systems 2026-2028 Strategic Planning

Board of Directors Meeting June 19th, 2025



Background

- In Q1 2025 KHS conducted a comprehensive landscape analysis including input from the Board, Executives, and Senior Management.
- In April, a Board and Executive strategy session was held to begin shaping the 2026-2028 KHS strategy.
- Following the April session there was an internal work effort to further refine the strategies and key outcomes to directly support the strategy.
- The strategy will act as a foundational input into setting budgets, goals, and selecting projects for 2026.



Core Components

- Four Chain-Linked Levers:
 - Provider Network: Develop, strengthen, and align our clinical partners so they see KHS as the faster-paying, lower-burden collaborator.
 - Member (Patient) Engagement: Activate KHS members into proactive co-managers of their own health through culturally competent and generationally-tuned engagement.
 - Talent Agility: Attract, grow and keep the high-performing people (or talent) who can operationalize policy into action.
 - Financial Innovation & Responsibility: Steward reserves, optimize the medical-loss ratio, and seed diverse revenue streams to finance the other three levers.



Core Components

- Competitive Advantage Through:
 - Integration & collaboration: Stitch together providers, socialservice partners, and county data so member needs are met in one coordinated flow, thus reducing friction and cost at critical interfaces (e.g. provider, payor, etc.).
 - Aligned incentives: Pay for outcomes, not volume, so every stakeholder wins when members stay healthy. While a bold shift in norms, this market-driven, pay-for-performance approach will establish accountability across the delivery system.
 - Emphasizing cycle-time & outcomes: Need to get things done faster than what is required by policy - we must be proactive about setting the bar and not just meeting the bar. This era will need a focus on achieving outcomes and not activities.

Goal: Provider Network is Developed, Strengthened & Aligned

Strategy: We must keep the provider network adequate, and quality high so providers see KHS as the faster-paying, low-admin-burden, collaborative partner of choice.

- Continued improvement and accountability in quality measures
- Reducing claims denial rates related to provider administration
- Improving claims payment timing and accuracy



Goal: Best-in-Class Member Engagement

<u>Strategy</u>: Utilize our trusted brand to steer behavior through incentives, personalized reminders, and culturally competent & generationally-tuned navigation.

- Improved usage of Primary Care services
- Reduction of unused open authorizations
- Supporting improved quality measures



Goal: Talent Developed, Retained & Agile

Strategy: Win in a competitive talent landscape with a high-performing, high-trust culture where context is rich, freedom to act is paired with accountability to outcomes, and impact is rewarded.

- Improved operationalization of organizational changes
- Reduction in regrettable turnover rates
- Increased internal mobility and competencies



Goal: Financial Innovation & Responsibility

Strategy: We must steward reserves, optimize Medical Loss Ratio targets, and pilot D-SNP/other product lines that diversify cash while rewarding value over volume and aligning to KHS' mission.

- Achievement of targeted medical and admin expense ratios
- Achievement of targeted reserve and cash liquidity levels
- Diversification of revenue streams



Next Steps

- This Strategy will drive 2026 departmental goals and objectives, project planning, and the budgeting process.
- Staff will continue to monitor impacts resulting from
 State and Federal changes. Activities to support these strategic goals will be evaluated and updated accordingly.
- At a future Board meeting Staff will provide more details on the Key Activities supporting each strategic goal.
- Leadership will provide quarterly updates to the KHS Board of Directors beginning in 2026.



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Jake Hall, Senior Director of Contracting and Quality Performance

SUBJECT: Quality Performance – Managed Care Accountability Set (MCAS)

DATE: June 19, 2025

BACKGROUND

The Managed Care Accountability Set (MCAS) is a California specific subset of HEDIS (Health Effectiveness Data Information Set) measures that Department of Health Care Services (DHCS) and Department of Managed Health Care (DMHC) use to evaluate health plan performance. These measures include well child visits, adolescent vaccinations, breast cancer screenings, Diabetes monitoring, blood pressure control, and a host of other preventative care services. The measures are categorized into various "domains" such as Chronic Disease Management, Behavioral Health, Cancer Prevention, Reproductive, and Children's domains.

The Quality Performance MCAS presentation provides an overview of current and historical MCAS performance dating back to 2019. It also summarizes Measurement Year 2024 preliminary, annual audit results along with a comparison to Measurement Year 2023 performance for each health domain. In addition, a trending summary of current Measurement Year 2025 performance is provided. Improvements in performance are being realized, while KHS continues to refine and iterate processes to further increase performance especially within the Children's Health and Behavioral Health Domains. MCAS is a continuous and collective, year-round effort between network providers, members, community-based organization, and KHS.

DISCUSSION

Please refer to the attached presentation.

FISCAL IMPACT

The fiscal impact of not achieving and maintaining satisfactory MCAS performance may be severe to the health plan. This includes sanctions which may come in the form of monetary fines, reduction in default assignment, reduction in membership, and ultimately revocation of the plan from the Medi-Cal program. Another cost is utilization and increased costs of care associated with the lack of preventive care, which may evolve preventable conditions into chronic conditions. The ultimate cost is paid by the membership in the form of reduced health status and a diminished quality of life. MCAS drives timely access to high quality and equitable care, and what we as a plan are striving to deliver to the more than 400,000 lives we cover as a health plan.

REQUESTED ACTION

Receive and File.





ALTH TEMS Quality Performan N Ttor

Senior Director of Contracting and Quality Performance

Agenda

MCAS Performance Over Time

MY2024 Preliminary Performance

MY2022 - MY2024 Comparison

MY2025 Trending Performance



Preliminary - MCAS MY2024 Improvements and Highlights

- Exceeding MPL for 11 and Meeting MPL for 12 out of 18 measures, including 4 in the Children's Domain
- Within 5% of MPL: Well-Care Visits (WCV), Follow-ups substance use(FUA),
 Children Immunization Status (CIS), and Developmental Screenings in
 Children (CDEV)
- · Administrative measures showed significant improvement
- The Plan anticipates receiving the majority of the \$7 million DHCS Quality
 Withhold Incentive for 2024

KHS Board of Directors Meeting, June 19, 2025

MCAS Performance Over the Years

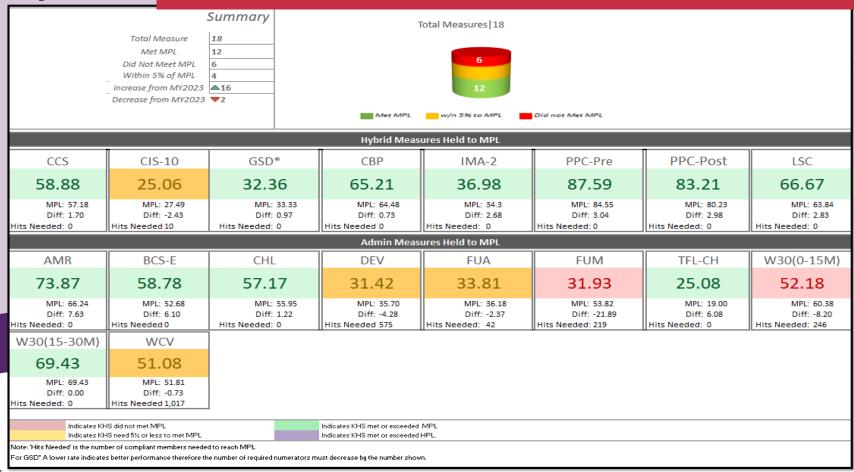


KHS MCAS performance for measures held to MPL from the past 6 years to current submission.

- •Met MPL for 12 measures and exceeding MPL for 11.
- •Met MPL for 4 measures in the Children's Domain (LSC, IMA, TFL and W30 15-30).

| Measurement Year | MY2019 | MY2020 | MY2021 | MY2022 | MY2023 | MY2024 |
|-------------------------|--------|--------|--------|--------|--------|--------|
| Measures Held to MPL | 18 | 19 | 15 | 15 | 18 | 18 |
| Met MPL | 3 | 2 | 5 | 5 | 8 | 12 |
| Not Met MPL | 15 | 17 | 10 | 10 | 10 | 6 |

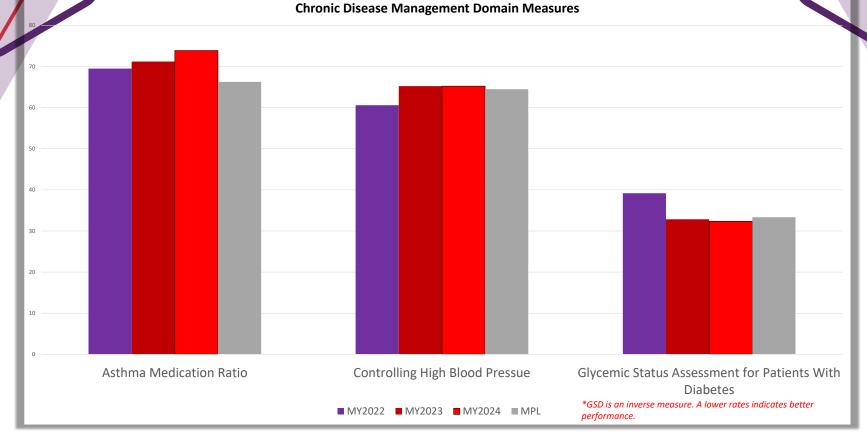
MY2024 Performance



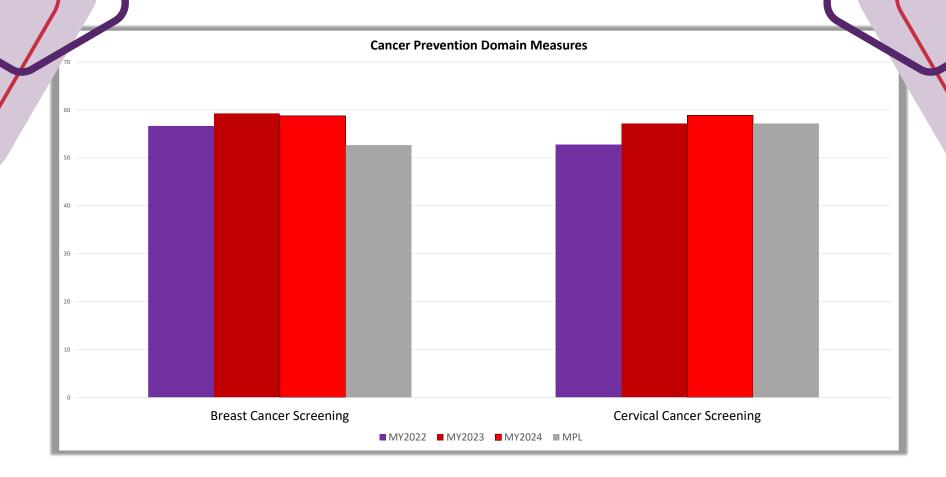


*GSD is an inverse measure. Lower rate indicates better performance

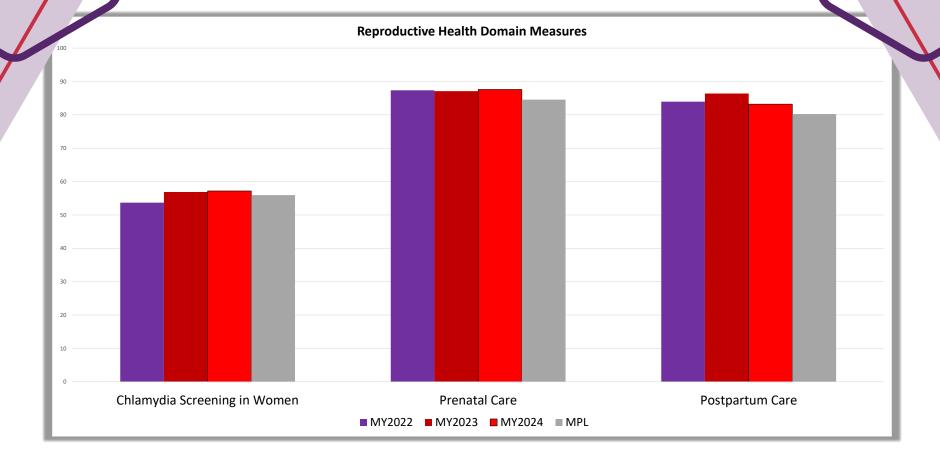
MCAS Performance MY2022 – MY2024



MCAS Performance MY2022 - MY2024



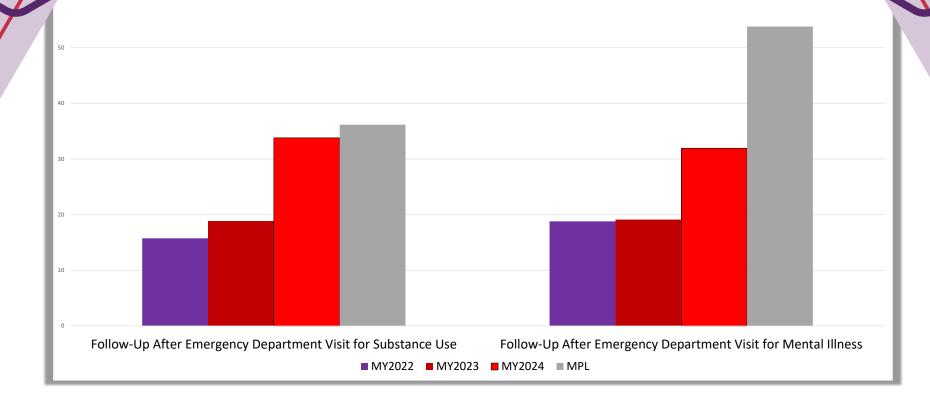
MCAS Performance MY2022 - MY2024



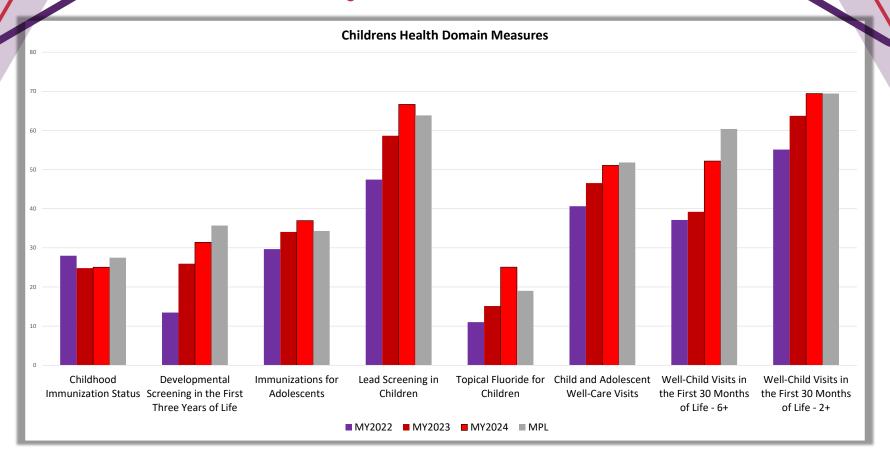
KHS Board of Directors Meeting, June 19, 2025

MCAS Performance MY2022 - MY2024



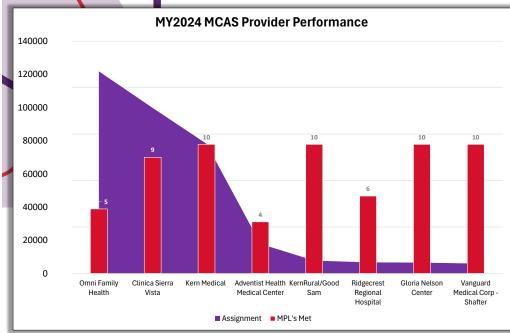


• KHS has demonstrated significant improvement in most of the Children's Domain and the Plan is now meeting MPL for 4 Measures in the Children's Domain

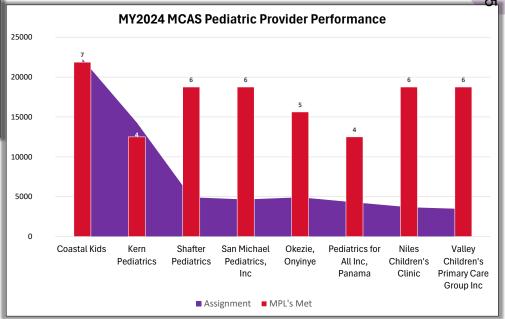


KHS Board of Directors Meeting, June 19, 2025

Provider Performance – MY2024



 The graph above shows a sample of 8 PCPs with various panel sizes and geographic locations The graph below shows a sample of 8 Pediatric only offices



KHS Board of Directors Meeting

June 19, 202

KHS MCAS MY2024 vs. MY2025 Comparison

12 measures are trending higher than the previous year at the same point in time

Comparison based on 2024 MPL's and performance. 2025 MPL's still unknown at this time

GSD is an inverse measure



MY2025 Trending Performance

AMR

74.83 [%]

HITS FOR MPL (98)

-1.19 % change Jun'24 76.02% **BCSE**

50.23*%*

HITS FOR MPL 464

-1.19 % change Jun'24 51.42% **CBP**

43.00[%]

HITS FOR MPL 6.604

+3.14 % change Jun'24 39.86% CCS

50.65 [%]

HITS FOR MPL 4,173

+8.55 % change Jun'24 42.09% CDEV

20.57%

HITS FOR MPL 2,029

+3.17 % change Jun'24 17.40% CHL Adults and Peds

46.90%

HITS FOR MPL 801

+1.27 % change Jun'24 45.63%

CIS

15.09[%]

HITS FOR MPL 820

+2.05 % change Jun'24 13.04% FUA 30 Day Follow-up

21.77%

HITS FOR MPL 95

+0.84 % change Jun'24 20.93% FUM 30 Day Follow-up

16.31[%]

HITS FOR MPL 156

-3.44 % change Jun'24 19.74% GSD HBA1C >9%

63.87%

HITS FOR MPL 7,054

+7.36 % change Jun'24 71.23% IMA

30.98%

HITS FOR MPL 275

+3.27 % change Jun'24 27.71% LSC

73.05

HITS FOR MPL (609)

+8.09 % change Jun'24 64.95%

PPC Post

65.91%

HITS FOR MPL 537

+2.76 % change Jun'24 63.15% PPC Pre

63.35[%]

HITS FOR MPL 795

+25.80 % change Jun'24 37.55% TFLCH

29.36%

HITS FOR MPL (17,161)

+0.18 % change Jun'24 29.18% W30 0 - 15 Months

36.27[%]

HITS FOR MPL 1,031

-8.24 % change Jun'24 44.51% W30 15 - 30 Months

65.35%

HITS FOR MPL 292

+1.80 % change Jun'24 63.56% WCV

21.54

HITS FOR MPL 40,183

-2.76 % change Jun'24 24.31% Board of Directors Meeting, June 19, 2025

KHS MCAS MY2025 **Trending Rates**

Meeting MPL for 3

3 measures are within 5% of meeting MPL

measures

Using 2024 MPL's

GSD is an inverse measure

AMR

HITS FOR MPL (98)

MPL: 66.24% Over MPL by 8.59% AMR is not held to MPL.

CIS

HITS FOR MPL 820

MPL: 27.49% Under MPL by 12.40%

HITS FOR MPL 95

MPL: 36.18%

BCSE

HITS FOR MPI 464

MPL: 52.68% Under MPL by 2.45% **CBP**

HITS FOR MPL 6 604

MPL: 64.48% Under MPL by 21.48% CCS

MY2025 YTD Performance

HITS FOR MPL 4.173

MPL: 57.11% Under MPL by 6.46% **CDEV**

HITS FOR MPL 2.029

MPL: 35.70% Under MPL by 15.13%

CHL Adults and Pedalune 19, 20

CHL Adults and Pedalune 19, 20

HITS FOR MPL 801

MPL: 55.95% 20 Under MPL by 9.05% 55

15.09%

FUA 30 Day Follow-up

Under MPL by 14.41%

FUM 30 Day Follow-up

HITS FOR MPL 156

MPL: 53.82% Under MPL by 37.51% GSD HBA1C >9%

HITS FOR MPL 7,054

MPL: 33,33% Under MPL by 30.54% Inverted Measure

IMA

HITS FOR MPL 275

MPL: 34.30% Under MPL by 3.32% LSC

HITS FOR MPL (609)

MPL: 63.84% Over MPL by 9.21%

PPC Post

HITS FOR MPL 537

MPL: 80.23% Under MPL by 14.32% PPC Pre

HITS FOR MPL 795

MPL: 84.55% Under MPL by 21.20% **TFLCH**

HITS FOR MPL (17,161)

MPL: 19.00% Over MPL by 10.36% W30 0 - 15 Months

HITS FOR MPL 1,031

MPL: 60.38% Under MPL by 24.11% W30 15 - 30 Months

HITS FOR MPL 292

MPL: 69.43% Under MPL by 4.08% WCV

HITS FOR MPL 40,183

MPL: 48.07% Under MPL by 26.53%





FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

JAKE HALL

Senior Director of Contracting and Quality Performance





MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Veronica Barker, Controller

SUBJECT: Purchase and Implementation of Microsoft Dynamics 365 Finance and Operations

Software

DATE: June 19, 2025

Background

Kern Health Systems (KHS) has utilized Sage Accpac as its Enterprise Resource Planning (ERP) system for over 20 years to manage its accounting functions. In December 2023, KHS received Board approval to initiate a project to evaluate its aging ERP system.

Discussion

In April 2024, KHS issued a Request for Proposal (RFP) to select a consulting partner to support KHS with its evaluation of the current ERP system. Caravel was selected and contracted to support the system evaluation. During the project's evaluation process, KHS received notice that Sage Accpac would no longer be supported. As a result, in December 2024, KHS released an RFP for a new ERP system.

After diligent evaluation of the RFP proposals, KHS is recommending to engage Crowe to implement Microsoft Dynamics 365 Finance and Operations (D365 F&O) software for the transition to the new ERP system. This transition is critical to ensuring KHS is operationally ready to support the D-SNP line of business, maintain financial accuracy, and meet regulatory compliance. The ERP procurement effort also aligns with CalAIM's strategic goals to streamline administrative systems and strengthen care coordination. A modern ERP will allow KHS to better manage core business functions—such as finance, procurement, and data governance—supporting the infrastructure required for expanded lines of business and ongoing compliance with Medi-Cal and DHCS mandates.

Financial Impact

Cost for a five (5) year term not to exceed \$1,938,550 in capital budgeted expenses.

Requested Action

Approve; authorizing the CEO to sign, enter into, and/or amend a new contract with Crowe for the implementation of the new ERP system in a not to exceed amount of \$1,585,000, and to increase the current Microsoft Enterprise Agreement with Dell by \$353,550 for the Microsoft Dynamics 365 Finance and Operations software and licenses. The total not to exceed amount for the new ERP system is \$1,938,550.



AGREEMENT AT A GLANCE

Department Name: IT Department Head: Veronica Barker

Vendor Name: Crowe Contact name & e-mail: Glendon Haney, glendon.haney@crowe.com

What services will this vendor provide to KHS? Crowe will provide KHS with implementation, training, and licensing of

Microsoft Dynamics 365 ERP system including automation of financial workflows, accounts payable, procurement integration, data analytics integration, and support for a five (5) year term.

| Description | on of Contract |
|---|---|
| Type of Agreement: Software | Background: Kern Health Systems (KHS) has used Sage |
| <u>_</u> | Accpac as its ERP system for over 20 years. As KHS |
| | expanded to include the Dual Eligible Special Needs Plans |
| <u> </u> | (D-SNP) line of business, it became clear that Acepac could |
| Purchase | no longer meet financial, operational, and compliance needs. |
| N. N. | The system lacks integration with purchasing, expense |
| New agreement | management, and banking, and does not support automation or user-driven reporting. In August 2024, Sage announced it |
| Continuation of Agreement | would discontinue support for Acepae, increasing urgency for |
| Continuation of Agreement | a replacement. KHS issued an RFP in December 2024 and |
| Addendum | selected a new FRP vendor through a competitive process to |
| | modernize operations. |
| Amendment No. | |
| | Brief Explanation: This agreement facilitates the |
| Retroactive Agreement | implementation of Microsoft Dynamics 365 as KHS's new ERP platform. Dynamics 365 provides a comprehensive, |
| | cloud-based solution that integrates seamlessly with existing |
| | Microsoft Office tools, which are currently used at KHS, and |
| | enables automation of key business functions, including |
| | financial reporting, accounts payable, procurement, and |
| | budgeting. The platform includes advanced features such as |
| | OCR technology for invoice processing, automated payment |
| | workflows, banking integrations for reconciliation and close |
| | processes, and built-in reporting capabilities via PowerBI. |
| maximum value from the expenditures. Electronic (e-mail/fax) solicitation more of not budgeted (\$100,000,00) and Two Hundred Thousand Dallar form (Attachment A). Actual bid, sole or single source justification and Hundred Thousand Dallars or more if not budgeted (\$100,000,00) and for Proposal (RFP) shall be used to solicit bids for professional services accepted must be fully explained and justified in writing. All bids will be changes.) | Two Hundred Thousand Dollars or more if budgeted (\$200,000,000). Request sover Two Hundred Thousand Dollars (\$200,000). Lowest bid price not e treated as a not to exceed amount with "change orders" used to track any |
| two scoring phases by a cross-functional committee. Vendor | competitive RFP process including 8 proposals, 4 demos, and |
| including compliance readiness, integration experience, and | |
| Form updated 01/02/24 | d Milorosoft prototrou suitus. |

Attachment A

| Sole source – no competitive process can be perform | med. | | | |
|---|--|-----------------|-------|--|
| Brief reason for sole source: | | | | |
| Conflict of Interest Form is required for this Contra | ct | | | |
| | for this Contract | | | |
| Subcontractor Disclosure of Ownership and Contro | l form is required for this Contract | | | |
| ne de manda estada e | iscal Impact | | 4 2 4 | |
| KHS Governing Board previously approved this expens | se in KHS' FY 2025 Administrative Budget | □NO | ⊠YES | |
| Will this require additional funds? | | ⊠ NO | □YES | |
| Capital project | | ⊠ NO | □YES | |
| Project type: | | | | |
| Budgeted Cost Center: CAP GL# 1700 | | | | |
| Maximum cost of this agreement not to exceed: \$1,930 Implementation Fee: \$1,585,000. Software: \$350 | | | | |
| Notes: | erms and Conditions | No. of the last | - | |
| Effective date: 7/1/2025 | Termination date: 6/30/2030 | II NO | | |
| Explain extension provisions, termination conditions an | | | | |
| | | | _ | |
| Compliance DMHC/DHCS Review: | Approvals Legal Review: | | | |
| | | | | |
| Chief Compliance and Fraud Prevention Officer or | Legal Counsel | | | |
| Director of Compliance and Regulatory Affairs | | | | |
| | Date | | | |
| Date | | | | |
| Contract Owner: | Purchasing: | | | |
| thermodular | | | | |
| Department Head | Director of Procurement and Facilities | - | - 1 | |
| 5 20 2025 5 20 25 | | | | |
| Date | | | | |
| Reviewed as to Budget: | Recommended by the Executive Com | mittee: | | |
| lt 112 | (tel lu- | | | |
| Chief Financial Officer or Controller | Chief Operating Officer | | | |
| 6/4/00 | (114/2025 | | | |
| Date | Date | | | |
| 65 | | | | |

Form updated 01/02/24

Attachment A

| IT Approval: | Chief Executive Officer Approval: |
|------------------------------------|--|
| Chief Information Officer or IT Di | tor Chief Executive Officer |
| Date | Date |
| | uired on all contracts over \$100,000 if not budgeted and \$200,000 if budgeted. Board Chairman |
| D | |

Form updated 01/02/24

Veronica Barker
Controller
June 19, 2025



Agenda

- Background
- Evaluating the Current ERP System Sage Accpac
- Sage-Accpac Statistics Summary
- Accounting Enhancement Priorities for Improved Efficiency
- Sequence of Events
- RFP Committee Selection Criteria
- Scoring Matrix
- Finalist Comparison
- ERP Selection: Prioritizing Value
- Implementation Timeline
- Finance Committee Request



Background

Kern Health Systems (KHS) has utilized Sage Accpac as its Enterprise Resource Planning (ERP) system for over 20 years to manage its accounting functions. In December 2023, KHS received Board approval to initiate a project to evaluate its aging ERP system.

In April 2024, KHS issued a Request for Proposal (RFP) to select a consulting partner to support KHS with its evaluation of the current ERP system. Caravel was selected and contracted to support the system evaluation. During the project's evaluation process, KHS received notice that Sage Accpac would no longer be supported. As a result, in December 2024, KHS released an RFP for a new ERP system.

After diligent evaluation of the RFP proposals, KHS is recommending to engage Crowe to implement Microsoft Dynamics 365 Finance and Operations (D365 F&O) software for the transition to the new ERP system. This transition is critical to ensuring KHS is operationally ready to support the D-SNP line of business, maintain financial accuracy, and meet regulatory compliance. The ERP procurement effort also aligns with CalAIM's strategic goals to streamline administrative systems and strengthen care coordination. A modern ERP will allow KHS to better manage core business functions—such as finance, procurement, and data governance—supporting the infrastructure required for expanded lines of business and ongoing compliance with Medi-Cal and DHCS mandates.



Evaluating the Current ERP System — Sage Accpaces Accpaces Accpaces Accpaces Accpaced and managed in-house, meaning the software runs on servers located within our organization and is maintained by our IT team. • Manages Accounting Functions • Support and future updates are being discontinued by Sage • Sage Accpac is not integrated with Purchasing • Purchase Orders are manually sent out to vendors • Approvals are processed outside of system

- - Approvals are processed outside of system
 - > No connection with expense management
 - > Requires additional software for Optical Character Recognition through Concur
- Reports must be built in add-on system (Crystal Reports)
 - > Cannot be built by user team
- Not integrated with financial institution for either payments or statement data
- Does not contain a Contracts Management Module
- Administrative contracts are managed on an outside platform IntelAgree
- Archiving files occur on an outside platform M-Files



Sage-Accpac Statistics Summary

| Metric | 2022 | 2023 | 2024 |
|--------------------------------------|--------|-------------|-------------|
| Departments | 23 | 30 | 33 |
| Purchase Orders | 3,212 | 4,406 | 5,077 |
| % of Growth from Previous Year | | 37 % | 15 % |
| Invoices Processed | 4,200 | 5,722 | 6,656 |
| % of Growth from Previous Year | | 36% | 16% |
| Checks Printed | 2,883 | 3,823 | 4,683 |
| % of Growth from Previous Year | | 33% | 22% |
| Accounts Payable Total Payments (\$) | 50.1M | 63.1M | 74.2M |
| % of Growth from Previous Year | | 26 % | 18% |
| Number of General Ledger Accounts | 1,603 | 1,812 | 1,952 |
| % of Growth from Previous Year | | 13% | 8% |
| Number of Journal Entries Recorded | 15,454 | 20,634 | 22,912 |
| % of Growth from Previous Year | | 34% | 11% |
| Total Transactions Recorded (\$) | 25B | 32B | 46B |
| % of Growth from Previous Year | | 28% | 42% |





Accounting Enhancement Priorities for Improved Efficiency

- Automated Approval Workflow to speed up Payables Processing Increased visibility into cashflow standing
- Azure cloud for high availability and disaster recovery
- Automate Banking functions
 - > Speed up close window to produce better reporting
 - > Automated Payment processing to reduce instances of uncashed payments
- OCR Technology to reduce human interaction with bills
 - ➤ Manage exceptions instead of hands-on every AP transaction
- Manage contracts Reduce need for third party systems
- Manage projects within same environment Increased reporting ease and accuracy



Sequence of Events

December 2023

• Project was approved to evaluate current ERP Sage Accpac system.

April 2024

KHS issued an RFP for the selection of a consultant to assist with evaluating its current platform.

• July 2024

• KHS selected and contracted with Caravel for consulting evaluating services.

• August 2024

• Caravel Consulting received notice that the current ERP, Sage Accpac, would no longer be supported.

December 2024

• KHS Posted an RFP for the procurement of a new ERP system. Eight proposals were received.

• February 2025

• Of the eight proposals received, KHS selected four vendors for demos based on meeting basic requirements outlined in the RFP.

March 2025

• After scoring initial demos from the selected four vendors, KHS selected two finalists for additional review.



RFP Committee Selection Criteria

- All proposals were divided into two sections:
 - > Implementation
 - > Software platform for the ERP
- KHS conducted a desk audit, and selected vendors that met basic requirements outlined in the RFP.
- Four of the eight vendors were selected for Demos
- First scoring stage included evaluating three major areas:
 - Functionality
 - · Viability of Vendor
 - Economics
- Two finalists were selected for a second and final demo.
- Final selection was made based on experience implementing ERP systems, integration with current KHS' platforms, software cost, and KHS' ability to manage the ERP system.



Scoring Matrix

Scoring Matrix | ERP Accounting Software

| | Vendor | Functionality | Viability of Vendor/Partner | Economics | Overall Score |
|---|----------|---------------|-----------------------------|-----------|---------------|
| 1 | Crowe | 91% | 92% | 83% | 90% |
| 2 | Vendor B | 79% | 78% | 77% | 78% |

| Evaluation Criteria | Description |
|----------------------|---|
| Functionality | Ten (10) scored sections, evaluating core ERP capabilities such as Record to Report, Budgeting/FP&A, Procure to Pay, and Project Management. Scoring focused on usability, integration with existing tools, flexibility in reporting, and the ability to handle key functions like vendor management, revenue recognition, analytics, and payment automation. |
| Viability of Partner | Four (4) scored sections focused on implementation readiness and long-term support. Evaluation covered information security standards (including SSO and upgrade paths), the partner's reputation and healthcare experience, availability of development resources, and their proven ability to deliver projects on time and within budget. |
| Economics | Three (3) scored sections evaluating total cost of ownership: implementation service fees, software module pricing, and user license costs based on the initial user base and anticipated future growth. |

| Scoring Categories | | |
|--------------------|----------------------|---|
| Score Description | |] |
| 1 | Meets expectations | |
| 2 | Exceeds expectations | |



Finalist Comparison

Crowe and Microsoft D365 F&O

- Lower software cost.
- Higher one-time implementation cost
- D365 F&O allows for seamless integration with our existing Microsoft Enterprise Agreement (EA), enabling shared licensing benefits, simplified user management, and streamlined connectivity with tools like Outlook, Teams, and Azure.
- KHS manages users and does not have to procure additional support for user management.

- Vendor B

 Higher software cost
 Lower one-time implementation with Microsoft products which may lead to increased implementation time and which may lead to increased implementation time and added costs.
- User management is not self-service; KHS would need to submit support tickets for account changes or additions, which could delay user provisioning and increase administrative overhead.

Five Year Total Cost

| | Software (Total 5 Year Cost) | | Implementation Costs (One Time Cost) | 5 Year Total Cost |
|--------------------------------|---------------------------------|----------|---|-------------------|
| Crowe - Implementation | \$ | - \$ | 1,585,000 | ¢ 1,020,550 |
| MS Dynamics 365 - Software (1) | \$ 35 | 3,550 \$ | - | \$ 1,938,550 |
| Vendor B - Implementation | \$ | - \$ | 980,000 | \$ 2,002,505 |
| Vendor B - Software | \$ 1,02 | 2,505 \$ | - | \$ 2,002,505 |

(1) Microsoft Dynamics 365 F&O Software licensing costs will be added to the current Microsoft Enterprise Agreement through DELL.



ERP Selection: Prioritizing Value

ERP Software System

Microsoft Dynamics 365 Finance & Operations

- Fully integrated into existing Microsoft Office Environment
 - > Teams Integration to Automate Approvals Workflow
 - Also allows transaction-linked conversations
 - ➤ Access Managed by In-House IT team not by the vendor
 - > Data housed within existing warehousing
- · Built-In OCR Technology to automate Accounts Payable
- Built-In connections with PowerBI tools
- Built-In Planning and Budgeting Module
- Built-In Contracting Module
- Artificial Intelligence Copilot augments the user experience
- Connects with financial institution to speed up reconciliation and close
 - > Also connected to automate payments
- · Single source of truth for entire operation

Implementation Vendor

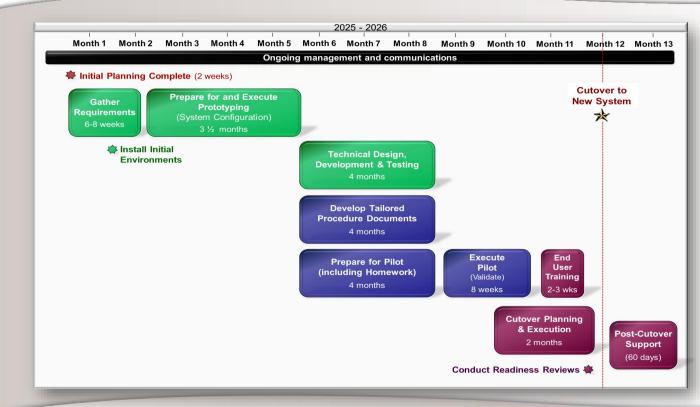
Crowe

- Experience and Reputation (Over 30 years of experience)
- Reduce instance of unanticipated costs
- Reduce scope creep with clear implementation path
- Microsoft preferred vendor
- Experience working with other LHPCs (CalOptima)
- Serves over 1,000 public sector entities nationally
- Strong Compliance, Data Security and Technical Knowledge
- KHS staff can focus on being experts at KHS, not at Microsoft Dynamics configuration
- Experience with multiple integrations and their interactions
- Crowe has developed enhanced functionality across many of the modules in Dynamics such as:
 - Core Financials
 - Procurement and Inventory
 - Asset and Project Management



11

Implementation Timeline



- Implementation will take place in a single phase.
- Estimated 12-month timeline for implementation to go-live date.
- Estimated Implementation Kick Off – 7/1/2025
- Estimated Go Live 7/1/2026
- KHS will operate both platforms in parallel for a three-month transition period.



Board of Directors Request

Approve; authorizing the CEO to sign, enter into, and/or amend a new contract for the purchase, implementation, and licensing of the Enterprise Resource Planning system for a five-year (5) term with the following vendors for a total not to exceed amount of \$1,938,550:

- Crowe as the implementation partner for a not to exceed amount of \$1,585,000
- Increasing the current Enterprise Agreement with DELL for the Microsoft Dynamics 365 Finance and Operations software and licenses by \$353,550.



You + Us = a better day!





MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Devin W. Brown, Esq., SHRM SCP, Chief Legal and Human Resources Officer

SUBJECT: New Contract with Citiguard, Inc. for Security Guard Services

DATE: June 19, 2025

Background

Kern Health Systems (KHS) currently provides 24/7 on-site security services to ensure the safety of staff, members, and visitors. KHS Security Guards provide internal coverage during standard business hours, while our contracted security vendor provides coverage during holidays, afterhours, and 24/7 monitoring for key locations.

As part of our operational enhancements and alignment with CalAIM's member-centered access and facility security goals, KHS issued an RFP to evaluate and select a qualified and exemplary security services provider.

Discussion

The RFP process reinforces KHS' commitment to transparency, compliance, and continuous improvement. It ensures adherence to our internal procurement policy and supports the evolving needs of our growing facilities. A total of seven proposals were received in response to the security services RFP, with the two highest-scoring vendors undergoing further evaluation. The recommendation to award the contract is based on competitive pricing, relevant experience, the ability to meet RFP requirements, and the use of advanced technology-enabled security solutions. Vendors were scored across key criteria including corporate capabilities, financial stability, staffing approach, service scope and compliance, technology and equipment, pricing competitiveness, and regulatory risk management.

Financial Impact

Cost for a three (3) year term with Citiguard, Inc. for a not to exceed amount of \$653,177 for onsite Security Guard Services.

Requested Action

Approve; authorizing the CEO to sign, enter into, and/or amend the contract for a three (3) year term with Citiguard, Inc. for a total not to exceed amount of \$653,177 for on-site Security Guard Services.



AGREEMENT AT A GLANCE

Department Name: CS Department Head: Andrea Hylton

Vendor Name: Citiguard Contact name & e-mail: Aurora Olmos-Gallo aurora@citiguardinc.com

| Descr | ription of Contract |
|--|--|
| Type of Agreement: Professional Services | Background: Kern Health Systems (KHS) currently |
| | provides 24/7 on-site security services to ensure the |
| New agreement | safety of staff, members, and visitors. KHS Security |
| The Children of the Control of the C | Guards provide internal coverage during standard |
| Amendment No. | business hours, while our contracted security vendor |
| Memorandum of Understanding ("MOU") | provides coverage during holidays, after-hours, and |
| [] Memorandam or Contessantonig (1950) | 24/7 monitoring for key locations. As part of our |
| | operational enhancements and alignment with |
| | CalAIM's member-centered access and facility security |
| | goals, KHS issued an RFP to evaluate and select a |
| | qualified and exemplary security services provider. |
| | Brief Explanation of Services to be Provided: Citiguard will |
| | provide KHS with 24/7 on-site security for three (3) years. |
| accepted must be fully explained and justified in writing. All bids changes.) | will be treated as a not to exceed amount with "change orders" used to track any |
| was made and dates of same): For the past six years, it security services. In 2025, KHS initiated a Request for compliance with internal policies and procurement pro After a comprehensive evaluation, Citiguard emerged enabled security solutions at a highly competitive price. | ormation relevant to whether an RFI, RFQ, RFP, or vendor award GHS has contracted with Allied Universal to provide 24/7 on-site r Proposals (RFP) for security services to ensure continued seedures. The RFP process resulted in seven submitted proposals, as the highest-scoring vendor, offering advanced, technology-e. Additionally, Citiguard brings relevant experience in the sa result, Citiguard has been awarded the contract to provide |
| Sole source – no competitive process can be performed Brief reason for sole source: | rmed. |
| ⊠ Board of Directors Approval Required | |
| Regulatory Approval Required | |
| Retroactive Agreement | |

Updated 5/15/25

| | | Atta | ichment A |
|--|--|------------|-----------|
| Exhibits Required: | | | |
| | D-SNP Requirements | | |
| ☐ Vendor Data Transfer Checklist | DMHC Administrative Services Requi | rements | |
| Medi-Cal Requirements | | | |
| Other Exhibits required: | | | |
| Fisc | al Impact | | |
| KHS Governing Board previously approved this expense i | n KHS' FY 2025 Administrative Budget |] NO | ⊠YES |
| Will this require additional funds? | | NO | YES |
| Capital project | | NO | YES |
| Project type: | | | |
| Budgeted Cost Center 340 GL# 5511 | | | |
| Maximum cost of this agreement not to exceed: \$653,177 | for three years | | |
| Explain extension provisions, termination conditions and r | | | |
| | provals | EU/XII | |
| Contract Owner: | Approved as to Form: | | |
| Department Head | Chief Legal and Chief Human Resources (Assistant General Counsel | Officer or | |
| Date | Date | | |
| Reviewed as to Budget: | Purchasings | | |
| Chief Financial Officer or Controller | Director of Procurement and Facilities | | |
| Date | Date | | |

| IT Approval: | | Chief Executive Officer Approval: |
|---------------------|---------------------------------|---|
| Chief Information O | fficer or IT Director | Chief Executive Officer |
| Date | | Date |
| Board of Director | s approval is required on all o | contracts over \$100,000 if not budgeted and \$200,000 if budgeted. |
| | KHS Board Chairn | nan |
| | Date | |

Security Guard Services

Devin W. Brown, Esq., SHRM SCP
Chief Legal and Human Resources Officer
June 19, 2025



Agenda

- Overview
- Purpose and On-Site Services
- Sequence of Events
- RFP Committee Selection Criteria
- Scoring Matrix
- Benefits and Cost
- Finance Committee Request



Overview

Kern Health Systems (KHS) currently provides 24/7 on-site security services to ensure the safety of staff, members, and visitors. KHS Security Guards provide internal coverage during standard business hours, while our contracted security vendor provides coverage during holidays, after-hours, and 24/7 monitoring for key locations.

As part of our operational enhancements and in alignment with CalAIM's member-centered access and facility security goals, KHS issued an RFP to evaluate and continue to provide and select a qualified and exemplary security services provider.

The RFP process reinforces KHS's commitment to transparency, compliance, and continuous improvement. It ensures adherence to our internal procurement policy and supports the evolving needs of our growing facilities.



Purpose and On-Site Services

Augments and ensures KHS has 24/7 professional security presence

Enhances incident response readiness and reporting

Monitors building access and manages visitor check-ins

Supports safety for staff, members, and visitors across all KHS facilities

Without this procurement, KHS would risk lapses in coverage and slower response to on-site incidents.



KHS Board of Directors Meeting, June 19, 2025

Sequence of Events

| Date | Milestone |
|----------------|--------------------------------|
| March 2025 | RFP Released |
| April 2025 | Proposals Received (7 total) |
| April-May 2025 | Proposals Review |
| May 2025 | Final Evaluation and Selection |
| June 2025 | Board Approval Request |



RFP Committee Selection Criteria

- · A total of seven proposals were received in response to the RFP.
 - · Two highest scoring vendors were considered.
- The recommendation is based on the following:
 - Pricing
 - · Relevant experience
 - · Ability to meet RFP requirements
 - Demonstrated use of technology-enabled security tools
- · Scoring Criteria:
 - Corporate Capabilities
 - · Financial Stability and Management
 - Proposed Staffing
 - · Scope of Services and Compliance
 - · Technology and Equipment
 - · Pricing and Cost Competitiveness
 - · Regulatory Compliance and Risk Management
- Transitioning to the recommended vendor is projected to save approximately \$160K over three years.



Scoring Matrix

Scoring Matrix | Security Services

Each category is scored on a 0-3 scale

| | | 1 | | | | | | | | |
|---|-----------------|---------------------------|--|----------------------|--------------------------------------|---------------------------|-----------------------------------|--|----------|------|
| | Vendor | Corporate Capabilities | Financial Stability & Management | Proposed Staffing | Scope of Services & Compliance | Technology & Equipment | Pricing & Cost Competitiveness | Regulatory Compliance & Risk Management | Total Po | |
| | | 10% | 10% | 15% | 15% | 10% | 30% | 10% | 21.00 | 100% |
| 1 | Citiguard, Inc. | 3.00 | 2.67 | 2.67 | 2.67 | 2.67 | 3.00 | 2.67 | 19.33 | 92% |
| 2 | Vendor 3 | 2.33 | 2.67 | 2.33 | 2.67 | 2.33 | 1.67 | 2.00 | 16.00 | 76% |

| Evaluation Criteria | % of Score | Description |
|--|---------------|--|
| Corporate Capabilities (Experience & Qualifications) | 10% | Demonstrated experience, relevant healthcare projects, strong references, and organizational stability. |
| Financial Stability & Management | 10% | Verified financial health through submitted statements, clear billing, and absence of legal or financial concerns. |
| Proposed Staffing & Project Organization | 15% | Qualified personnel, staffing plans, coverage contingencies, and clear organizational structure. |
| Scope of Services & Compliance | 15% | Meets shift coverage needs, complies with BSIS requirements, offers flexible security support, and has clear emergency procedures. |
| Technology & Equipment | 10% | Utilizes monitoring technology, provides proper security gear, and offers advanced security solutions when needed. |
| Pricing & Cost Competitiveness | 30% | Offers transparent, competitive pricing with fair rates across all coverage types and no excessive fees. |
| Regulatory Compliance & Risk Management | 10% | Meets regulatory requirements, adheres to PSA terms, ensures employee screenings, and maintains legal compliance history. |

| Scoring Categories | | | | |
|--------------------|--|--|--|--|
| Score | Description | | | |
| 0 | Does not meet requirements; proposal lacks necessary details or is noncompliant. | | | |
| 1 | Below expectations; meets some requirements but has significant weaknesses. | | | |
| 2 | Meets expectations; proposal is adequate but does not stand out. | | | |
| 3 | Exceeds expectations; proposal is well- structured with strong responses. | | | |



Benefits and Cost

Cost Analysis

| Year | Citiguard, Inc. (1) | Existing Vendor | Savings |
|-------------------|-----------------------|------------------------|-----------|
| Yr1 | \$188,100 | \$235,000 | \$46,900 |
| Yr2 | \$216,315 | \$270,250 | \$53,935 |
| Yr3 | \$248,762 | \$310,788 | \$62,025 |
| 3 Year Total Cost | \$653, 177 (2) | \$816,038 | \$162,860 |

- (1) Citiguard, Inc. offered the most competitively priced proposal.
- (2) Annual cost includes 10% additional cost for ad-hoc services and event coverage as needed along with a year over year 5% CPI increase.

- Citiguard Inc.'s current contracts include:
 - ➤ Bakersfield Police Department
 - ➤ Los Angeles County Probation Department
 - California Lottery Association
 - ➤ Golden Empire Transit District
- Technology driven security operations Security personnel utilizes real-time tracking that will provide the following capabilities:
 - > Real-time Incident Reporting
 - GPS Tracking
 - > Time-Stamped Reports
 - > Instant Notifications
 - Automated Guard Tour Summaries
 - Multimedia Reporting



KHS Board of Directors Meeting, June 19, 2025

Board of Directors Request

Approve; authorizing the CEO to enter into, sign, and/or amend the contract for a three (3) year term with Citiguard, Inc. for a total not to exceed amount of \$653,177 for on-site Security Guard Services.



You + Us = a better day!





MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Amisha Pannu, Senior Director of Provider Network

SUBJECT: Contract Extension with Bitfocus

DATE: June 19, 2025

Background

Kern Health Systems (KHS) assumed responsibility for the management of the Homeless Management Information System (HMIS) on June 22, 2023, following the award of a Request for Proposal (RFP) issued by the Bakersfield-Kern Regional Homeless Collaborative (BKRHC). The HMIS is a federally mandated data system that tracks and stores information about individuals experiencing homelessness within the local Continuum of Care (CoC). It enables community stakeholders to maintain an unduplicated count of persons served by HMIS-participating programs, supports coordination of care, and informs funding and policy decisions.

Since the transition, KHS has overseen all aspects of system management, including system administration, technical support, user access, training, and data integrity. This work aligns with KHS's strategic commitment to supporting vulnerable populations and advancing community health initiatives in Kern County.

Discussion

Extending the contract for HMIS system management ensures continuity of services that are essential for maintaining accurate and centralized data related to homelessness within Kern County. As the lead entity for system administration, KHS has established consistent workflows and technical support that enable CoC providers to meet federal reporting requirements and improve coordination of care for individuals experiencing homelessness.

The proposed 15-month extension allows KHS to maintain operational stability without disruption to participating agencies or service delivery. By continuing to manage the HMIS, KHS reinforces its commitment to addressing social determinants of health and supporting county-wide efforts to reduce homelessness. This extension will also allow time to evaluate long-term sustainability options and any future enhancements to the system's functionality or reporting capabilities.

Financial Impact

Cost for a fifteen (15) month extension not to exceed \$239,588 in budgeted expenses for licensing and tools with Bitfocus.

Requested Action

Approve; authorizing the CEO to extend the contract for a fifteen (15) month term and increasing the not to exceed amount under Bitfocus by \$239,588 from \$416,665 to \$656,253 for the entire term of the contract.



AGREEMENT AT A GLANCE

Department Name: PNM Department Head: Amisha Pannu

Vendor Name: Bitfocus Contact name & e-mail: Geoff Battersby, geoffb@bitfocus.com

What services will this vendor provide to KHS? Software Licenses for Homeless Management Information Systems

(HMIS) for a fifteen (15) month term.

| Descripti | on of Contract |
|--|---|
| Type of Agreement: Software | Background: Kern Health Systems (KHS) assumed |
| Contract | responsibility for managing the Homeless Management Information System (HMIS) on June 22, 2023, following an |
| Purchase | RFP award from the Bakersfield-Kern Regional Homeless Collaborative (BKRHC). HMIS is a federally mandated |
| New agreement | system that tracks data on individuals experiencing homelessness within the local Continuum of Care (CoC), |
| Continuation of Agreement | supporting care coordination and informed decision-making. Since the transition, KHS has managed all system operations, |
| Addendum | including administration, user support, training, and data integrity, aligning with its commitment to community health. |
| Amendment No. 2 | The proposed 15-month extension ensures uninterrupted system management and supports accurate, centralized data |
| Retroactive Agreement | for Kern County's homeless population. This continuity enables providers to meet federal reporting requirements and |
| | enhances care coordination. The extension also allows time to evaluate long-term sustainability and potential system improvements. |
| | Brief Explanation: Bitfocus will provide KHS with Software Licenses for the Homeless Management Information Systems (HMIS) for a fifteen (15) month term. |
| maximum value from the expenditures. Electronic (e-mail/fax) solicitat more if not rudgeted (\$100,000,00) and Two Hundred Thousand Dollars or More if not budgeted (\$100,000,00) and Hundred Thousand Dollars or more if not budgeted (\$100,000,00) and for Proposal (RFP) shall be used to solicit bids for professional service accepted must be fully explained and justified in writing. All bids will be changes. Brief vendor selection justification: | HS Policy =8.11-1. KHS will secure competitive quotes and bids to obtain the ion may be used for purchases of up to One Hundred Thousand Dollars or res or more if budgeted (\$200,000,60) but must be documented on the RFQ door cost price analysis documents are required for purchases over One Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). Request as over Two Hundred Thousand Dollars (\$200,000). Lowest bid price not be treated as a not to exceed amount with "change orders" used to track any |
| Sole source – no competitive process can be performed | d. |
| | |

Form updated 01/02/24

Attachment A

| | | | Brief reason for sole source: Bitfocus is (Clarity Hum software vendor for the Bakersfield/Kern CoC's HMI |
|---|-----------|--|--|
| CONTRACTOR OF THE PARTY OF THE | | | vendor are being considered at this time. |
| | | tract | Conflict of Interest Form is required for this Cont |
| | | ed for this Contract | HIPAA Business Associate Agreement is require |
| | | trol form is required for this Contract | Subcontractor Disclosure of Ownership and Cont |
| | | Fiscal Impact | |
| YES | Budget NO | ense in KHS' FY 2025 Administrative Budget | KHS Governing Board previously approved this expe |
| YES | ⊠ NO | | Will this require additional funds? |
| □YES | ⊠NO | | Capital project |
| | | | Project type: |
| | | | Budgeted Cost Center: 321 GL# 5407 |
| | | 2.588 | Maximum cost of this agreement not to exceed: \$239 |
| | | | Notes: |
| | | t Terms and Conditions | |
| | | Termination date: 9/30/2026 | Effective date: 6/22/2025 |
| | | and required notice: | Explain extension provisions, termination conditions |
| | | Approvals | |
| | St. | Legal Review | Compliance DMHC/DHCS Review: |
| | | Legal Counsel | Chief Compliance and Fraud Prevention Officer or Director of Compliance and Regulatory Affairs |
| | | Date | Date |
| | | Purchasing; | Contract Owner: |
| _ | cilities | Director of Procurement and Facilities 5-27-8 | Department Head 5 27 25 |
| | | Date | Date |
| | | Chief Operating Officer C-4-212 | Reviewed as to Budget: Chief Financial Officer or Controller |
| 1 | | Cer Chr | Potent |

Form updated 01/02/24

Attachment A

| IT Approval: | Chief Executive Officer Approval: |
|--|--|
| Chief Information Officer or IT Director | Chief Executive Officer |
| Date | Date |
| Board of Directors approval is requi | red on all contracts over \$100,000 if not budgeted and \$200,000 if budgeted. |
| KHS B | oard Chairman |
| Date | |

Form updated 01/02/24



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Christine Pence, Senior Director of Health Services

SUBJECT: Contract Extension with MCG

DATE: June 19, 2025

Background

Kern Health Systems (KHS) utilizes MCG (formerly Milliman Care Guidelines) as part of its medical management infrastructure to ensure clinically appropriate, evidence based care for its Medi-Cal members. MCG is the industry standard among managed care plans and is integrated into KHS' medical management system, JIVA.

The use of a clinical decision support tool such as MCG is a contractual requirement under KHS' Medi-Cal agreement with the Department of Health Care Services (DHCS). It supports both medical and behavioral health utilization decisions and serves as a core component of KHS' approved hierarchy of clinical decision making. Its use ensures consistent evaluation of medical necessity and alignment with DHCS and DMHC requirements.

MCG also supports CalAIM's policy goals by helping reduce unwarranted clinical variation and promoting equitable, high quality care. In October 2024, the Board approved an amendment to the MCG agreement to accommodate increased membership. KHS is now requesting approval to renew the overall contract.

Discussion

MCG is embedded into KHS' JIVA system and is used daily by nurses and medical directors to support utilization management, prior authorization, and discharge planning. Its evidence based guidelines enable timely, consistent clinical decisions across inpatient, outpatient, and home health settings.

The tool is updated annually to reflect the latest clinical research and best practices, helping ensure KHS maintains alignment with Medi-Cal audit standards. By reducing manual review time and supporting standardized decision making, MCG enhances operational efficiency and helps improve member outcomes.

Renewing the contract will allow KHS to maintain continuity in its medical management processes while meeting operational demands and regulatory expectations under CalAIM. Continued use of MCG ensures KHS can scale its services effectively and deliver care that is both compliant and member centered.

Financial Impact

Cost for a five (5) year extension not to exceed \$8,878,564 in budgeted expenses for Milliman Care Guidelines licenses.

Requested Action

Approve; authorizing the CEO to extend the contract for a five (5) year term and increasing the not to exceed amount under MCG by \$8,878,564 from \$5,692,237 to \$14,570,801 for the entire term of the contract.



AGREEMENT AT A GLANCE

Department Name: UM Department Head: Christine Pence

Vendor Name: MCG Contact name & e-mail: Rebecca Holden, rebecca holden@mcg.com

| Descriptio | n of Contract |
|---|---|
| Type of Agreement: Software | Background: KHS has maintained a contract with MCG since 2008 |
| New agreement Nen | for managing all aspects of medical and behavioral |
| Amendment No | health conditions. This contract includes both static or web-based access as well as a dynamic and interactive version that can be used by both KHS staff and |
| ☐ Memorandum of Understanding ("MOU") | Provider network. It was an essential integration component to the Medical Management platform implementation in 2017. Benefits include elimination of the manual process with accessing and publishing the guidelines for KHS staff and a training platform to ensure all clinical staff are consistently applying evidence-based criteria while reviewing service requests. In addition, KHS Providers will have the option to perform point of service automatic authorization requests that provide immediate response to service requests. These components will foster KHS's mission to promote consistent decision making among the clinical staff to provide comprehensive, patient centered, and high-quality care and allow point of service decision making. |
| | Brief Explanation of Services to be Provided: To ensure the consistent application of evidence-based criteria in decisions related to complex medical and behavioral health conditions, while maintaining compliance with our contract with DHCS and DMHC, clinical staff must have access to up-to-date, relevant care guidelines. These guidelines, which outline medical necessity, are essential for making informed and medically appropriate decisions regarding service requests. |

| Δ | ttac | ٠h | m | en | 1 | Δ |
|---|------|----|---|----|---|---|
| | | | | | | |

| Summary of Quotes and/or Bids attached. Pursuant to KHS Policy #8 11-1, KHS will secure competitive quot maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to One Hundre more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00) but must be a form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budget for Proposal (RFP) shall be used to solicit bids for professional services over Two Hundred Thousand Dollars (\$200,000, accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change changes.) | ed Thousand L documented on purchases ove ted (\$200,000.). Lowest bid p | Pollars or the RFQ er One 00). Request price not |
|--|---|--|
| Brief vendor selection justification (Please include information relevant to whether an RFI, RFQ, RI was made and dates of same): | FP, or vendo | or award |
| Sole source – no competitive process can be performed. Brief reason for sole source: MCG clinical guidelines are embedded into the ZeOmega Medical Mana a vendor change was required, a network of entire Medical Management System involving authorizated to be complete, with significant associated cost and internal and external resource time. MCG standard for Managed Care Plans. | ation modul | e would |
| ⊠ Board of Directors Approval Required | | |
| Regulatory Approval Required | | |
| Retroactive Agreement | | |
| Exhibits Required: | | |
| | | |
| ∨ Vendor Data Transfer Checklist | quirements | |
| | | |
| Other Exhibits required: | | |
| Fiscal Impact | na in the | |
| KHS Governing Board previously approved this expense in KHS' FY 2025 Administrative Budget | □NO | ⊠YES |
| Will this require additional funds? | □ NO | □YES |
| Capital project | ⊠ NO | YES |
| Project type: | | |
| Budgeted Cost Center 310 GL# 5645 Maximum cost of this agreement not to exceed: \$8,878,564 (Cost Savings: \$362,049.24) | | |
| 3% annual increase Y1: 1,672,318.17 Y2: 1,722,487.71 Y3: 1,774,162.34 Y4: 1,827,387.21 Y5: 1,882,208.83 | | |
| Notes: Since inception \$14,570,801 | | |

Attachment A Contract Terms and Conditions Termination date: 7/4/2030 Effective date: 7/5/2025 Explain extension provisions, termination conditions and required notice: Approvals **Approved as to Form:** Contract Owner: Approved by Christine Pence
Department Head
Per Contracts Meeting G/2
Date Chief Legal and Chief Human Resources Officer or **Assistant General Counsel** Date Reviewed as to Budget: Purchasing Director of Procurement and Facilities Chief Financial Officer or Controller Date **Chief Executive Officer Approval:** IT Approval: Chief Information Officer or IT Director **Chief Executive Officer** Date Date Board of Directors approval is required on all contracts over \$100,000 if not budgeted and \$200,000 if budgeted.

KHS Board Chairman

Date

Milliman Care Guidelines

Christine Pence
Senior Director of Health Services
June 19, 2025



Agenda

- Background
- What is MCG (Milliman Care Guidelines)
- MCG Workflow
- MCG Utilization Overview
- Model Coverage
- Cost Breakdown
- Finance Committee Request



Background

Kern Health Systems (KHS) utilizes MCG (formerly Milliman Care Guidelines) as part of its medical management infrastructure to ensure clinically appropriate, evidence-based care for its Medi-Cal members. MCG is the industry standard among managed care plans and is integrated directly into KHS' medical management system, JIVA.

The use of a clinical decision support tool—such as MCG—is a contractual requirement under KHS' Medi-Cal contract with the Department of Health Care Services (DHCS). MCG supports both medical and behavioral health utilization decisions and is a core component of KHS' approved hierarchy of clinical decision-making. It enables the organization to evaluate the medical necessity of services consistently, aligning with DHCS requirements and ensuring that care decisions reflect the most current clinical standards.

The use of MCG directly supports CalAIM's goals of reducing unwarranted clinical variation, and enhancing quality and equity across the delivery system. Continued use of MCG ensures KHS remains compliant while strengthening its ability to deliver high-value, member-centered care.

In October 2024, the Board approved an amendment to the MCG agreement to accommodate increased membership. Today, KHS is requesting approval to renew the overall contract to maintain uninterrupted access to the tool and to continue meeting DHCS, DMHC, and CalAIM objectives.



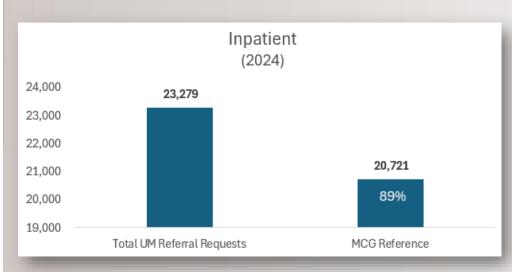
What is MCG (Milliman Care Guidelines)

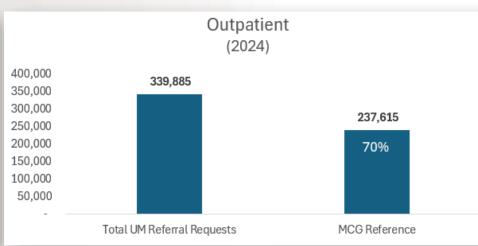
- Evidence-based clinical guidelines used nationwide
- Supports medical necessity reviews
- Standardizes decisions across hospitals, outpatient care, home health, and more
- Updated annually with the latest clinical research
- Supports Utilization Management and Prior Authorizations
- Guides medical necessity and discharge decisions
- Used daily by nurses and medical directors
- Ensures alignment with Medi-Cal requirements and audit standards



MCG Workflow

MCG Utilization Overview







Model Coverage

| Model | How It's Used at KHS |
|-------------------------------|---|
| Ambulatory Care | Guides outpatient service decisions to ensure appropriate care in clinic or same-day settings. |
| Behavioral Health Care | Supports review of mental health and substance use disorder services. |
| CareWebQI (API) | Integrates MCG into JIVA for seamless guideline access during UM reviews. |
| Chronic Care / Spanish | Assists with management of long-term conditions; available in English and Spanish for equitable access. |
| Cite Auto Authorization | Automates approvals for select services, reducing manual workload for staff. |
| General Recovery Care | Provides guidance for post-acute recovery services including rehab and follow-up care. |
| Home Care | Ensures clinical appropriateness of services delivered in a member's home (e.g., nursing, therapy). |
| Inpatient Surgical Care | Evaluates the need for surgical admissions and supports length-of-stay planning. |
| Interrater Reliability Module | Promotes consistency across reviewers by aligning clinical decisions. |
| Multiple Condition Management | Supports complex cases involving patients with multiple coexisting conditions. |
| Recovery Facility Care | Guides decisions related to SNF or inpatient rehab facility placements. |
| Transitions of Care / Spanish | Supports safe and timely care transitions between settings, reducing readmissions and gaps in care. |



Cost Breakdown

5 Year Cost Comparison

| | Current Term ⁽¹⁾ /2020-8/4/2025 | Membership Calculation | Future Term 2025-8/4/2030 | Projected Membership Calculation |
|--------|---|---------------------------|------------------------------|-------------------------------------|
| Year 1 | \$ 762,133 | 250,000 | \$ 1,672,318 | 405,000 |
| Year 2 | \$ 959,903 | 287,231 | \$ 1,722,488 | 405,000 |
| Year 3 | \$ 1,141,162 | 310,000 | \$ 1,774,162 | 405,000 |
| Year 4 | \$ 1,247,225 | 310,000 | \$ 1,827,387 | 405,000 |
| Year 5 | \$ 1,581,813 | 401,590 | \$ 1,882,209 | 405,000 |
| Total | \$ 5,692,237 | | \$ 8,878,564 | (2),(3) |

⁽¹⁾ Year-over-year increase reflects growth in membership and the addition of licensed modules.

⁽³⁾ Estimated total cost, subject to adjustment based on final annual membership counts.



⁽²⁾ Cost is based on a Per Member Per Year (PMPY) volume of 405,000 and includes a negotiated Consumer Price Index (CPI) adjustment reduced from 5% to 3%.

KHS Board of Directors Meeting, June 19, 2025

Board of Directors Request

Approve; authorizing the CEO to extend the contract for a five (5) year term and increasing the not to exceed amount under MCG by \$8,878,564 for Milliman Care Guidelines licenses.



You + Us = a better day!





MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Josh Hosch, Senior Director of Clinical Operations Strategy and Analytics

SUBJECT: Request to Increase the Not to Exceed Amount with Imagenet, LLC for the HRA

OCR Processing

DATE: June 19, 2025

Background

Kern Health Systems (KHS) is required by DMHC and DHCS to complete a Health Risk Assessment (HRA) for each member at the time of enrollment, during changes in health status, and annually. Approximately 2,900 completed HRA forms are returned each month through our mailing partner. Currently, these forms are manually sorted by a combination of temporary and permanent KHS staff. High-acuity responses are prioritized and manually entered into the Jiva platform for care coordination and follow-up.

Discussion

ImageNet, LLC was awarded a contract in April 2024 following a Request for Proposal (RFP) for OCR (Optical Character Recognition) services. KHS is now proposing to expand the scope of this agreement to include scanning and OCR services specifically for HRA's. This enhancement will streamline the intake of HRA data and allow for secure and efficient integration into our Case Management system (JIVA). By improving access to this information, staff will be better equipped to understand the health needs of new members and remain informed about the ongoing needs of existing or renewing members.

KHS conducted a Return on Investment (ROI) analysis based on an estimated volume of 2,900 HRA's per month and determined that this solution could eliminate over \$135,000 in annual manual processing costs. The total cost for the first year is approximately \$40,046 (including a one-time \$5,000 implementation fee), with ongoing annual costs of \$35,046. Given the significant cost savings, we recommend amending the current agreement with Imagenet, LLC to include scanning, digitization, and OCR processing of HRA forms for the remainder of the contract term.

Financial Impact

Cost for the additional HRA OCR Processing services will increase the original not to exceed amount by \$75,092, for a new not to exceed amount of \$272,092 for the remaining contract term ending April 4, 2027.

Requested Action

Approve; authorizing the CEO to amend the Professional Services Agreement with Imagenet, LLC for the Health Risk Assessment OCR Processing services, increasing the not to exceed amount by \$75,092, from \$197,000 to \$272,092.



AGREEMENT AT A GLANCE

Department Name: CS

Department Head: Andrea Hylton Contract Owner: Josh Hosch/Michelle Curioso

Vendor Name: Imagenet, LLC

Contact name & e-mail: Wendy Brown, WBrown@imagenetllc.com

What services will this vendor provide to KHS? <u>Vendor will perform mailroom duties and scan/OCR our inbound HRA</u> forms. They will construct a data file for us to ingest and load into our databases and systems.

| Description of Contract | | | | |
|--|---|--|--|--|
| Type of Agreement: Professional Services | Background: KHS currently receives a large volume | | | |
| | (2,000+) of completed and returned HRA paper forms. | | | |
| Contract | Currently these are manually sorted and some are entered into | | | |
| | JIVA for further use in care planning. Not all of these are | | | |
| Purchase | entered due to resource constraints. We are required to | | | |
| <u>_</u> | administer HRAs for our new members, members with | | | |
| New agreement | changing health conditions, and annually for our members, | | | |
| | We're exploring alternative digital administration, but paper | | | |
| Continuation of Agreement | remains the primary response method. | | | |
| Addendum | | | | |
| Amendment No. 3 | Brief Explanation: Imagenet will provide KHS with Mail | | | |
| | Room services, scanning kiosk, OCR processing, 99.5% | | | |
| Retroactive Agreement | accuracy commitment, data flat file for load into Jiva system. | | | |
| | All will be done within a committed 48-hour TAT. | | | |
| more if not hudgesed (\$100,000,00) and Two Hundred Thousand Dolla (orm (Attachment A). Actual bid, sole or single source justification and Hundred Thousand Dollars or more if not budgeted (\$100,000,00) and (or Proposal (RFP) shall be used to salicit bids for professional service | ion may be used for purchases of up to One Hundred Thousand Dollars or rs or more if budgeted (\$200,000.00) but must be documented on the RFQ Vor cost price analysis documents are required for purchases over One Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). Request is over Two Hundred Thousand Dollars (\$200,000). Lowest bid price not be treated as a not to esceed amount with "change orders" used to track any | | | |
| Brief vendor selection justification: | | | | |
| Sole source − no competitive process can be performed | d. | | | |
| Discours to the DEDISCOURT | 2022 | | | |
| | per 2023 to select a new vendor for our OCR services, and | | | |
| | 24. We now want to add HRA OCR services under our | | | |
| existing OCR contract with vendor. | | | | |
| Conflict of Interest Form is required for this Contract | | | | |
| HIPAA Business Associate Agreement is required for | this Contract | | | |
| | 500-400-400-00000 | | | |

Form updated 6/12/23

Attachment A

| Subcontractor Disclosure of Ownership and Control | form is required for this Contract | | |
|--|---|--------------|----------------------|
| Fig. | scal Impact | | E Carrie |
| KHS Governing Board previously approved this expense Will this require additional funds? Capital project | e in KHS' FY 2025 Administrative Budget | □ NO | ⊠YES □YES ⊠YES |
| | on an estimated monthly volume of 2.950 (accerms and Conditions | ctual volume | e may |
| Effective date: 6/19/2025 | Termination date: 4/4/2027 | | |
| Explain extension provisions, termination conditions and | I required notice: | | |
| Compliance DMHC/DHCS Review: About 1 Chief Compliance and Fraud Prevention Officer or Director of Compliance and Regulatory Affairs 6 6 3035 Date Contract Owner: | Legal Counsel Legal Counsel Date Purchasing: | 2 | |
| Department Head Department Head Our Contract Meeting 5/4/25 Date Reviewed as to Budget: Left Hours | Director of Procurement and Facilities 5 5 2025 Date Recommended by the Executive Commended by | mittee: | |
| Chief Financial Officer or Controller Date IT Approval: Chief Information Officer or IT Director | Chief Operating Officer S 2025 Date Chief Executive Officer Approval: Chief Board Hem | | |
| Date Date | Date | | |
| Form updated 6/12/23 | | | |

249 / 490

KHS Board of Directors Meeting, June 19, 2025

Date

Form updated 6/12/23



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Robert Landis, Chief Financial Officer

SUBJECT: February 2025 Financial Results

DATE: June 19, 2025

The February results reflect a \$.8 million Net Increase in Net Position which is a \$1.5 million unfavorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$33.1 million favorable variance primarily due to:
 - A) \$4.6 million unfavorable variance in SPD Premium Revenues primarily due to California becoming a Medicare Part A Buy-In State effective January 1, 2025. Qualifying Medi-Cal members, who are enrolled in Medicare Part B only, were automatically enrolled into Medicare Part A Buy-In by the Department of Health Care Services ("DHCS"). The rate received for members who have Part A and Part B (\$488 pmpm) is less than the rate for members who have Part B only (\$1,130 pmpm), however, Medicare will now become primary for medical expenses associated with the members having both Part A and Part B. The reduction in revenue has been partially offset against a reduction in medical expenses included in 2B below.
 - B) \$33.7 million favorable variance in Premium-Hospital Directed Payments primarily due to receiving updated rate information from DHCS on February 28, 2025 for Calendar Year 2025 offset against amounts included in 2D below.
 - C) \$2.0 million favorable variance in Rate Adjustments Hospital Directed Payments primarily due to receiving revised CY 2024 proxy rates for the Skilled Nursing Facility Workforce and Quality Incentive Program (SNF WQIP) from DHCS on March 24, 2025 for Calendar Year 2024 offset against amounts included in 2E below.
 - D) \$1.4 million favorable variance in Rate /Income Adjustments primarily due to receiving updated rates on March 18, 2025 for Health Equity and Practice Transformation Revenue (\$.8 million) designated for primary care practices to advance health equity and to reduce disparities and retroactive revenue (\$.6 million).
- 2) Total Medical Costs reflect a \$37.5 million unfavorable variance primarily due to
 - A) \$2.0 million unfavorable variance in Physician Services primarily due to higher-thanexpected utilization by Expansion members over the last several months

- B) \$2.5 million favorable variance in Inpatient primarily due to lower-than-expected SPD membership and benefit changes described in 1A above.
- C) \$5.8 million unfavorable variance in Other Medical primarily from:
 - 1) \$2.0 million unfavorable variance in Ambulance and Non-emergency Medical Transportation ("NEMT") due to higher-than-expected utilization of NEMT services over the last several months by our members.
 - 2) \$3.8 million unfavorable variance in Community Support Services expenses due to higher-than-expected usage of program services over the last several months.

(A key feature of CalAIM was the introduction of Community Support Services, formerly referred to as In Lieu of Services (ILOS). Community Support Services are designed to help improve the overall health and well-being of Medi-Cal managed care plan (MCP) members by addressing the members' health-related social needs, helping the members live healthier lives, and avoiding higher, costlier levels of care. Services include support to secure and maintain housing, access to medically tailored meals to support short-term recovery, personal care, and a variety of other community-based services. The range of services and resources are designed to address the unique needs of Medi-Cal members in the community, with a focus on promoting health, stability, and independence. Members may receive a Community Supports Service if they meet the eligibility criteria and if the MCP determines it is a medically appropriate and cost-effective alternative to services covered under Medi-Cal). **These services are unfunded with expected savings to be realized by lower medical expenses, if any.**

- D) \$33.7 million unfavorable variance in Hospital Directed Payments primarily due to receiving updated rate information from DHCS for Calendar Year 2024 offset against amounts included in 1B above.
- E) \$2.0 million unfavorable variance in Rate Adjustments Hospital Directed Payments primarily due to receiving revised CY 2024 proxy rates for the Skilled Nursing Facility Workforce and Quality Incentive Program (SNF WQIP) from DHCS on March 24, 2025 for Calendar Year 2024 offset against amounts included in 1C above.
- F) \$2.8 million favorable variance in Non-Claims Adjustment primarily due to KHS receiving a Determination Letter from DHCS on March 3, 2025 finalizing the CY 2023 Prop 56 risk corridor calculation.

The February Medical Loss Ratio is 94.4% which is unfavorable to the 91.8% budgeted amount. The February Administrative Expense Ratio is 4.6% which is favorable to the 5.8% budgeted amount.

The results for the 2 months ending February 28, 2025 reflect a Net Increase in Net Position of \$.9 million. This is a \$3.5 million unfavorable variance to the budget and includes approximately \$4.4 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 94.3% which is unfavorable to the 91.8% budgeted amount. The year-to-date Administrative Expense Ratio is 5.0% which is favorable to the 5.8% budgeted amount.



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 Quarter | Page 4 |
| Statement of Revenue, Expenses, and Changes in Net Position by Quarter - PMPM | Page 5 |
| Statement of Revenue, Expenses, and Changes in Net Position 6 Month | Page 6 |
| Statement of Revenue, Expenses, and Changes in Net Position 6 Month - PMPM | Page 7 |
| Schedule of Revenues | Page 8 |
| Schedule of Revenues by Month | Page 9 |
| Schedule of Medical Costs | Page 10 |
| Schedule of Medical Costs - PMPM | Page 11 |
| Schedule of Medical Costs by Month | Page 12 |
| Schedule of Medical Costs by Month – PMPM | Page 13 |
| Schedule of Administrative Expenses by Department | Page 14 |
| Schedule of Administrative Expenses by Department by Month | Page 15 |
| KHS Group Health Plan – Healthy Families Line of Business | |
| Comparative Statement of Net Position | Page 16 |
| Statement of Revenue, Expenses, and Changes in Net Position | Page 17 |
| KHS Administrative Analysis and Other Reporting | |
| Monthly Member Count | Page 18 |

KERN HEALTH SYSTEMS

MEDI-CAL STATEMENT OF NET POSITION AS OF FEBRUARY 28, 2025

| | Г | Т | Increase/ |
|---|---------------|---------------|--------------|
| ASSETS | February | January | (Decrease) |
| Cash and Cash Equivalents | 266,411,525 | 278,027,418 | (11,615,892) |
| Short-Term Investments | 223,413,944 | 232,603,895 | (9,189,952) |
| Premiums Receivable | 135,111,304 | 107,011,488 | 28,099,817 |
| Premiums Receivable - MCO Tax | 237,984,279 | 237,793,180 | 191,099 |
| Premiums Receivable - Hospital Directed Payments | 778,680,732 | 718,681,637 | 59,999,095 |
| Interest Receivable | 118,693 | 59,709 | 58,983 |
| Provider Advance Payment | 156,824 | 163,740 | (6,916) |
| Other Receivables | 1,706,661 | 2,087,139 | (380,478) |
| Prepaid Expenses & Other Current Assets | 9,711,464 | 10,049,396 | (337,933) |
| Total Current Assets | 1,653,295,426 | 1,586,477,603 | 66,817,823 |
| Land | 4,090,706 | 4,090,706 | - |
| Furniture and Equipment - Net | 1,141,774 | 1,170,544 | (28,770) |
| Computer Equipment - Net | 18,944,626 | 19,230,067 | (285,441) |
| Building and Improvements - Net | 32,910,702 | 32,990,534 | (79,832) |
| Capital Projects In Process | 1,097,477 | 968,826 | 128,651 |
| Total Capital Assets | 58,185,287 | 58,450,678 | (265,391) |
| Restricted Assets | 300,000 | 300,000 | _ |
| Officer Life Insurance Receivables | 4,097,061 | 4,097,061 | - |
| SBITA Asset | 8,875,096 | 8,875,096 | - |
| Total Long-Term Assets | 13,272,157 | 13,272,157 | - |
| Deferred Outflow of Resources | 6,846,742 | 6,846,742 | - |
| Total Assets and Deferred Outflows of Resources | 1,731,599,612 | 1,665,047,180 | 66,552,432 |
| CURRENT LIABILITIES | _,,,,,,,,,, | | 00,000,000 |
| Accrued Salaries and Benefits | 9,859,613 | 9,239,642 | 619,970 |
| Accrued Other Operating Expenses | 5,482,287 | 6,084,680 | (602,394) |
| MCO Tax Payable | 376,903,634 | 314,015,919 | 62,887,715 |
| Claims Payable (Reported) | 20,796,152 | 21,412,078 | (615,926) |
| IBNR - Inpatient Claims | 64,044,607 | 72,565,839 | (8,521,232) |
| IBNR - Physician Claims | 27,693,850 | 26,784,933 | 908,917 |
| IBNR - Accrued Other Medical | 33,987,943 | 33,256,833 | 731,111 |
| Risk Pool and Withholds Payable | 8,236,355 | 7,628,037 | 608,318 |
| Allowance for Claims Processing Expense | 4,779,517 | 4,779,517 | - |
| Other Liabilities | 94,788,744 | 95,220,144 | (431,399) |
| SBITA Liability – Current portion | 2,217,189 | 2,217,189 | - |
| Accrued Hospital Directed Payments | 730,181,726 | 720,182,631 | 9,999,095 |
| Total Current Liabilities | 1,378,971,617 | 1,313,387,443 | 65,584,174 |
| NONCURRENT LIABILITIES | | | |
| Net Pension Liability | 12,601,788 | 12,401,788 | 200,000 |
| SBITA Liability, net of current portion | 5,491,541 | 5,491,541 | - |
| Total NonCurrent Liabilities | 18,093,329 | 17,893,329 | 200,000 |
| Deferred Inflow of Resources | 70,705 | 70,705 | - |
| NET POSITION: | | | |
| Net Position at Beginning of Year | 333,567,639 | 333,567,639 | - |
| Increase (Decrease) in Net Position - Current Year | 896,322 | 128,064 | 768,258 |
| Total Net Position | 334,463,961 | 333,695,702 | 768,258 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | 1,731,599,612 | 1,665,047,180 | 66,552,432 |

MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION



FOR THE MONTH ENDED FEBRUARY 28, 2025

| | February | Budget | Variance | Year to Date | Budget | Variance |
|---|--------------------|--------------------|--------------------|------------------------|------------------------|--------------------|
| Family Members | 242,800 | 243,500 | (700) | 485,222 | 486,500 | (1,278) |
| Expansion Members | 115,806 | 113,000 | 2,806 | 230,446 | 226,000 | 4,446 |
| SPD Members | 46,939 | 47,000 | (61) | 94,318 | 94,000 | 318 |
| Total Members - MCAL | 405,545 | 403,500 | 2,045 | 809,986 | 806,500 | 3,486 |
| REVENUES | | | | | | |
| Medicaid - Family and Other | 55,023,433 | 54,953,818 | 69,615 | 109,802,905 | 109,794,794 | 8,111 |
| Medicaid - Expansion Members | 48,902,196 | 47,912,766 | 989,430 | 97,474,956 | 95,825,532 | 1,649,424 |
| Medicaid - SPD Members | 35,786,816 | 40,402,462 | (4,615,645) | 74,586,275 | 80,804,924 | (6,218,648) |
| Premium - MCO Tax | 59,136,301 | 59,713,965 | (577,664) | 118,272,602 | 119,353,935 | (1,081,333) |
| Premium - Hospital Directed Payments | 58,045,936 | 24,327,633 | 33,718,303 | 117,877,328 | 48,635,543 | 69,241,785 |
| Investment Earnings And Other Income | 2,419,799 | 1,993,223 | 426,576 | 4,149,114 | 3,984,941 | 164,173 |
| Reinsurance Recoveries | - | 273,401 | (273,401) | - | 546,447 | (546,447) |
| Rate Adjustments - Hospital Directed Payments | 1,953,159 | - | 1,953,159 | 105,087,806 | - | 105,087,806 |
| Rate/Income Adjustments | 1,370,485 | - | 1,370,485 | 1,890,977 | - | 1,890,977 |
| Total Revenues | 262,638,127 | 229,577,269 | 33,060,858 | 629,141,964 | 458,946,117 | 170,195,847 |
| EXPENSES MEDICAL COSTS Physician Services | 38,711,809 | 36,743,219 | (1,968,590) | 74,844,300 | 73,448,423 | (1,395,877) |
| Other Professional Services | 10,004,694 | 10,840,866 | 836,172 | 21,450,493 | 21,671,815 | 221,323 |
| Emergency Room | 6,508,981 | 6,786,310 | 277,329 | 13,798,709 | 13,564,890 | (233,818) |
| Inpatient | 31,406,220 | 33,955,078 | 2,548,858 | 65,264,095 | 67,887,371 | 2,623,276 |
| Reinsurance Expense | 269,619 | 273,401 | 3,783 | 539,237 | 546,447 | 7,210 |
| Outpatient Hospital | 15,697,949 | 15,415,984 | (281,965) | 31,717,713 | 30,822,401 | (895,312) |
| Other Medical | 34,766,397 | 29,008,214 | (5,758,183) | 65,062,014 | 58,003,454 | (7,058,559) |
| Pay for Performance Quality Incentive | 608,318 | 605,257 | (3,061) | 1,214,979 | 1,209,765 | (5,214) |
| Hospital Directed Payments | 58,045,936 | 24,327,633 | (33,718,303) | 117,877,328 | 48,635,543 | (69,241,785) |
| Hospital Directed Payment Adjustment | 1,953,159 | 24,527,033 | (1,953,159) | 105,087,806 | -10,033,343 | (105,087,806) |
| Non-Claims Expense Adjustment | (2,753,743) | | 2,753,743 | (3,103,914) | | 3,103,914 |
| IBNR, Incentive, Paid Claims Adjustment | 248,637 | | (248,637) | 637,252 | | (637,252) |
| Total Medical Costs | 195,467,975 | 157,955,962 | (37,512,013) | 494,390,013 | 315,790,111 | (178,599,901) |
| GROSS MARGIN | | | | | | |
| | 67,170,152 | 71,621,307 | (4,451,155) | 134,751,951 | 143,156,006 | (8,404,054) |
| ADMINISTRATIVE COSTS | 2 700 407 | 4 222 442 | T11001 | - aaa caa l | 0.446.00= | |
| Compensation | 3,708,197 | 4,223,118 | 514,921 | 7,908,680 | 8,446,235 | 537,555 |
| Purchased Services | 1,740,859 | 2,343,143 | 602,284 | 3,239,658 | 4,686,285 | 1,446,627 |
| Supplies | 163,332 | 244,079 | 80,747 | 258,406 | 488,158 | 229,752 |
| Depreciation Other Administrative Expenses | 385,016 468,446 | 766,752 672,406 | 381,736 203,960 | 1,197,449 1,352,186 | 1,533,504 1,344,811 | 336,055 (7,375) |
| Administrative Expenses Administrative Expense Adjustment | 198,773 | 200,000 | 1,227 | 401,742 | 400,000 | (1,742) |
| Total Administrative Expenses | 6,664,623 | 8,449,497 | 1,784,874 | 14,358,122 | 16,898,993 | 2,540,871 |
| TOTAL EXPENSES | | | | | 332,689,105 | |
| | 202,132,598 | 166,405,459 | (35,727,139) | 508,748,134 | | (176,059,030) |
| OPERATING INCOME (LOSS) BEFORE TAX | 60,505,529 | 63,171,810 | (2,666,281) | 120,393,829 | 126,257,012 | (5,863,183) |
| MCO TAX | 59,136,301 | 59,713,965 | 577,664 | 118,272,602 | 119,353,935 | 1,081,333 |
| OPERATING INCOME (LOSS) NET OF TAX | 1,369,228 | 3,457,845 | (2,088,617) | 2,121,227 | 6,903,077 | (4,781,850) |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | |
| Provider Grants/CalAIM/Home Heath | (458,704) | (830,390) | 371,686 | (846,575) | (1,660,126) | 813,551 |
| D-SNP Expenses | (142,265) | (399,025) | 256,759 | (378,330) | (797,735) | 419,405 |
| Total Non-Operating Revenue (Expense) | (600,969) | (1,229,415) | 628,445 | (1,224,905) | (2,457,861) | 1,232,956 |
| NET INCREASE (DECREASE) IN NET POSITION | 768,258 | 2,228,430 | (1,460,172) | 896,322 | 4,445,216 | (3,548,894) |
| MEDICAL LOSS RATIO | 94.4% | 91.8% | -2.6% | 94.3% | 91.8% | -2.5% |
| ADMINISTRATIVE EXPENSE RATIO | 4.6% | 5.8% | 1.2% | 5.0% | 5.8% | 0.8% |
| ADMINISTRATIVE EXPENSE RATIO | 4.0% | 3.0% | 1.470 | 5.0% | 3.0% | 0.07 |

KERN HEALTH SYSTEMS

MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED FEBRUARY 28, 2025

| | February | Budget | Variance | Year to Date | Budget | Variance |
|---|------------------|------------------|-------------------|------------------|------------------|-----------------|
| Family Members | 242,800 | 243,500 | (700) | 485,222 | 486,500 | (1,278) |
| Expansion Members | 115,806 | 113,000 | 2,806 | 230,446 | 226,000 | 4,446 |
| SPD Members | 46,939 | 47,000 | (61) | 94,318 | 94,000 | 318 |
| Total Members - MCAL | 405,545 | 403,500 | 2,045 | 809,986 | 806,500 | 3,486 |
| | 400,545 | 400,000 | 2,043 | 553,555 | 333,333 | 3,400 |
| REVENUES | 220 02 | 225.60 | 0.04 | 226 20 | 225.60 | 0.61 |
| Medicaid - Family and Other | 226.62 | 225.68 | 0.94 | 226.29 | 225.68 | 0.61 |
| Medicaid - Expansion Members | 422.28 762.41 | 424.01 859.63 | (1.73) (97.22) | 422.98 790.80 | 424.01 859.63 | (1.02) |
| Medicaid - SPD Members Premium - MCO Tax | 145.82 | 147.99 | ` ' | 146.02 | 147.99 | (68.83) |
| Premium - Hospital Directed Payments | 143.13 | 60.29 | (2.17) 82.84 | 145.53 | 60.30 | (1.97) 85.23 |
| Investment Earnings And Other Income | 5.97 | 4.94 | 1.03 | 5.12 | 4.94 | 0.18 |
| Reinsurance Recoveries | 3.57 | 0.68 | (0.68) | 3.12 | 0.68 | (0.68) |
| Rate Adjustments - Hospital Directed Payments | 4.82 | - | 4.82 | 129.74 | - | 129.74 |
| Rate/Income Adjustments | 3.38 | _ | 3.38 | 2.33 | <u>-</u> | 2.33 |
| Total Revenues | 647.62 | 568.96 | 78.65 | 776.73 | 569.06 | 207.67 |
| | 047.02 | 300.30 | 70.03 | 770.73 | 303.00 | 207.07 |
| EXPENSES MEDICAL COSTS | | | | | | |
| Physician Services | 95.46 | 91.06 | (4.39) | 92.40 | 91.07 | (1.33) |
| Other Professional Services | 24.67 | 26.87 | 2.20 | 26.48 | 26.87 | 0.39 |
| Emergency Room | 16.05 | 16.82 | 0.77 | 17.04 | 16.82 | (0.22) |
| Inpatient | 77.44 | 84.15 | 6.71 | 80.57 | 84.18 | 3.60 |
| Reinsurance Expense | 0.66 | 0.68 | 0.01 | 0.67 | 0.68 | 0.01 |
| Outpatient Hospital | 38.71 | 38.21 | (0.50) | 39.16 | 38.22 | (0.94) |
| Other Medical | 85.73 | 71.89 | (13.84) | 80.32 | 71.92 | (8.40) |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 0.00 | 1.50 | 1.50 | 0.00 |
| Hospital Directed Payments | 143.13 | 60.29 | (82.84) | 145.53 | 60.30 | (85.23) |
| Hospital Directed Payment Adjustment | 4.82 | - | (4.82) | 129.74 | - | (129.74) |
| Non-Claims Expense Adjustment | (6.79) | - | 6.79 | (3.83) | - | 3.83 |
| IBNR, Incentive, Paid Claims Adjustment | 0.61 | - | (0.61) | 0.79 | - | (0.79) |
| Total Medical Costs | 481.99 | 391.46 | (90.52) | 610.37 | 391.56 | (218.81) |
| GROSS MARGIN | 165.63 | 177.50 | (11.87) | 166.36 | 177.50 | (11.14) |
| ADMINISTRATIVE COSTS | | | | | | |
| Compensation | 9.14 | 10.47 | 1.32 | 9.76 | 10.47 | 0.71 |
| Purchased Services | 4.29 | 5.81 | 1.51 | 4.00 | 5.81 | 1.81 |
| Supplies | 0.40 | 0.60 | 0.20 | 0.32 | 0.61 | 0.29 |
| Depreciation | 0.95 | 1.90 | 0.95 | 1.48 | 1.90 | 0.42 |
| Other Administrative Expenses | 1.16 | 1.67 | 0.51 | 1.67 | 1.67 | (0.00) |
| Administrative Expense Adjustment | 0.49 | 0.50 | 0.01 | 0.50 | 0.50 | (0.00) |
| Total Administrative Expenses | 16.43 | 20.94 | 4.51 | 17.73 | 20.95 | 3.23 |
| TOTAL EXPENSES | 498.42 | 412.41 | (86.02) | 628.09 | 412.51 | (215.59) |
| OPERATING INCOME (LOSS) BEFORE TAX | 149.20 | 156.56 | (7.36) | 148.64 | 156.55 | (7.91) |
| MCO TAX | 145.82 | 147.99 | 2.17 | 146.02 | 147.99 | 1.97 |
| OPERATING INCOME (LOSS) NET OF TAX | 3.38 | 8.57 | (5.19) | 2.62 | 8.56 | (5.94) |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | |
| Provider Grants/CalAIM/Home Heath | (0.35) | (2.06) | 1.71 | (0.47) | (2.06) | 1.59 |
| D-SNP Expenses | (1.13) | (0.99) | (0.14) | (1.05) | (0.99) | (0.06) |
| Total Non-Operating Revenue (Expense) | (1.48) | (3.05) | 1.56 | (1.51) | (3.05) | 1.54 |
| NET INCREASE (DECREASE) IN NET POSITION | 1.89 | 5.52 | (3.63) | 1.11 | 5.51 | (4.41) |
| MEDICAL LOSS RATIO | 94.4% | 91.8% | -2.6% | 94.3% | 91.8% | -2.5% |
| ADMINISTRATIVE EXPENSE RATIO | 4.6% | 5.8% | 1.2% | 5.0% | 5.8% | 0.8% |



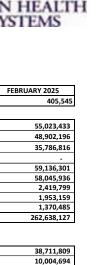


MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY QUARTER **ROLLING 4 QUARTERS** FOR THE MONTH ENDED FEBRUARY 28, 2025

| | | | | | | CURRENT QUARTER |
|---|---------------|---------------|---------------|---------------|--------------------------|-----------------|
| | 2024 - Q1 | 2024 - Q2 | 2024 - Q3 | 2024 - Q4 | Rolling 4-Quarter Totals | 2025 - Q1 |
| Total Members - MCAL | 1,234,656 | 1,217,132 | 1,204,552 | 1,209,901 | 4,866,241 | 809,986 |
| | | | | | | |
| REVENUES | | | | | | |
| Medicaid - Family and Other | 163,114,742 | 168,098,248 | 157,352,051 | 181,853,744 | 670,418,785 | 109,802,905 |
| Medicaid - Expansion Members | 142,141,972 | 141,387,639 | 115,764,407 | 146,690,508 | 545,984,526 | 97,474,956 |
| Medicaid - SPD Members | 70,643,949 | 72,382,078 | 63,945,176 | 72,615,432 | 279,586,636 | 74,586,275 |
| Medicaid - LTC Members | 12,120,676 | 12,644,500 | 12,158,979 | 12,679,447 | 49,603,603 | - |
| Premium - MCO Tax | 118,164,689 | 118,164,689 | 304,000,610 | 169,305,625 | 709,635,614 | 118,272,602 |
| Premium - Hospital Directed Payments | 74,715,152 | 73,085,162 | 73,636,849 | 74,054,842 | 295,492,005 | 117,877,328 |
| Investment Earnings And Other Income | 6,526,452 | 7,627,603 | 10,624,397 | 6,363,381 | 31,141,833 | 4,149,114 |
| Rate Adjustments - Hospital Directed Payments | 2,628,208 | (467,208) | (8,849,506) | (45,264) | (6,733,769) | 105,087,806 |
| Rate/Income Adjustments | 3,361,928 | (5,047,999) | 2,310,217 | 29,220 | 653,366 | 1,890,977 |
| Total Revenues | 593,417,768 | 587,874,713 | 730,943,182 | 663,546,935 | 2,575,782,598 | 629,141,964 |
| EXPENSES | | | | | | |
| MEDICAL COSTS | | | | | | |
| Physician Services | 93,110,533 | 102,259,757 | 100,828,569 | 117,920,414 | 414,119,273 | 74,844,300 |
| Other Professional Services | 37,861,872 | 28,897,182 | 27,259,189 | 17,579,841 | 111,598,083 | 21,450,493 |
| Emergency Room | 19,266,762 | 19,274,640 | 19,085,229 | 20,264,346 | 77,890,977 | 13,798,709 |
| Inpatient | 91,080,658 | 97,071,689 | 98,069,526 | 109,860,804 | 396,082,677 | 65,264,095 |
| Reinsurance Expense | 324,349 | 347,257 | 337,661 | 337,245 | 1,346,512 | 539,237 |
| Outpatient Hospital | 44,304,385 | 41,034,136 | 46,542,079 | 45,089,064 | 176,969,664 | 31,717,713 |
| Other Medical | 80,881,278 | 88,283,888 | 93,132,007 | 95,537,563 | 357,834,737 | 65,062,014 |
| Pay for Performance Quality Incentive | 1,851,974 | 1,825,698 | 1,809,795 | 1,814,852 | 7,302,318 | 1,214,979 |
| Risk Corridor Expense | - | - | 2,133,095 | (960,173) | 1,172,922 | - |
| Hospital Directed Payments | 74,715,152 | 73,085,162 | 73,636,849 | 74,054,842 | 295,492,005 | 117,877,328 |
| Hospital Directed Payment Adjustment | 2,663,543 | 18,927 | (6,489,175) | (45,264) | (3,851,969) | 105,087,806 |
| Non-Claims Expense Adjustment | 356,533 | 237,883 | (4,279,049) | (1,448,450) | (5,133,082) | (3,103,914) |
| IBNR, Incentive, Paid Claims Adjustment | 622,759 | (7,705,226) | (6,347,214) | (3,932,837) | (17,362,517) | 637,252 |
| Total Medical Costs | 447,039,796 | 444,630,994 | 445,718,563 | 476,072,247 | 1,813,461,599 | 494,390,013 |
| GROSS MARGIN | 146,377,973 | 143,243,720 | 285,224,619 | 187,474,687 | 762,320,998 | 134,751,951 |
| ADMINISTRATIVE COSTS | | | | | | |
| Compensation | 10,509,084.54 | 10,907,085.38 | 11,047,726.06 | 12,349,628.75 | 44,813,525 | 7,908,680 |
| Purchased Services | 5,448,763.44 | 5,076,648.88 | 6,652,420.88 | 6,570,350.58 | 23,748,184 | 3,239,658 |
| Supplies | 764,750.56 | 722,573.26 | 707,109.10 | 693,364.50 | 2,887,797 | 258,406 |
| Depreciation | 2,040,936.15 | 2,164,108.52 | 2,283,774.25 | 2,071,811.61 | 8,560,631 | 1,197,449 |
| Other Administrative Expenses | 1,644,704.19 | 1,714,820.40 | 1,588,771.91 | 1,848,717.24 | 6,797,014 | 1,352,186 |
| Administrative Expense Adjustment | 96,937.58 | 22,381.02 | (2,308.92) | 1,230,808.23 | 1,347,818 | 401,742 |
| Total Administrative Expenses | 20,505,176 | 20,607,617 | 22,277,493 | 24,764,681 | 88,154,968 | 14,358,122 |
| TOTAL EXPENSES | 467,544,972 | 465,238,611 | 467,996,056 | 500,836,928 | 1,901,616,568 | 508,748,134 |
| OPERATING INCOME (LOSS) BEFORE TAX | 125,872,796 | 122,636,102 | 262,947,125 | 162,710,007 | 674,166,030 | 120,393,829 |
| MCO TAX | 118,164,689 | 118,164,689 | 304,000,610 | 169,305,625 | 709,635,614 | 118,272,602 |
| OPERATING INCOME (LOSS) NET OF TAX | 7.708.107 | 4.471.413 | (41.053.485) | (6,595,619) | (35,469,584) | 2,121,227 |
| . , | 1,110,001 | .,, | (12,000,100) | (0,000,000) | (55) 155/55 1/ | _,, |
| NON-OPERATING REVENUE (EXPENSE) | | | | | 4 | |
| Provider Grants/CalAIM/Home Heath | (1,329,860) | (2,537,763) | (1,419,027) | (4,675,912) | (9,962,561) | (846,575) |
| D-SNP Expenses | (877,356) | (951,808) | 169,913 | 470,656 | (1,188,595) | (378,330) |
| Total Non-Operating Revenue (Expense) | (2,207,215) | (3,489,571) | (1,249,113) | (4,205,257) | (11,151,156) | (1,224,905) |
| NET INCREASE (DECREASE) IN NET POSITION | 5,500,891 | 981,842 | (42,302,598) | (10,800,875) | (46,620,740) | 896,322 |
| MEDICAL LOSS RATIO | 92.9% | 93.6% | 104.5% | 95.7% | 96.5% | 94.3% |
| ADMINISTRATIVE EXPENSE RATIO | 5.2% | 5.2% | 6.2% | 5.9% | 5.6% | 5.0% |



| MEDI-CAL - ALL COA | F.C. | | | | |
|--|------------------|------------------|------------------|------------------|------------------------|
| STATEMENT OF REVENUE, EXPENSES, AND CHANGE | ES | | | | |
| IN NET POSITION BY QUARTER ROLLING 4 QUARTERS PMPM | | | | | |
| FOR THE MONTH ENDED FEBRUARY 28, 2025 | | | | | |
| TOR THE MORTH ENDED LEDROART 20, 2025 | | | | | |
| - · · · · · · · · · · · · · · · · · · · | 2024 - Q1 | 2024 - Q2 | 2024 - Q3 | 2024 - Q4 | Rolling Quarter Totals |
| Total Members - MCAL | 1,234,656 | 1,217,132 | 1,204,552 | 1,209,901 | 4,866,241 |
| REVENUES | 201.11 | 200.42 | 107.05 | 220 42 | 200.12 |
| Medicaid - Family and Other Medicaid - Expansion Members | 201.11 401.13 | 209.43 409.54 | 197.65 343.25 | 228.42 428.47 | 209.12 395.87 |
| Medicaid - SPD Members | 1,042.58 | 1,068.92 | 918.71 | 1,039.89 | 1,017.02 |
| Medicaid - LTC Members | 8,123.78 | 8,200.06 | 7,764.35 | 8,050.44 | 8,032.97 |
| Premium - MCO Tax | 95.71 | 97.08 | 252.38 | 139.93 | 145.83 |
| Premium - Hospital Directed Payments Investment Earnings And Other Income | 60.51 5.29 | 60.05 | 61.13 8.82 | 61.21 5.26 | 60.72 |
| Rate Adjustments - Hospital Directed Payments | 2.13 | (0.38) | (7.35) | (0.04) | (1.38) |
| Rate/Income Adjustments | 2.72 | (4.15) | 1.92 | 0.02 | 0.13 |
| Total Revenues | 480.63 | 483.00 | 606.82 | 548.43 | 529.32 |
| EXPENSES | | | | | |
| MEDICAL COSTS Physician Services | 75.41 | 84.02 | 83.71 | 97.46 | 85.10 |
| Other Professional Services | 30.67 | 23.74 | 22.63 | 14.53 | 22.93 |
| Emergency Room | 15.60 | 15.84 | 15.84 | 16.75 | 16.01 |
| Inpatient | 73.77 | 79.75 | 81.42 | 90.80 | 81.39 |
| Reinsurance Expense Outpatient Hospital | 0.26 35.88 | 0.29 33.71 | 0.28 38.64 | 0.28 37.27 | 0.28 36.37 |
| Other Medical | 65.51 | 72.53 | 77.32 | 78.96 | 73.53 |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Risk Corridor Expense | 60.51 | - 60.05 | 1.77 61.13 | (0.79) | 0.24 |
| Hospital Directed Payments Hospital Directed Payment Adjustment | 2.16 | 60.05 0.02 | (5.39) | 61.21 (0.04) | 60.72 (0.79) |
| Non-Claims Expense Adjustment | 0.29 | 0.20 | (3.55) | (1.20) | (1.05) |
| IBNR, Incentive, Paid Claims Adjustment | 0.50 | (6.33) | (5.27) | (3.25) | (3.57) |
| Total Medical Costs | 362.08 | 365.31 | 370.03 | 393.48 | 372.66 |
| GROSS MARGIN | 118.56 | 117.69 | 236.79 | 154.95 | 156.66 |
| ADMINISTRATIVE COSTS | | | | | |
| Compensation Purchased Services | 8.51 4.41 | 8.96 4.17 | 9.17 5.52 | 10.21 5.43 | 9.21 4.88 |
| Supplies | 0.62 | 0.59 | 0.59 | 0.57 | 0.59 |
| Depreciation | 1.65 | 1.78 | 1.90 | 1.71 | 1.76 |
| Other Administrative Expenses | 1.33 | 1.41 | 1.32 | 1.53 | 1.40 |
| Administrative Expense Adjustment Total Administrative Expenses | 0.08 16.61 | 0.02 16.93 | (0.00) 18.49 | 1.02 20.47 | 0.28 18.12 |
| TOTAL EXPENSES | 378.68 | 382.24 | 388.52 | 413.95 | 390.78 |
| | | L. | | L. | |
| OPERATING INCOME (LOSS) BEFORE TAX | 101.95 | 100.76 | 218.29 | 134.48 | 138.54 |
| MCO TAX | 95.71 | 97.08 | 252.38 | 139.93 | 145.83 |
| OPERATING INCOME (LOSS) NET OF TAX | 6.24 | 3.67 | (34.08) | (5.45) | (7.29) |
| NON-OPERATING REVENUE (EXPENSE) | | | | | |
| Provider Grants/CalAIM/Home Heath | (1.08) | (2.09) | (1.18) | (3.86) | (2.05) |
| D-SNP Expenses | (0.71) | (0.78) | 0.14 | 0.39 | (0.24) |
| Total Non-Operating Revenue (Fynense) | | (2 87) | (1 0/1) | (3 48) | (7 70) |
| Total Non-Operating Revenue (Expense) | (1.79) | (2.87) | (1.04) | (3.48) | (2.29) |
| Total Non-Operating Revenue (Expense) NET INCREASE (DECREASE) IN NET POSITION | | 0.81 | (35.12) | (8.93) | (9.58) |
| | (1.79) | | • | | |



6,508,981 31,406,220 269,619 15,697,949 34,766,397 608,318 58,045,936 1,953,159 (2,753,743) 248,637 195,467,975

> 67,170,152 3,708,197

1,740,859 163,332 385,016 468,446

198,773 6,664,623

> (458,704) (142,265) (600,969) 768,258

202,132,598 60,505,529 59,136,301 1,369,228 SEX

Board

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Directors



MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH **ROLLING 6 MONTHS** FOR THE MONTH ENDED FEBRUARY 28, 2025

| | AUGUST 2024 | SEPTEMBER 2024 | OCTOBER 2024 | NOVEMBER 2024 | DECEMBER 2024 | JANUARY 2025 | Prior 6 Month YTD |
|--|--------------------|----------------|--------------|--------------------|----------------------|-------------------------|-------------------------|
| Total Members - MCAL | 400.588 | 401,956 | 402,241 | 403,549 | 404.440 | JANUARY 2025 404.441 | 2,417,215 |
| | 400,388 | 401,530 | 402,241 | 403,343 | 404,440 | 404,441 | 2,417,213 |
| REVENUES | | | | | | | |
| Medicaid - Family and Other | 55,394,125 | 47,143,352 | 55,766,852 | 62,628,897 | 63,457,995 | 54,779,472 | 339,170,693 |
| Medicaid - Expansion Members | 44,943,353 | 25,578,416 | 44,274,896 | 47,452,486 | 54,963,125 | 48,572,760 | 265,785,036 |
| Medicaid - SPD Members | 24,068,270 | 15,514,183 | 23,582,809 | 24,507,942 | 24,524,681 | 38,799,459 | 150,997,344 |
| Medicaid - LTC Members | 4,169,310 | 3,673,451 | 4,161,018 | 4,337,441 | 4,180,989 | - | 20,522,208 |
| Premium - MCO Tax | 39,388,230 | 225,224,150 | 59,470,965 | 59,673,120 | 50,161,540 | 59,136,301 | 493,054,307 |
| Premium - Hospital Directed Payments | 24,409,832 | 24,650,569 | 24,613,116 | 24,699,036 | 24,742,689 | 59,831,392 | 182,946,634 |
| nvestment Earnings And Other Income | 3,597,586 | 3,630,475 | 2,035,919 | 2,147,703 | 2,179,759 | 1,729,314 | 15,320,757 |
| Rate Adjustments - Hospital Directed Payments | 5,409 | (2,168,580) | (55,251) | 17,404 | (7,417) | 103,134,648 | 100,926,212 |
| Rate/Income Adjustments | 117,732 | 1,598,001 | 102,639 | 239,543 | (312,962) | 520,492 | 2,265,445 |
| Total Revenues | 196,093,846 | 344,844,017 | 213,952,963 | 225,703,571 | 223,890,400 | 366,503,837 | 1,570,988,635 |
| EXPENSES | | | | | | | |
| MEDICAL COSTS | | | | | | | |
| Physician Services | 34,358,210 | 34,021,968 | 42,641,203 | 37,671,697 | 37,607,514 | 36,132,491 | 222,433,082 |
| Other Professional Services | 9,280,419 | 9,068,160 | (3,203,582) | 9,971,766 | 10,811,656 | 11,445,798 | 47,374,218 |
| mergency Room | 6,439,132 | 6,283,494 | 7,576,830 | 6,638,555 | 6,048,961 | 7,289,728 | 40,276,700 |
| npatient | 32,643,856 | 32,589,946 | 33,979,229 | 37,175,106 | 38,706,469 | 33,857,875 | 208,952,482 |
| einsurance Expense | 111,965 | 112,562 | 111,767 | 112,931 | 112,548 | 269,619 | 831,391 |
| Outpatient Hospital | 15,115,990 | 14,853,348 | 15,182,189 | 14,401,513 | 15,505,363 | 16,019,765 | 91,078,167 |
| Other Medical | 31,087,518 | 33,376,773 | 34,893,013 | 31,812,311 | 28,832,240 | 30,295,617 | 190,297,472 |
| Pay for Performance Quality Incentive | 603,849 | 602,934 | 603,362 | 604,830 | 606,660 | 606,662 | 3,628,296 |
| Risk Corridor Expense | - | 2,133,095 | (1,390,990) | | 430,817 | - | 1,172,922 |
| Hospital Directed Payments | 24,409,832 | 24,650,569 | 24,613,116 | 24,699,036 | 24,742,689 | 59,831,392 | 182,946,634 |
| Hospital Directed Payment Adjustment | 5,409 | 185,219 | (55,251) | 17,404 | (7,417) | 103,134,648 | 103,280,011 |
| Non-Claims Expense Adjustment | (3,882,116) | (414,162) | (329) | (1,490,761) | 1,931 | (350,170) | (6,135,608) |
| BNR, Incentive, Paid Claims Adjustment | (2,153,708) | (1,847,593) | 905,899 | 277,697 | (5,075,723) | 388,615 | (7,504,813) |
| Total Medical Costs | 148,020,355 | 155,616,313 | 155,856,455 | 161,892,084 | 158,323,708 | 298,922,038 | 1,078,630,953 |
| GROSS MARGIN | 48,073,491 | 189,227,704 | 58,096,509 | 63,811,487 | 65,566,692 | 67,581,799 | 492,357,682 |
| | , | | | 10,022,101 | | , | , |
| ADMINISTRATIVE COSTS | | | 1 | | | T | |
| Compensation | 3,883,154 | 3,445,542 | 3,800,976 | 4,154,887 | 4,393,765 | 4,200,484 | 23,878,808 |
| Purchased Services | 2,446,404 | 1,939,952 | 1,959,335 | 1,661,091 | 2,949,925 | 1,498,800 | 12,455,507 |
| Supplies | 102,708 | 197,976 | 250,386 | 133,675 | 309,304 | 95,074 | 1,089,122 |
| Depreciation | 703,523 | 875,296 | 718,614 | 691,764 | 661,433 | 812,433 | 4,463,063 |
| Other Administrative Expenses | 453,737 (2,444) | 526,643 135 | 706,468 | 608,620 (2,230) | 533,629 1,233,038 | 883,740 202,969 | 3,712,837 1,431,468 |
| Administrative Expense Adjustment | 7,587,082 | 6,985,543 | 7,435,779 | 7,247,808 | 1,233,038 | 7,693,499 | 1,431,468 47,030,805 |
| Total Administrative Expenses | | | | | | | |
| OTAL EXPENSES | 155,607,437 | 162,601,856 | 163,292,234 | 169,139,892 | 168,404,802 | 306,615,536 | 1,125,661,758 |
| OPERATING INCOME (LOSS) BEFORE TAX | 40,486,409 | 182,242,161 | 50,660,730 | 56,563,679 | 55,485,598 | 59,888,301 | 445,326,877 |
| ACO TAX | 39,388,230 | 225,224,150 | 59,470,965 | 59,673,120 | 50,161,540 | 59,136,301 | 493,054,307 |
| | , , | | | | | | |
| PPERATING INCOME (LOSS) NET OF TAX | 1,098,179 | (42,981,989) | (8,810,236) | (3,109,441) | 5,324,058 | 751,999 | (47,727,430) |
| | | | | | | | |
| NON-OPERATING REVENUE (EXPENSE) | | | | | • | | |
| Provider Grants/CalAIM/Home Heath | (591,684) | (389,199) | (2,640,541) | (605,185) | (1,430,186) | (387,871) | (6,044,667) |
| O-SNP Expenses | 356,045.38 | (116,864.19) | 858,721.41 | (228,888.43) | (159,177.34) | (159,176.34) | 550,660 |
| Total Non-Operating Revenue (Expense) | (235,639) | (506,063) | (1,781,820) | (834,074) | (1,589,363) | (547,047) | (5,494,006) |
| | | <u> </u> | <u> </u> | · | <u> </u> | <u> </u> | |
| | 862,540 | (43,488,053) | (10,592,056) | (3,943,514) | 3,734,694 | 204,952 | (53,221,436) |
| NET INCREASE (DECREASE) IN NET POSITION | | • | | | | | |
| NET INCREASE (DECREASE) IN NET POSITION MEDICAL LOSS RATIO | 93.4% | 134.6% | 101.1% | 97.1% | 89.7% | 94.2% | 99.8% |

| | | | | | | | | - |
|--|---------------|----------------|---------------|---------------|---------------|---------------|-------------------|---------------|
| ************************************** | | | | | | | | VCEDAL LUCATO |
| MEDI-CAL - ALL COA | | | | | | | | KERN HEAL |
| STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH | | | | | | | | SYSTEMS |
| PMPM ROLLING 6 MONTHS | | | | | | | | |
| | | | | | | | | |
| FOR THE MONTH ENDED FEBRUARY 28, 2025 | | | | | | | | |
| | AUGUST 2024 | SEPTEMBER 2024 | OCTOBER 2024 | NOVEMBER 2024 | DECEMBER 2024 | JANUARY 2025 | 6 Month Prior YTD | FEBRUARY 2025 |
| | | | | | | 1 | | |
| Total Members - MCAL | 400,588 | 401,956 | 402,241 | 403,549 | 404,440 | 404,441 | 2,417,215 | 405,545 |
| REVENUES Medicaid - Family and Other | 209.27 | 177.79 | 210.36 | 236.28 | 238.59 | 225.97 | 216.25 | 226.62 |
| Medicaid - Expansion Members | 402.95 | 226.08 | 390.42 | 414.85 | 479.73 | 423.70 | 389.90 | 422.28 |
| Medicaid - SPD Members | 1,010.30 | 670.71 | 1,016.41 | 1,054.01 | 1,049.14 | 818.92 | 919.80 | 762.41 |
| Medicaid - LTC Members | 7,987.18 | 7,023.81 | 7,850.98 | 8,309.27 | 7,994.24 | - | 7,832.90 | - |
| Premium - MCO Tax | 98.33 | 560.32 | 147.85 | 147.87 | 124.03 | 146.22 | 203.98 | 145.82 |
| Premium - Hospital Directed Payments | 60.94 | 61.33 | 61.19 | 61.20 | 61.18 | 147.94 | 75.68 | 143.13 |
| nvestment Earnings And Other Income | 8.98 | 9.03 | 5.06 | 5.32 | 5.39 | 4.28 | 6.34 | 5.97 |
| tate Adjustments - Hospital Directed Payments | 0.01 | (5.40) | (0.14) | 0.04 | (0.02) | 255.01 | 41.75 | 4.82 |
| ate/Income Adjustments | 0.29 | 3.98 | 0.26 | 0.59 | (0.77) | 1.29 | 0.94 | 3.38 |
| Total Revenues | 489.52 | 857.91 | 531.90 | 559.30 | 553.58 | 906.20 | 649.92 | 647.62 |
| EXPENSES | | | | | | | | |
| MEDICAL COSTS | | | | 1 | | 1 | | |
| Physician Services | 85.77 | 84.64 | 106.01 | 93.35 | 92.99 | 89.34 | 92.02 | 95.46 |
| Other Professional Services | 23.17 | 22.56 | (7.96) | 24.71 | 26.73 | 28.30 | 19.60 | 24.67 |
| mergency Room | 16.07 | 15.63 | 18.84 | 16.45 | 14.96 | 18.02 | 16.66 | 16.05 |
| npatient | 81.49 | 81.08 | 84.47 | 92.12 | 95.70 | 83.72 | 86.44 | 77.44 |
| leinsurance Expense | 0.28 | 0.28 | 0.28 | 0.28 | 0.28 | 0.67 | 0.34 | 0.66 |
| Outpatient Hospital | 37.73 | 36.95 | 37.74 | 35.69 | 38.34 | 39.61 | 37.68 | 38.71 |
| Other Medical | 77.60 1.51 | 83.04 1.50 | 86.75 1.50 | 78.83 1.50 | 71.29 1.50 | 74.91 1.50 | 78.73 1.50 | 85.73 1.50 |
| ay for Performance Quality Incentive | - 1.51 | 5.31 | (3.46) | 1.50 | 1.07 | 1.50 | 0.49 | - |
| Iospital Directed Payments | 60.94 | 61.33 | 61.19 | 61.20 | 61.18 | 147.94 | 75.68 | 143.13 |
| Hospital Directed Payment Adjustment | 0.01 | 0.46 | (0.14) | 0.04 | (0.02) | 255.01 | 42.73 | 4.82 |
| Ion-Claims Expense Adjustment | (9.69) | (1.03) | (0.00) | (3.69) | 0.00 | (0.87) | (2.54) | (6.79) |
| BNR, Incentive, Paid Claims Adjustment | (5.38) | (4.60) | 2.25 | 0.69 | (12.55) | 0.96 | (3.10) | 0.61 |
| Total Medical Costs | 369.51 | 387.15 | 387.47 | 401.17 | 391.46 | 739.10 | 446.23 | 481.99 |
| ROSS MARGIN | 120.01 | 470.77 | 144.43 | 158.13 | 162.12 | 167.10 | 203.69 | 165.63 |
| ADMINISTRATIVE COSTS | 120.01 | 470.77 | 277,73 | 130.13 | 102.12 | 107.10 | 203.03 | 103.03 |
| Ompensation | 9.69 | 8.57 | 9.45 | 10.30 | 10.86 | 10.39 | 9.88 | 9.14 |
| urchased Services | 6.11 | 4.83 | 4.87 | 4.12 | 7.29 | 3.71 | 5.15 | 4.29 |
| upplies | 0.26 | 0.49 | 0.62 | 0.33 | 0.76 | 0.24 | 0.45 | 0.40 |
| epreciation | 1.76 | 2.18 | 1.79 | 1.71 | 1.64 | 2.01 | 1.85 | 0.95 |
| ther Administrative Expenses | 1.13 | 1.31 | 1.76 | 1.51 | 1.32 | 2.19 | 1.54 | 1.16 |
| dministrative Expense Adjustment | (0.01) | 0.00 | 0.00 | (0.01) | 3.05 | 0.50 | 0.59 | 0.49 |
| Total Administrative Expenses | 18.94 | 17.38 | 18.49 | 17.96 | 24.93 | 19.02 | 19.46 | 16.43 |
| OTAL EXPENSES | 388.45 | 404.53 | 405.96 | 419.13 | 416.39 | 758.12 | 465.69 | 498.42 |
| | | | | | | | | |
| PERATING INCOME (LOSS) BEFORE TAX | 101.07 | 453.39 | 125.95 | 140.17 | 137.19 | 148.08 | 184.23 | 149.20 |
| 1CO TAX | 98.33 | 560.32 | 147.85 | 147.87 | 124.03 | 146.22 | 203.98 | 145.82 |
| PERATING INCOME (LOSS) NET OF TAX | 2.74 | (106.93) | (21.90) | (7.71) | 13.16 | 1.86 | (19.74) | 3.38 |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | | - | |
| rovider Grants/CalAIM/Home Heath | (1.48) | (0.97) | (6.56) | (1.50) | (3.54) | (0.96) | (2.50) | (1.13) |
| -SNP Expenses | 0.89 | (0.29) | 2.13 | (0.57) | (0.39) | (0.39) | 0.23 | (0.35) |
| Total Non-Operating Revenue (Expense) | (0.59) | (1.26) | (4.43) | (2.07) | (3.93) | (1.35) | (2.27) | (1.48) |
| ET INCREASE (DECREASE) IN NET POSITION | 2.15 | (108.19) | (26.33) | (9.77) | 9.23 | 0.51 | (22.02) | 1.89 |
| MEDICAL LOSS RATIO | 93.4% | 134.6% | 101.1% | 97.1% | 89.7% | 94.2% | 99.8% | 94.4% |
| ADMINISTRATIVE EXPENSE RATIO | 5.7% | 7.2% | 5.7% | 5.1% | 6.8% | 5.3% | 5.9% | 4.6% |



MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED FEBRUARY 28, 2025

| | February | Budget | Variance |
|--|------------|------------|-------------|
| REVENUES | | | |
| Premium - Medi-Cal | 47,545,964 | 48,168,440 | (622,476) |
| Premium - Maternity Kick | 3,489,058 | 3,347,750 | 141,308 |
| Premium - Enhanced Care Management | 2,131,060 | 1,747,151 | 383,909 |
| Premium - Major Organ Transplant | 161,697 | 236,666 | (74,968) |
| Premium - Provider Enhancement | 1,437,183 | 1,165,196 | 271,987 |
| Premium - GEMT | 161,437 | 181,476 | (20,039) |
| Other | 97,035 | 107,140 | (10,105) |
| TOTAL MEDICAID - FAMILY & OTHER | 55,023,433 | 54,953,818 | 69,615 |
| Premium - Medi-Cal | 45,219,120 | 44,592,454 | 626,666 |
| Premium - Maternity Kick | 511,525 | 442,636 | 68,889 |
| Premium - Enhanced Care Management | 2,165,899 | 1,778,641 | 387,258 |
| Premium - Major Organ Transplant | 287,671 | 422,945 | (135,274) |
| Premium - Provider Enhancement | 433,175 | 364,845 | 68,330 |
| Premium - GEMT | 238,316 | 261,525 | (23,209) |
| Other | 46,490 | 49,720 | (3,230) |
| TOTAL MEDICAID - EXPANSION MEMBERS | 48,902,196 | 47,912,766 | 989,430 |
| Premium - Medi-Cal | 34,297,701 | 38,844,032 | (4,546,331) |
| Premium - Enhanced Care Management | 1,238,016 | 1,014,864 | 223,152 |
| Premium - Major Organ Transplant | 102,004 | 341,085 | (239,081) |
| Premium - Provider Enhancement | 27,621 | 28,525 | (904) |
| Premium - GEMT | 120,067 | 173,842 | (53,775) |
| Premium - Distinct Part Nursing Facility | 1,293 | - | 1,293 |
| Other | 114 | 114 | - |
| TOTAL MEDICAID - SPD MEMBERS | 35,786,816 | 40,402,462 | (4,615,645) |

| | - · · | |
|--------------|-------------|---|
| Year to Date | Budget | Variance |
| 0 | 22.22 | (4.000 =00) |
| 94,909,272 | 96,237,972 | (1,328,700) |
| 6,932,308 | 6,688,625 | 243,682 |
| 4,256,124 | 3,490,714 | 765,410 |
| 322,053 | 472,845 | (150,792) |
| 2,866,953 | 2,327,999 | 538,954 |
| 322,414 | 362,579 | (40,165) |
| 193,781 | 214,060 | (20,279) |
| 109,802,905 | 109,794,794 | 8,111 |
| 90,074,865 | 89,184,909 | 889,956 |
| 1,076,493 | 885,272 | 191,220 |
| 4,319,156 | 3,557,281 | 761,874 |
| 572,909 | 845,890 | (272,981) |
| 863,589 | 729,690 | 133,899 |
| 475,292 | 523,050 | (47,758) |
| 92,653 | 99,440 | (6,787) |
| 97,474,956 | 95,825,532 | 1,649,424 |
| 71,379,685 | 77,688,065 | (6,308,380) |
| 2,641,588 | 2,029,728 | 611,860 |
| 227,413 | 682,170 | |
| 63,268 | 57,050 | 6,218 |
| 271,543 | 347,684 | (76,141) |
| 2,552 | | 2,552 |
| 226 | 226 |) - Oa |
| 74,586,275 | 80,804,924 | (6,218,648) |
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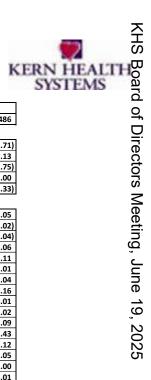
MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED FEBRUARY 28, 2025

| | January | February | Year to Date |
|------------------------------------|------------|------------|--------------|
| REVENUES | | | |
| Premium - Medi-Cal | 47,363,308 | 47,545,964 | 94,909,272 |
| Premium - Maternity Kick | 3,443,250 | 3,489,058 | 6,932,308 |
| Premium - Enhanced Care Management | 2,125,064 | 2,131,060 | 4,256,124 |
| Premium - Major Organ Transplant | 160,356 | 161,697 | 322,053 |
| Premium - Provider Enhancement | 1,429,771 | 1,437,183 | 2,866,953 |
| Premium - GEMT | 160,977 | 161,437 | 322,414 |
| Other | 96,746 | 97,035 | 193,781 |
| TOTAL MEDICAID - FAMILY & OTHER | 54,779,472 | 55,023,433 | 109,802,905 |
| Premium - Medi-Cal | 44,855,744 | 45,219,120 | 90,074,865 |
| Premium - Maternity Kick | 564,968 | 511,525 | 1,076,493 |
| Premium - Enhanced Care Management | 2,153,257 | 2,165,899 | 4,319,156 |
| Premium - Major Organ Transplant | 285,237 | 287,671 | 572,909 |
| Premium - Provider Enhancement | 430,414 | 433,175 | 863,589 |
| Premium - GEMT | 236,976 | 238,316 | 475,292 |
| Other | 46,164 | 46,490 | 92,653 |
| TOTAL MEDICAID - EXPANSION MEMBERS | 48,572,760 | 48,902,196 | 97,474,956 |
| Premium - Medi-Cal | 37,081,984 | 34,297,701 | 71,379,685 |
| Premium - Enhanced Care Management | 1,403,572 | 1,238,016 | 2,641,588 |
| Premium - Major Organ Transplant | 125,409 | 102,004 | 227,413 |
| Premium - Provider Enhancement | 35,647 | 27,621 | 63,268 |
| Premium - GEMT | 151,476 | 120,067 | 271,543 |
| Other | 112 | 114 | 226 |
| TOTAL MEDICAID - SPD MEMBERS | 38,799,459 | 35,786,816 | 74,586,275 |



| | February | Budget | Variance | Year to Date | Budget | Variance |
|--|-------------|-------------|--------------|--------------|-------------|---------------|
| Physician Services | | | - | · · · · · · | J | |
| Primary Care Physician Services | 10,235,649 | 8,115,759 | (2,119,890) | 16,869,426 | 16,220,466 | (648,960) |
| Referral Specialty Services | 24,175,932 | 24,815,287 | 639,355 | 49,716,938 | 49,608,902 | (108,036) |
| Urgent Care & After Hours Advice | 4,291,828 | 3,803,773 | (488,055) | 8,240,235 | 7,601,354 | (638,881) |
| Hospital Admitting Team | 8,400 | 8,400 | - | 17,700 | 17,700 | - |
| Total Physician Services | 38,711,809 | 36,743,219 | (1,968,590) | 74,844,300 | 73,448,423 | (1,395,877) |
| Other Professional Services | | | | | | |
| Vision Service Capitation | 343,774 | 363,150 | 19,376 | 688,380 | 725,850 | 37.470 |
| 221 - Business Intelligence | 188,504 | 192,912 | 4,408 | 400,467 | 385,679 | (14,788) |
| 310 - Health Servcies - Utilization Management | 762,266 | 774,988 | 12,722 | 1,588,905 | 1,549,391 | (39,515) |
| 311 - Health Services - Quality Improvement | 220,471 | 286,010 | 65,539 | 526,592 | 571,803 | 45,212 |
| 312 - Health Services Education | 307,110 | 356,294 | 49,183 | 628,816 | 712,318 | 83,503 |
| 313 - Pharmacy | 111,951 | 127,847 | 15,896 | 252,251 | 255,597 | 3,345 |
| 314 - Enhanced Care Management | 347,498 | 395,411 | 47,913 | 759,322 | 790,524 | 31,202 |
| 316 - Population Health Management | 502,067 | 610,409 | 108,342 | 1,095,788 | 1,220,357 | 124,570 |
| 317 - In Lieu of Services | 120,595 | 130,175 | 9,580 | 254,819 | 260,251 | 5,433 |
| 321 - Homeless Management Information Services | 23,122 | 42,556 | 19,434 | 67,373 | 85,080 | 17,707 |
| 330 - Member Services | 1,029,669 | 1,086,829 | 57,160 | 2,110,415 | 2,172,837 | 62,421 |
| 331 - Member Outreach | 78,217 | 252,130 | 173,912 | 161,631 | 504,069 | 342,438 |
| 410 - Member Engagement | 54,424 | 105,542 | 51,117 | 114,265 | 211,004 | 96,738 |
| 601 - Behavioral Health | 146,523 | 176,889 | 30,366 | 317,330 | 353,645 | 36,315 |
| 602 - Quality & Health Equity | 78,819 | 82,091 | 3,271 | 161,056 | 164,119 | 3,064 |
| 604 - Clinical Operations, Strategy, and Analytics | 117,289 | 134,795 | 17,505 | 259,502 | 269,488 | 9,985 |
| 605 - Quality Performance | 142,203 | 186,805 | 44,602 | 296,535 | 373,469 | 76,935 |
| Behavior Health Treatment | 3,355,677 | 2,821,196 | (534,481) | 6,537,585 | 5,638,993 | (898,593) |
| Mental Health Services | 506,210 | 677,970 | 171,760 | 1,480,461 | 1,355,518 | (124,943) |
| Other Professional Services | 1,568,304 | 2,036,868 | 468,564 | 3,749,000 | 4,071,824 | 322,823 |
| Total Other Professional Services | 10,004,694 | 10,840,866 | 836,172 | 21,450,493 | 21,671,815 | 221,323 |
| Emergency Room | 6,508,981 | 6,786,310 | 277,329 | 13,798,709 | 13,564,890 | (233,818) |
| Inpatient Hospital | 31,406,220 | 33,955,078 | 2,548,858 | 65,264,095 | 67,887,371 | 2,623,276 |
| Reinsurance Expense Premium | 269,619 | 273,401 | 3,783 | 539,237 | 546,447 | 7,210 |
| Outpatient Hospital | 15,697,949 | 15,415,984 | (281,965) | 31,717,713 | 30,822,401 | (895,312) |
| Other Medical | | | • | • | | |
| Ambulance and NEMT | 7,090,416 | 5,045,448 | (2,044,968) | 13,056,220 | 10,088,476 | (2,967,744) |
| Home Health Services & CBAS | 1,531,236 | 1,318,601 | (212,635) | 3,167,502 | 2,636,927 | (530,575) |
| Utilization and Quality Review Expenses | 930,163 | 1,813,161 | 882,998 | 1,866,290 | 3,624,953 | 1,758,664 |
| Long Term/SNF/Hospice | 10,822,106 | 11,516,304 | 694,198 | 21,345,651 | 23,031,434 | 1,685,783 |
| Provider Enhancement Expense - Prop. 56 | 1,803,328 | 1,645,787 | (157,540) | 3,604,367 | 2,959,002 | (645,365) |
| Provider Enhancement Expense - GEMT | 519,819 | 420,851 | (98,968) | 1,069,249 | 1,171,647 | 102,398 |
| Enhanced Care Management | 5,521,997 | 4,313,623 | (1,208,374) | 10,656,024 | 8,623,837 | (2,032,187) |
| Community Support Services | 3,824,743 | - | (3,824,743) | 4,415,588 | - | (4,415,588) |
| Major Organ Transplant | 574,592 | 950,661 | 376,069 | 1,117,044 | 1,900,860 | 783,816 |
| Cal AIM Incentive Programs | 188,015 | - | (188,015) | 463,015 | | (463,015) |
| Distinct Part Nursing Facility Expense | 1,293 | - | (1,293) | 2,552 | - | (2,552) |
| DME/Rebates | 1,958,689 | 1,983,779 | 25,090 | 4,298,512 | 3,966,318 | (332,194) |
| Total Other Medical | 34,766,397 | 29,008,214 | (5,758,183) | 65,062,014 | 58,003,454 | (7,058,559) |
| Pay for Performance Quality Incentive | 608,318 | 605,257 | (3,061) | 1,214,979 | 1,209,765 | (5,214) |
| Hospital Directed Payments | 58,045,936 | 24,327,633 | (33,718,303) | 117,877,328 | 48,635,543 | (69,241,785) |
| Hospital Directed Payment Adjustment | 1,953,159 | - | (1,953,159) | 105,087,806 | - | (105,087,806) |
| Non-Claims Expense Adjustment | (2,753,743) | - | 2,753,743 | (3,103,914) | - | 3,103,914 |
| IBNR, Incentive, Paid Claims Adjustment | 248,637 | - | (248,637) | 637,252 | - | (637,252) |
| Total Medical Costs | 195,467,975 | 157,955,962 | (37,512,013) | 494,390,013 | 315,790,111 | (178,599,901) |

^{*} MEDICAL COSTS PER DMHC REGULATIONS



| | February | Budget | Variance | Year to Date | Budget | Variance |
|--|--------------------------|---------|-------------------|--------------------------|---------|----------|
| TOTAL MEMBERS - MCAL | 405,545 | 403,500 | 2,045 | 809,986 | 806,500 | 3,486 |
| Physician Services | 4 | , | , | , | , | |
| Primary Care Physician Services | 25.24 | 20.11 | (5.13) | 20.83 | 20.11 | (0.71) |
| Referral Specialty Services | 59.61 | 61.50 | 1.89 | 61.38 | 61.51 | 0.13 |
| Urgent Care & After Hours Advice | 10.58 | 9.43 | (1.16) | 10.17 | 9.43 | (0.75) |
| Hospital Admitting Team | 0.02 | 0.02 | 0.00 | 0.02 | 0.02 | 0.00 |
| Total Physician Services | 95.46 | 91.06 | (4.39) | 92.40 | 91.07 | (1.33) |
| - | 337.0 | 52.00 | (| 320 | 52.07 | (2.00) |
| Other Professional Services | | 0.90 | 0.05 | 0.05 | 0.90 | 0.05 |
| Vision Service Capitation | 0.85 | 0.90 | | 0.85 | 0.90 | |
| 221 - Business Intelligence 310 - Health Servcies - Utilization Management | 0.46 1.88 | 1.92 | 0.01 | 0.49 1.96 | 1.92 | (0.02) |
| - | 0.54 | 0.71 | 0.04 | 0.65 | 0.71 | 0.06 |
| 311 - Health Services - Quality Improvement 312 - Health Services Education | 0.54 | 0.71 | 0.17 | 0.65 | 0.71 | 0.06 |
| 313 - Pharmacy | 0.76 | 0.88 | 0.13 | 0.78 | 0.88 | 0.11 |
| 314 - Enhanced Care Management | 0.86 | 0.98 | 0.12 | 0.94 | 0.98 | 0.01 |
| 316 - Population Health Management | 1.24 | 1.51 | 0.12 | 1.35 | 1.51 | 0.16 |
| 317 - In Lieu of Services | 0.30 | 0.32 | 0.03 | 0.31 | 0.32 | 0.16 |
| 321 - Homeless Management Information Services | 0.06 | 0.11 | 0.05 | 0.08 | 0.11 | 0.02 |
| 330 - Member Services | 2.54 | 2.69 | 0.15 | 2.61 | 2.69 | 0.02 |
| 331 - Member Outreach | 0.19 | 0.62 | 0.43 | 0.20 | 0.63 | 0.43 |
| 410 - Member Engagement | 0.13 | 0.26 | 0.13 | 0.14 | 0.26 | 0.12 |
| 601 - Behavioral Health | 0.36 | 0.44 | 0.08 | 0.39 | 0.44 | 0.05 |
| 602 - Quality & Health Equity | 0.19 | 0.20 | 0.01 | 0.20 | 0.20 | 0.00 |
| 604 - Clinical Operations, Strategy, and Analytics | 0.29 | 0.33 | 0.04 | 0.32 | 0.33 | 0.01 |
| 605 - Quality Performance | 0.35 | 0.46 | 0.11 | 0.37 | 0.46 | 0.10 |
| Behavior Health Treatment | 8.27 | 6.99 | (1.28) | 8.07 | 6.99 | (1.08) |
| Mental Health Services | 1.25 | 1.68 | 0.43 | 1.83 | 1.68 | (0.15) |
| Other Professional Services | 3.87 | 5.05 | 1.18 | 4.63 | 5.05 | 0.42 |
| Total Other Professional Services | 24.67 | 26.87 | 2.20 | 26.48 | 26.87 | 0.39 |
| Emergency Room | 16.05 | 16.82 | 0.77 | 17.04 | 16.82 | (0.22) |
| Inpatient Hospital | 77.44 | 84.15 | 6.71 | 80.57 | 84.18 | 3.60 |
| Reinsurance Expense Premium | 0.66 | 0.68 | 0.01 | 0.67 | 0.68 | 0.01 |
| Outpatient Hospital | 38.71 | 38.21 | (0.50) | 39.16 | 38.22 | (0.94) |
| | 1 | | (3.3.5) | | | (0.0.1) |
| Other Medical Ambulance and NEMT | 17.48 | 12.50 | (4.98) | 16.12 | 12.51 | (3.61) |
| Home Health Services & CBAS | 3.78 | 3.27 | (0.51) | 3.91 | 3.27 | (0.64) |
| Utilization and Quality Review Expenses | 2.29 | 4.49 | 2.20 | 2.30 | 4.49 | 2.19 |
| Long Term/SNF/Hospice | 26.69 | 28.54 | 1.86 | 26.35 | 28.56 | 2.19 |
| Provider Enhancement Expense - Prop. 56 | 4.45 | 4.08 | (0.37) | 4.45 | 3.67 | (0.78) |
| Provider Enhancement Expense - GEMT | 1.28 | 1.04 | (0.24) | 1.32 | 1.45 | 0.13 |
| Enhanced Care Management | 13.62 | 10.69 | (2.93) | 13.16 | 10.69 | (2.46) |
| Community Support Services | 9.43 | 10.05 | (9.43) | 5.45 | 10.05 | (5.45) |
| Major Organ Transplant | 1.42 | 2.36 | 0.94 | 1.38 | 2.36 | 0.98 |
| Cal AIM Incentive Programs | 0.46 | 2.30 | (0.46) | 0.57 | 2.30 | (0.57) |
| Distinct Part Nursing Facility Expense | 0.00 | - | (0.00) | 0.00 | | (0.00) |
| DME/Rebates | 4.83 | 4.92 | 0.09 | 5.31 | 4.92 | (0.39) |
| Total Other Medical | 85.73 | 71.89 | (13.84) | 80.32 | 71.92 | (8.40) |
| | 1.50 | 1.50 | ` | 1.50 | 1.50 | |
| Pay for Performance Quality Incentive | | | 0.00 | | | 0.00 |
| Hospital Directed Payments | 143.13 | 60.29 | (82.84) | 145.53 | 60.30 | (85.23) |
| Hospital Directed Payment Adjustment | 4.82 | - | (4.82) | 129.74 | - | (129.74) |
| Non Claims Francisco Adirectorent | 10 701 | | C 70 | | | |
| Non-Claims Expense Adjustment | (6.79) | - | 6.79 | (3.83) | - | 3.83 |
| Non-Claims Expense Adjustment IBNR, Incentive, Paid Claims Adjustment Total Medical Costs | (6.79) 0.61 481.99 | 391.46 | (0.61) (90.52) | (3.83) 0.79 610.37 | 391.56 | (0.79) |



| | January | February | Year to Date |
|--|-------------|-------------|--------------|
| Physician Services | | | |
| Primary Care Physician Services | 6,633,777 | 10,235,649 | 16,869,426 |
| Referral Specialty Services | 25,541,006 | 24,175,932 | 49,716,938 |
| Urgent Care & After Hours Advice | 3,948,407 | 4,291,828 | 8,240,235 |
| Hospital Admitting Team | 9,300 | 8,400 | 17,700 |
| Total Physician Services | 36,132,491 | 38,711,809 | 74,844,300 |
| Other Professional Services | | | |
| Vision Service Capitation | 344,606 | 343,774 | 688,380 |
| 221 - Business Intelligence | 211,963 | 188,504 | 400,467 |
| 310 - Health Servcies - Utilization Management | 826,640 | 762,266 | 1,588,905 |
| 311 - Health Services - Quality Improvement | 306,121 | 220,471 | 526,592 |
| 312 - Health Services Education | 321,705 | 307,110 | 628,816 |
| 313 - Pharmacy | 140,301 | 111,951 | 252,251 |
| 314 - Enhanced Care Management | 411,824 | 347,498 | 759,322 |
| 316 - Population Health Management | 593,720 | 502,067 | 1,095,788 |
| 317 - In Lieu of Services | 134,223 | 120,595 | 254,819 |
| 321 - Homeless Management Information Services | 44,251 | 23,122 | 67,373 |
| 330 - Member Services | 1,080,746 | 1,029,669 | 2,110,415 |
| 410 - Member Engagement | 59,841 | 54,424 | 114,265 |
| 601 - Behavioral Health | 170,807 | 146,523 | 317,330 |
| 602 - Quality & Health Equity | 82,237 | 78,819 | 161,056 |
| 604 - Clinical Operations, Strategy, and Analytics | 142,213 | 117,289 | 259,502 |
| 605 - Quality Performance | 154,331 | 142,203 | 296,535 |
| Behavior Health Treatment | 3,181,908 | 3,355,677 | 6,537,585 |
| Mental Health Services | 974,251 | 506,210 | 1,480,461 |
| Other Professional Services | 2,180,697 | 1,568,304 | 3,749,000 |
| Total Other Professional Services | 11,445,798 | 10,004,694 | 21,450,493 |
| Emergency Room | 7,289,728 | 6,508,981 | 13,798,709 |
| Inpatient Hospital | 33,857,875 | 31,406,220 | 65,264,095 |
| Reinsurance Expense Premium | 269,619 | 269,619 | 539,237 |
| Outpatient Hospital | 16,019,765 | 15,697,949 | 31,717,713 |
| Other Medical | | | |
| Ambulance and NEMT | 5,965,805 | 7,090,416 | 13,056,220 |
| Home Health Services & CBAS | 1,636,266 | 1,531,236 | 3,167,502 |
| Utilization and Quality Review Expenses | 936,126 | 930,163 | 1,866,290 |
| Long Term/SNF/Hospice | 10,523,545 | 10,822,106 | 21,345,651 |
| Provider Enhancement Expense - Prop. 56 | 1,801,039 | 1,803,328 | 3,604,367 |
| Provider Enhancement Expense - GEMT | 549,430 | 519,819 | 1,069,249 |
| Enhanced Care Management | 5,134,027 | 5,521,997 | 10,656,024 |
| Community Support Services | 590,845 | 3,824,743 | 4,415,588 |
| Major Organ Transplant | 542,452 | 574,592 | 1,117,044 |
| Cal AIM Incentive Programs | 275,000 | 188,015 | 463,015 |
| Distinct Part Nursing Facility Expense | 1,259 | 1,293 | 2,552 |
| DME/Rebates | 2,339,823 | 1,958,689 | 4,298,512 |
| Total Other Medical | 30,295,617 | 34,766,397 | 65,062,014 |
| Pay for Performance Quality Incentive | 606,662 | 608,318 | 1,214,979 |
| Hospital Directed Payments | 59,831,392 | 58,045,936 | 117,877,328 |
| Hospital Directed Payment Adjustment | 103,134,648 | 1,953,159 | 105,087,806 |
| Non-Claims Expense Adjustment | (350,170) | (2,753,743) | (3,103,914) |
| IBNR, Incentive, Paid Claims Adjustment | 388,615 | 248,637 | 637,252 |
| Total Medical Costs | 298,922,038 | 195,467,975 | 494,390,013 |
| Total Medical Costs | 230,322,030 | 155,407,575 | 434,330,013 |

 $^{^{}st}$ MEDICAL COSTS PER DMHC REGULATIONS



| | January | February | Year to Date |
|--|---------|----------|--------------|
| Physician Services | | | |
| Primary Care Physician Services | 16.40 | 25.24 | 20.83 |
| Referral Specialty Services | 63.15 | 59.61 | 61.38 |
| Urgent Care & After Hours Advice | 9.76 | 10.58 | 10.17 |
| Hospital Admitting Team | 0.02 | 0.02 | 0.02 |
| Total Physician Services | 89.34 | 95.46 | 92.40 |
| Other Professional Services | | | |
| Vision Service Capitation | 0.85 | 0.85 | 0.85 |
| 221 - Business Intelligence | 0.52 | 0.46 | 0.49 |
| 310 - Health Servcies - Utilization Management | 2.04 | 1.88 | 1.96 |
| 311 - Health Services - Quality Improvement | 0.76 | 0.54 | 0.65 |
| 312 - Health Services Education | 0.80 | 0.76 | 0.78 |
| 313 - Pharmacy | 0.35 | 0.28 | 0.31 |
| 314 - Enhanced Care Management | 1.02 | 0.86 | 0.94 |
| 316 - Population Health Management | 1.47 | 1.24 | 1.35 |
| 317 - In Lieu of Services | 0.33 | 0.30 | 0.31 |
| 330 - Member Services | 2.67 | 2.54 | 2.61 |
| 410 - Member Engagement | 0.15 | 0.13 | 0.14 |
| 601 - Behavioral Health | 0.42 | 0.36 | 0.39 |
| 602 - Quality & Health Equity | 0.20 | 0.19 | 0.20 |
| 604 - Clinical Operations, Strategy, and Analytics | 0.35 | 0.29 | 0.32 |
| 605 - Quality Performance | 0.38 | 0.35 | 0.37 |
| Behavior Health Treatment | 7.87 | 8.27 | 8.07 |
| Mental Health Services | 2.41 | 1.25 | 1.83 |
| Other Professional Services | 5.39 | 3.87 | 4.63 |
| Total Other Professional Services | 28.30 | 24.67 | 26.48 |
| Emergency Room | 18.02 | 16.05 | 17.04 |
| Inpatient Hospital | 83.72 | 77.44 | 80.57 |
| Reinsurance Expense Premium | 0.67 | 0.66 | 0.67 |
| Outpatient Hospital | 39.61 | 38.71 | 39.16 |
| Other Medical | | | |
| Ambulance and NEMT | 14.75 | 17.48 | 16.12 |
| Home Health Services & CBAS | 4.05 | 3.78 | 3.91 |
| Utilization and Quality Review Expenses | 2.31 | 2.29 | 2.30 |
| Long Term/SNF/Hospice | 26.02 | 26.69 | 26.35 |
| Provider Enhancement Expense - Prop. 56 | 4.45 | 4.45 | 4.45 |
| Provider Enhancement Expense - GEMT | 1.36 | 1.28 | 1.32 |
| Enhanced Care Management | 12.69 | 13.62 | 13.16 |
| Community Support Services | 1.46 | 9.43 | 5.45 |
| Major Organ Transplant | 1.34 | 1.42 | 1.38 |
| Cal AIM Incentive Programs | 0.68 | 0.46 | 0.57 |
| Distinct Part Nursing Facility Expense | 0.00 | 0.00 | 0.00 |
| DME/Rebates | 5.79 | 4.83 | 0.00 |
| Total Other Medical | 74.91 | 85.73 | 75.02 |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 1.50 |
| Hospital Directed Payments | 147.94 | 143.13 | 145.53 |
| Hospital Directed Payment Adjustment | 255.01 | 4.82 | 129.74 |
| Non-Claims Expense Adjustment | (0.87) | (6.79) | (3.83) |
| IBNR, Incentive, Paid Claims Adjustment | 0.96 | 0.61 | 0.79 |
| Total Medical Costs | 739.10 | 481.99 | 605.06 |

MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED FEBRUARY 28, 2025



| 10 - Executive | February | Budget | Variance | Year to Date | Budget | Variance |
|---|-----------|-----------|-----------|--------------|------------|-------------------------------------|
| TO - EXECUTIVE | 453,118 | 650,390 | 197,272 | 1,135,757 | 1,300,781 | 165,024 |
| 12 - Government Relations | 54,023 | 62,942 | 8,919 | 118,768 | 125,884 | 7,116 |
| 10 - Accounting | 270,170 | 370,068 | 99,897 | 643,900 | 740,135 | 96,235 |
| 220 - Management Information Systems (MIS) | 282,955 | 508,775 | 225,820 | 637,861 | 1,017,549 | 379,688 |
| 21 - Business Intelligence | 333,566 | 246,484 | (87,082) | 621,824 | 492,968 | (128,856) |
| 222 - MIS Development | 339,566 | 515,722 | 176,156 | 729,704 | 1,031,445 | 301,740 |
| 23 - Enterprise Configuration | 188,775 | 321,789 | 133,014 | 422,566 | 643,578 | 221,013 |
| 24 - Cyber Security | 51,523 | 43,744 | (7,779) | 83,144 | 87,487 | 4,343 |
| 25 - Infrastructure | 644,388 | 1,140,153 | 495,765 | 1,412,297 | 2,280,306 | 868,008 |
| 26 - Technical Administrative Services | 64,258 | 94,102 | 29,844 | 134,887 | 188,205 | 53,318 |
| 30 - Claims | 986,246 | 823,338 | (162,908) | 1,871,278 | 1,646,674 | (224,604) |
| 240 - Project Development | 237,465 | 216,007 | (21,458) | 451,500 | 432,014 | (19,486) |
| 10 - Health Services - Utilization Management | 52,541 | 50,148 | (2,393) | 82,559 | 100,295 | 17,736 |
| 11 - Health Services - Quality Improvement | 31,947 | 11,596 | (20,351) | 16,847 | 23,191 | 6,345 |
| 112 - Health Services - Education | - | 648 | 648 | - | 1,297 | 1,297 |
| 313 - Pharmacy | 10,500 | 11,450 | 950 | 21,295 | 22,900 | 1,605 |
| 14 - Enhanced Care Management | 44,579 | 22,583 | (21,997) | 63,534 | 45,165 | (18,368) |
| 16 - Population Health Management | - | 2,454 | 2,454 | 103 | 4,908 | 4,806 |
| 317 - Community Support Services | - | 3,150 | 3,150 | - | 6,301 | 6,301 |
| 320 - Provider Network Management | 274,630 | 326,776 | 52,146 | 571,842 | 653,553 | 81,710 |
| 21 - Homeless Management Information Services | - | 1,854 | 1,854 | 73 | 3,708 | 3,635 |
| 322 - Delegation & Oversight | 1,369 | 30,422 | 29,052 | 51,908 | 60,843 | 8,936 55,526 |
| 30 - Member Services | 228,649 | 229,310 | 661 | 403,094 | 458,620 | 55,526 |
| 340 - Corporate Services | 680,455 | 1,128,044 | 447,589 | 1,766,148 | 2,256,089 | 489,941 |
| 360 - Audit & Investigative Services | 338,436 | 306,189 | (32,247) | 624,860 | 612,378 | (42.402) |
| 110 - Member Engagement | 62,520 | 62,873 | 353 | 130,330 | 125,747 | (4,583) |
| 20 - Sales/Marketing/Public Relations | 226,357 | 329,532 | 103,175 | 366,131 | 659,063 | 292,932 |
| 510 - Human Resourses | 317,319 | 460,498 | 143,178 | 1,044,793 | 920,995 | (123,798) |
| 520 - Legal | 100,899 | 122,824 | 21,924 | 136,130 | 245,647 | 109,517 6,193 50,585 1,325 |
| 601 - Behavioral Health | 200 | 3,350 | 3,150 | 507 | 6,700 | 6,193 |
| 602 - Quality & Health Equity | 9,938 | 35,573 | 25,635 | 20,561 | 71,146 | 50,585 |
| 604 - Clinical Operations, Strategy & Analytics | - | 662 | 662 | - | 1,325 | 1,325 |
| 605 - Quality Performance | 179,458 | 116,048 | (63,410) | 392,179 | 232,096 | (160,082) |
| Administrative Expense Adjustment | 198,773 | 200,000 | 1,227 | 401,742 | 400,000 | (160,082) (1,742) 2,540,871 |
| Total Administrative Expenses | 6,664,623 | 8,449,497 | 1,784,874 | 14,358,122 | 16,898,993 | 2,540,871 |



MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED FEBRUARY 28, 2025

| | January | February |
|--|-----------|-----------|
| 110 - Executive | 682,639 | 453,118 |
| 112 - Government Relations | 64,745 | 54,023 |
| 210 - Accounting | 373,730 | 270,170 |
| 220 - Management Information Systems (MIS) | 354,906 | 282,955 |
| 221 - Business Intelligence | 288,258 | 333,566 |
| 222 - MIS Development | 390,138 | 339,566 |
| 223 - Enterprise Configuration | 233,790 | 188,775 |
| 224 - Cyber Security | 31,621 | 51,523 |
| 225 - Infrastructure | 767,910 | 644,388 |
| 226 - Technical Administrative Services | 70,628 | 64,258 |
| 230 - Claims | 885,033 | 986,246 |
| 240 - Project Development | 214,035 | 237,465 |
| 310 - Health Services - Utilization Management | 30,019 | 52,541 |
| 311 - Health Services - Quality Improvement | (15,100) | 31,947 |
| 313 - Pharmacy | 10,795 | 10,500 |
| 314 - Enhanced Care Management | 18,954 | 44,579 |
| 316 - Population Health Management | 103 | - |
| 320 - Provider Network Management | 297,212 | 274,630 |
| 322 - Delegation & Oversight | 50,538 | 1,369 |
| 330 - Member Services | 174,446 | 228,649 |
| 340 - Corporate Services | 1,085,693 | 680,455 |
| 360 - Audit & Investigative Services | 286,424 | 338,436 |
| 410 - Member Engagement | 67,809 | 62,520 |
| 420 - Sales/Marketing/Public Relations | 139,774 | 226,357 |
| 510 - Human Resourses | 727,474 | 317,319 |
| 520 - Legal | 35,231 | 100,899 |
| 601 - Behavioral Health | 307 | 200 |
| 602 - Quality & Health Equity | 10,624 | 9,938 |
| 605 - Quality Performance | 212,721 | 179,458 |
| Administrative Expense Adjustment | 202,969 | 198,773 |
| Total Administrative Expenses | 7,693,499 | 6,664,623 |

| YTD TOTALS |
|------------|
| 1,135,757 |
| 118,768 |
| 643,900 |
| 637,861 |
| 621,824 |
| 729,704 |
| 422,566 |
| 83,144 |
| 1,412,297 |
| 134,887 |
| 1,871,278 |
| 451,500 |
| 82,559 |
| 16,847 |
| 21,295 |
| 63,534 |
| 103 |
| 571,842 |
| 51,908 |
| 403,094 |
| 1,766,148 |
| 624,860 |
| 130,330 |
| 366,131 |
| 1,044,793 |
| 136,130 |
| 507 |
| 20,561 |
| 392,179 |
| 401,742 |
| 14,358,122 |
| |



KHS - GROUP HEALTH PLAN STATEMENT OF NET POSITION AS OF FEBRUARY 28, 2025

| | | | Increase/ |
|--|---------------|--------------|------------|
| ASSETS | February 2025 | January 2025 | (Decrease) |
| Cash and Cash Equivalents | 1,245,481 | 1,245,481 | - |
| Interest Receivable | 9,400 | 4,700 | 4,700 |
| Other Receivable | 125 | 125 | - |
| Total Current Assets | 1,255,006 | 1,250,306 | 4,700 |
| CURRENT LIABILITIES | | | |
| Other Liabilities | - | - | - |
| Total Current Liabilities | - | - | - |
| NET POSITION: | | | |
| Net Position at Beginning of Year | 1,245,606 | 1,245,606 | - |
| Increase (Decrease) in Net Position - Current Year | 9,400 | 4,700 | 4,700 |
| Total Net Position | 1,255,006 | 1,250,306 | 4,700 |
| TOTAL LIABILITIES AND NET POSITION | 1,255,006 | 1,250,306 | 4,700 |

KERN HEALT SYSTEMS

KHS - GROUP HEALTH PLAN STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED FEBRUARY 28, 2025

| | February | Budget | Variance | Year to Date | Budget | Variance |
|--|----------|--------|----------|--------------|--------|----------|
| REVENUES | | | | | | |
| Premium | - | - | - | - | - | |
| Interest | 4,700 | - | 4,700 | 9,400 | - | 9,400 |
| Other Investment Income | - | - | - | - | - | |
| Total Revenues | 4,700 | - | 4,700 | 9,400 | - | 9,400 |
| EXPENSES MEDICAL COSTS | | | | | | |
| IBNR and Paid Claims Adjustment | - | - | - | - | - | |
| Total Medical Costs | - | - | - | - | - | |
| GROSS MARGIN | 4,700 | - | 4,700 | 9,400 | - | 9,400 |
| ADMINISTRATIVE COSTS | | | _ | | | |
| Management Fee Expense and Other Admin Exp | - | - | - | - | - | |
| Total Administrative Expenses | - | - | - | - | - | |
| TOTAL EXPENSES | - | - | - | - | - | - |
| OPERATING INCOME (LOSS) BEFORE TAX | 4,700 | - | 4,700 | 9,400 | - | 9,400 |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | |
| Total Non-Operating Revenue (Expense) | - | - | - | - | - | |
| NET INCREASE (DECREASE) IN NET POSITION | 4,700 | - | 4,700 | 9,400 | - | 9,400 |
| MEDICAL LOSS RATIO | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0 |
| ADMINISTRATIVE EXPENSE RATIO | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.09 |



KERN HEALTH SYSTEMS MONTHLY MEMBERS COUNT

| | 2025 MEMBER | | | | | | | | | | | | |
|----------------------------------|-------------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| MEDI-CAL | MONTHS | JAN'25 | FEB'25 | MAR'25 | APR'25 | MAY'25 | JUN'25 | JUL'25 | AUG'25 | SEP'25 | OCT'25 | NOV'25 | DEC'25 |
| ADULT AND FAMILY | | | | | | | | | | | | | |
| ADULT (SEE COMMENT) | 149,209 | 74,604 | 74,605 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CHILD | 334,921 | 167,252 | 167,669 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB-TOTAL ADULT & FAMILY | 484,130 | 241,856 | 242,274 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER MEMBERS | | | | | | | | | | | | | |
| FULL DUALS - FAMILY | 1,092 | 566 | 526 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FULL DUALS - CHILD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUBTOTAL OTHER MEMBERS | 52,062 | 566 | 526 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL FAMILY | 536,192 | 242,422 | 242,800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPD MEMBERS | | | | | | | | | | | | | |
| SPD (AGED AND DISABLED) | 41,617 | 23,226 | 18,391 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER MEMBERS | | | | | | | | | | | | | |
| BCCTP - TABACCO SETTLEMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FULL DUALS - BCCTP | 3 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | _ | 0 | 0 | 0 | 0 |
| SPD FULL DUALS | 50,967 | 23,272 | 27,695 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | |
| EXPANDION FULL DUALS | 699 | 366 | 333 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LONG TERM CARE (LTC) | | | | | | | | | | | | | |
| LTC | 100 | 48 | 52 | | 0 | | 0 | 0 | | 0 | 0 | 0 | |
| LTC DUALS | 932 | 465 | 467 | 0 | 0 | 0 | 0 | 0 | _ | 0 | 0 | 0 | |
| TOTAL LTC | 1,032 | 513 | 519 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SPD | 94,318 | 47,379 | 46,939 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ACA OE - MEDI-CAL OPTIONAL EXPAN | NSION | '- | | | | | | | | | | | |
| ACA Expansion Adult-Citizen | 230,446 | 114,640 | 115,806 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EXPANSION | 230,446 | 114,640 | 115,806 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | |
| TOTAL CLASSIC MEMBERS | 577,809 | 404,441 | 405,545 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | |
| GRAND TOTAL | 809,287 | 404,441 | 405,545 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Robert Landis, Chief Financial Officer

SUBJECT: March 2025 Financial Results

DATE: June 19, 2025

The March results reflect a \$1.7 million Net Increase in Net Position which is a \$.5 million unfavorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$32.1 million favorable variance primarily due to:
 - A) \$2.9 million unfavorable variance in SPD Premium Revenues primarily due to California becoming a Medicare Part A Buy-In State effective January 1, 2025. Qualifying Medi-Cal members, who are enrolled in Medicare Part B only, were automatically enrolled into Medicare Part A Buy-In by the Department of Health Care Services ("DHCS"). The rate received for members who have Part A and Part B (\$488 pmpm) is less than the rate for members who have Part B only (\$1,130 pmpm), however, Medicare will now become primary for medical expenses associated with the members having both Part A and Part B. The reduction in revenue has been offset against a reduction in medical expenses included in 2C, 2D & 2E (2) below.
 - B) \$1.1 million favorable variance in Enhanced Care Management Premiums primarily due to receiving updated rate information from DHCS after the approval of the 2025 Budget offset against amounts included in 2E (3) below.
 - C) \$34.6 million favorable variance in Premium-Hospital Directed Payments primarily due to receiving updated rate information from DHCS on February 28, 2025 for Calendar Year 2025 offset against amounts included in 2F below.
- 2) Total Medical Costs reflect a \$34.9 million unfavorable variance primarily due to
 - A) \$1.9 million unfavorable variance in Physician Services primarily due to higher-than-expected utilization by Expansion members over the last several months.
 - B) \$1.3 million favorable variance in Other Professional Services due to the timing differences of hiring 2025 Budgeted Utilization Management Employees during the first 3 months of 2025 (\$.7 million), lower than expected utilization of Autism Services (\$.3 million) and Mental Health Services (\$.4 million).
 - C) \$.8 million favorable variance in Inpatient primarily due to lower-than-expected SPD membership and benefit changes described in 1A above.

- D) \$.9 million favorable variance in Outpatient Hospital primarily due to lower-than-expected SPD membership and benefit changes described in 1A above.
- E) \$5.3 million unfavorable variance in Other Medical primarily from:
 - 1) \$1.7 million unfavorable variance in Ambulance and Non-emergency Medical Transportation ("NEMT") due to higher-than-expected utilization of NEMT services over the last several months by our members.
 - 2) \$2.1 million favorable variance in Long Term/SNF/Hospice primarily due to lower-than-expected SPD membership and benefit changes described in 1A above.
 - 3) \$1.0 million unfavorable variance in Enhance Care Management expenses to receiving updated rate information from DHCS after the approval of the 2025 Budget offset against amounts included in 1B above.
 - 4) \$4.7 million unfavorable variance in Community Support Services expenses due to higher-than-expected usage of program services over the last several months.

(A key feature of CalAIM was the introduction of Community Support Services, formerly referred to as In Lieu of Services (ILOS). Community Support Services are designed to help improve the overall health and well-being of Medi-Cal managed care plan (MCP) members by addressing the members' health-related social needs, helping the members live healthier lives, and avoiding higher, costlier levels of care. Services include support to secure and maintain housing, access to medically tailored meals to support short-term recovery, personal care, and a variety of other community-based services. The range of services and resources are designed to address the unique needs of Medi-Cal members in the community, with a focus on promoting health, stability, and independence. Members may receive a Community Supports Service if they meet the eligibility criteria and if the MCP determines it is a medically appropriate and cost-effective alternative to services covered under Medi-Cal). **These services are unfunded with expected savings to be realized by lower medical expenses, if any.**

- F) \$34.6 million unfavorable variance in Hospital Directed Payments primarily due to receiving updated rate information from DHCS for Calendar Year 2024 offset against amounts included in 1C above.
- G) \$3.4 million favorable variance in Non-Claims Adjustment primarily due to KHS receiving a Determination Letter from DHCS on April 8, 2025 finalizing the CY 2022 Major Organ Transplant risk corridor calculation.

The March Medical Loss Ratio is 93.2% which is unfavorable to the 91.8% budgeted amount. The March Administrative Expense Ratio is 5.3% which is favorable to the 5.8% budgeted amount.

The results for the 3 months ending March 31, 2025 reflect a Net Increase in Net Position of \$2.6 million. This is a \$4.1 million unfavorable variance to the budget and includes approximately \$8.3 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.9% which is unfavorable to the 91.8% budgeted amount. The year-to-date Administrative Expense Ratio is 5.1% which is favorable to the 5.8% budgeted amount.



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 Quarter | Page 4 |
| Statement of Revenue, Expenses, and Changes in Net Position by Quarter - PMPM | Page 5 |
| Statement of Revenue, Expenses, and Changes in Net Position 6 Month | Page 6 |
| Statement of Revenue, Expenses, and Changes in Net Position 6 Month - PMPM | Page 7 |
| Schedule of Revenues | Page 8 |
| Schedule of Revenues by Month | Page 9 |
| Schedule of Medical Costs | Page 10 |
| Schedule of Medical Costs - PMPM | Page 11 |
| Schedule of Medical Costs by Month | Page 12 |
| Schedule of Medical Costs by Month – PMPM | Page 13 |
| Schedule of Administrative Expenses by Department | Page 14 |
| Schedule of Administrative Expenses by Department by Month | Page 15 |
| KHS Group Health Plan – Healthy Families Line of Business | |
| Comparative Statement of Net Position | Page 16 |
| Statement of Revenue, Expenses, and Changes in Net Position | Page 17 |
| KHS Administrative Analysis and Other Reporting | |
| Monthly Member Count | Page 18 |



MEDI-CAL STATEMENT OF NET POSITION AS OF MARCH 31, 2025

| | | | Increase/ |
|--|---------------|---------------|---------------|
| ASSETS | March | February | (Decrease) |
| Cash and Cash Equivalents | 298,871,852 | 266,411,525 | 32,460,327 |
| Short-Term Investments | 235,529,500 | 223,413,944 | 12,115,556 |
| Premiums Receivable | | | |
| Premiums Receivable - MCO Tax | 134,763,686 | 135,111,304 | (347,619) |
| | 62,897,806 | 237,984,279 | (175,086,473) |
| Premiums Receivable - Hospital Directed Payments Interest Receivable | 683,169,220 | 778,680,732 | (95,511,513) |
| | 262,152 | 118,693 | 143,460 |
| Provider Advance Payment Other Receivables | 154,665 | 156,824 | (2,159) |
| | 1,948,695 | 1,706,661 | 242,033 |
| Prepaid Expenses & Other Current Assets | 8,733,780 | 9,711,464 | (977,684) |
| Total Current Assets | 1,426,331,355 | 1,653,295,426 | (226,964,071) |
| Land | 4,090,706 | 4,090,706 | - |
| Furniture and Equipment - Net | 1,114,393 | 1,141,774 | (27,382) |
| Computer Equipment - Net | 18,453,521 | 18,944,626 | (491,105) |
| Building and Improvements - Net | 32,831,759 | 32,910,702 | (78,944) |
| Capital Projects In Process | 1,129,530 | 1,097,477 | 32,052 |
| Total Capital Assets | 57,619,908 | 58,185,287 | (565,379) |
| Restricted Assets | 300,000 | 300,000 | _ |
| Officer Life Insurance Receivables | 3,762,263 | 4,097,061 | (334,798) |
| SBITA Asset | 8,875,096 | 8,875,096 | (334,736) |
| Total Long-Term Assets | 12,937,359 | 13,272,157 | (334,798) |
| | | | (554,756) |
| Deferred Outflow of Resources | 6,846,742 | 6,846,742 | - |
| Total Assets and Deferred Outflows of Resources | 1,503,735,364 | 1,731,599,612 | (227,864,248) |
| CURRENT LIABILITIES | | | |
| Accrued Salaries and Benefits | 8,677,547 | 9,859,613 | (1,182,065) |
| Accrued Other Operating Expenses | 6,673,455 | 5,482,287 | 1,191,169 |
| MCO Tax Payable | 202,886,441 | 376,903,634 | (174,017,194) |
| Claims Payable (Reported) | 28,544,847 | 20,796,152 | 7,748,695 |
| IBNR - Inpatient Claims | 62,685,764 | 64,044,607 | (1,358,844) |
| IBNR - Physician Claims | 23,308,093 | 27,693,850 | (4,385,757) |
| IBNR - Accrued Other Medical | 33,804,279 | 33,987,943 | (183,665) |
| Risk Pool and Withholds Payable | 7,682,790 | 8,236,355 | (553,565) |
| Allowance for Claims Processing Expense | 4,779,517 | 4,779,517 | - |
| Other Liabilities | 81,529,572 | 94,788,744 | (13,259,172) |
| SBITA Liability – Current portion | 2,217,189 | 2,217,189 | - |
| Accrued Hospital Directed Payments | 686,402,230 | 730,181,726 | (43,779,496) |
| Total Current Liabilities | 1,149,191,724 | 1,378,971,617 | (229,779,893) |
| NONCURRENT LIABILITIES | | 1 | |
| Net Pension Liability | 12,801,788 | 12,601,788 | 200,000 |
| SBITA Liability, net of current portion | 5,491,541 | 5,491,541 | - |
| Total NonCurrent Liabilities | 18,293,329 | 18,093,329 | 200,000 |
| Deferred Inflow of Resources | 70,705 | 70,705 | 200,000 |
| | 70,703 | 70,703 | - |
| NET POSITION: | 222 557 522 | 222 557 525 | 1 |
| Net Position at Beginning of Year | 333,567,639 | 333,567,639 | |
| Increase (Decrease) in Net Position - Current Year | 2,611,967 | 896,322 | 1,715,645 |
| Total Net Position | 336,179,606 | 334,463,961 | 1,715,645 |
| | <u> </u> | | |

MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MARCH 31, 2025



| | March | Budget | Variance | Year to Date | Budget | Variance |
|---|-------------|-------------|--------------|--------------|-------------|---------------|
| Family Members | 242,708 | 244,000 | (1,292) | 727,930 | 730,500 | (2,570) |
| Expansion Members | 115,229 | 113,000 | 2,229 | 345,675 | 339,000 | 6,675 |
| SPD Members | 47,263 | 47,000 | 263 | 141,581 | 141,000 | 581 |
| Total Members - MCAL | 405,200 | 404,000 | 1,200 | 1,215,186 | 1,210,500 | 4,686 |
| REVENUES | | • | | | • | - |
| Medicaid - Family and Other | 54,380,020 | 55,066,659 | (686,640) | 164,182,925 | 164,861,454 | (678,529) |
| Medicaid - Expansion Members | 48,654,624 | 47,912,766 | 741,858 | 146,129,580 | 143,738,298 | 2,391,281 |
| Medicaid - SPD Members | 37,530,381 | 40,402,462 | (2,872,081) | 112,116,656 | 121,207,385 | (9,090,729) |
| Premium - MCO Tax | 59,136,301 | 59,787,960 | (651,659) | 177,408,904 | 179,141,895 | (1,732,992) |
| Premium - Hospital Directed Payments | 58,943,903 | 24,347,356 | 34,596,547 | 176,821,231 | 72,982,900 | 103,838,332 |
| Investment Earnings And Other Income | 2,464,994 | 1,994,729 | 470,265 | 6,614,108 | 5,979,670 | 634,438 |
| Reinsurance Recoveries | - | 273,757 | (273,757) | - | 820,204 | (820,204) |
| Rate Adjustments - Hospital Directed Payments | 118,837 | - | 118,837 | 105,206,644 | - | 105,206,644 |
| Rate/Income Adjustments | 666,041 | - | 666,041 | 2,557,018 | - | 2,557,018 |
| Total Revenues | 261,895,101 | 229,785,690 | 32,109,411 | 891,037,065 | 688,731,806 | 202,305,258 |
| EXPENSES | | | | - | | _ |
| MEDICAL COSTS | | | | | | |
| Physician Services | 38,694,525 | 36,781,233 | (1,913,292) | 113,538,825 | 110,229,656 | (3,309,169) |
| Other Professional Services | 9,567,330 | 10,850,782 | 1,283,452 | 31,017,823 | 32,522,597 | 1,504,775 |
| Emergency Room | 6,225,711 | 6,794,039 | 568,328 | 20,024,420 | 20,358,929 | 334,509 |
| Inpatient | 33,213,126 | 33,977,863 | 764,736 | 98,477,222 | 101,865,234 | 3,388,012 |
| Reinsurance Expense | 269,619 | 273,757 | 4,138 | 808,856 | 820,204 | 11,348 |
| Outpatient Hospital | 14,487,044 | 15,425,551 | 938,507 | 46,204,757 | 46,247,952 | 43,195 |
| Other Medical | 34,288,028 | 29,021,188 | (5,266,840) | 99,350,041 | 87,024,643 | (12,325,399) |
| Pay for Performance Quality Incentive | 607,800 | 606,005 | (1,795) | 1,822,779 | 1,815,771 | (7,008) |
| Hospital Directed Payments | 58,943,903 | 24,347,356 | (34,596,547) | 176,821,231 | 72,982,900 | (103,838,332) |
| Hospital Directed Payment Adjustment | 15,484 | - | (15,484) | 105,103,291 | - | (105,103,291) |
| Non-Claims Expense Adjustment | (3,382,901) | - | 3,382,901 | (6,486,815) | - | 6,486,815 |
| IBNR, Incentive, Paid Claims Adjustment | 21,094 | - | (21,094) | 658,346 | - | (658,346) |
| Total Medical Costs | 192,950,763 | 158,077,774 | (34,872,989) | 687,340,775 | 473,867,885 | (213,472,890) |
| GROSS MARGIN | 68,944,338 | 71,707,916 | (2,763,578) | 203,696,289 | 214,863,921 | (11,167,632) |
| ADMINISTRATIVE COSTS | | | | | | |
| Compensation | 3,865,011 | 4,223,117 | 358,106 | 11,773,691 | 12,669,352 | 895,661 |
| Purchased Services | 2,002,235 | 2,343,143 | 340,908 | 5,241,893 | 7,029,428 | 1,787,535 |
| Supplies | 180,460 | 244,079 | 63,619 | 438,866 | 732,236 | 293,371 |
| Depreciation | 597,431 | 766,752 | 169,321 | 1,794,880 | 2,300,256 | 505,376 |
| Other Administrative Expenses | 664,289 | 672,406 | 8,116 | 2,016,475 | 2,017,217 | 742 |
| Administrative Expense Adjustment | 375,177 | 200,000 | (175,177) | 776,919 | 600,000 | (176,919) |
| Total Administrative Expenses | 7,684,602 | 8,449,496 | 764,894 | 22,042,724 | 25,348,490 | 3,305,765 |
| TOTAL EXPENSES | 200,635,365 | 166,527,270 | (34,108,095) | 709,383,500 | 499,216,375 | (210,167,125) |
| OPERATING INCOME (LOSS) BEFORE TAX | 61,259,736 | 63,258,420 | (1,998,684) | 181,653,565 | 189,515,432 | (7,861,867) |
| MCO TAX | 59,136,301 | 59,787,960 | 651,659 | 177,408,904 | 179,141,895 | 1,732,992 |
| OPERATING INCOME (LOSS) NET OF TAX | 2,123,435 | 3,470,460 | (1,347,025) | 4,244,662 | 10,373,537 | (6,128,875) |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | |
| Provider Grants/CalAIM/Home Heath | (233,882) | (831,044) | 597,162 | (1,080,457) | (2,491,171) | 1,410,713 |
| D-SNP Expenses | (173,907) | (399,339) | 225,432 | (552,237) | (1,197,074) | 644,837 |
| Total Non-Operating Revenue (Expense) | (407,789) | (1,230,383) | 822,594 | (1,632,695) | (3,688,244) | 2,055,550 |
| NET INCREASE (DECREASE) IN NET POSITION | 1,715,645 | 2,240,077 | (524,431) | 2,611,967 | 6,685,293 | (4,073,325) |
| MEDICAL LOSS RATIO | 93.2% | 91.8% | -1.4% | 93.9% | 91.8% | -2.1% |
| | 5.3% | 5.8% | 0.5% | 5.1% | 5.8% | |
| ADMINISTRATIVE EXPENSE RATIO | 5.3% | 5.8% | 0.5% | 5.1% | 5.8% | 0.7% |

MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MARCH 31, 2025



| | March | Budget | Variance | Year to Date | Budget | Variance |
|---|-------------|-------------|----------|--------------|-----------|----------|
| Family Members | 242,708 | 244,000 | (1,292) | 727,930 | 730,500 | (2,570) |
| Expansion Members | 115,229 | 113,000 | 2,229 | 345,675 | 339,000 | 6,675 |
| SPD Members | 47,263 | 47,000 | 263 | 141,581 | 141,000 | 581 |
| Total Members - MCAL | 405,200 | 404,000 | 1,200 | 1,215,186 | 1,210,500 | 4,686 |
| REVENUES | • | • | | | • | |
| Medicaid - Family and Other | 224.06 | 225.68 | (1.63) | 225.55 | 225.68 | (0.14) |
| Medicaid - Expansion Members | 422.24 | 424.01 | (1.76) | 422.74 | 424.01 | (1.27) |
| Medicaid - SPD Members | 794.08 | 859.63 | (65.55) | 791.89 | 859.63 | (67.74) |
| Premium - MCO Tax | 145.94 | 147.99 | (2.05) | 145.99 | 147.99 | (2.00) |
| Premium - Hospital Directed Payments | 145.47 | 60.27 | 85.20 | 145.51 | 60.29 | 85.22 |
| Investment Earnings And Other Income | 6.08 | 4.94 | 1.15 | 5.44 | 4.94 | 0.50 |
| Reinsurance Recoveries | - | 0.68 | (0.68) | - | 0.68 | (0.68) |
| Rate Adjustments - Hospital Directed Payments | 0.29 | - | 0.29 | 86.58 | - | 86.58 |
| Rate/Income Adjustments | 1.64 | - | 1.64 | 2.10 | - | 2.10 |
| Total Revenues | 646.34 | 568.78 | 77.56 | 733.25 | 568.96 | 164.29 |
| EXPENSES | | | | | | |
| MEDICAL COSTS | | | | | | |
| Physician Services | 95.49 | 91.04 | (4.45) | 93.43 | 91.06 | (2.37) |
| Other Professional Services | 23.61 | 26.86 | 3.25 | 25.53 | 26.87 | 1.34 |
| Emergency Room | 15.36 | 16.82 | 1.45 | 16.48 | 16.82 | 0.34 |
| Inpatient | 81.97 | 84.10 | 2.14 | 81.04 | 84.15 | 3.11 |
| Reinsurance Expense | 0.67 | 0.68 | 0.01 | 0.67 | 0.68 | 0.01 |
| Outpatient Hospital | 35.75 | 38.18 | 2.43 | 38.02 | 38.21 | 0.18 |
| Other Medical | 84.62 | 71.83 | (12.79) | 81.76 | 71.89 | (9.87) |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 0.00 | 1.50 | 1.50 | 0.00 |
| Hospital Directed Payments | 145.47 | 60.27 | (85.20) | 145.51 | 60.29 | (85.22) |
| Hospital Directed Payment Adjustment | 0.04 | - | (0.04) | 86.49 | - | (86.49) |
| Non-Claims Expense Adjustment | (8.35) | | 8.35 | (5.34) | | 5.34 |
| IBNR, Incentive, Paid Claims Adjustment | 0.05 | 201 20 | (0.05) | 0.54 | 201.46 | (0.54) |
| Total Medical Costs | 476.19 | 391.28 | (84.90) | 565.63 | 391.46 | (174.16) |
| GROSS MARGIN | 170.15 | 177.49 | (7.35) | 167.63 | 177.50 | (9.87) |
| ADMINISTRATIVE COSTS | | | | | | |
| Compensation | 9.54 | 10.45 | 0.91 | 9.69 | 10.47 | 0.78 |
| Purchased Services | 4.94 | 5.80 | 0.86 | 4.31 | 5.81 | 1.49 |
| Supplies | 0.45 | 0.60 | 0.16 | 0.36 | 0.60 | 0.24 |
| Depreciation | 1.47 | 1.90 | 0.42 | 1.48 | 1.90 | 0.42 |
| Other Administrative Expenses | 1.64 | 1.66 | 0.02 | 1.66 | 1.67 | 0.01 |
| Administrative Expense Adjustment | 0.93 | 0.50 | (0.43) | 0.64 | 0.50 | (0.14) |
| Total Administrative Expenses | 18.96 | 20.91 | 1.95 | 18.14 | 20.94 | 2.80 |
| TOTAL EXPENSES | 495.15 | 412.20 | (82.96) | 583.77 | 412.41 | (171.36) |
| OPERATING INCOME (LOSS) BEFORE TAX | 151.18 | 156.58 | (5.40) | 149.49 | 156.56 | (7.07) |
| MCO TAX | 145.94 | 147.99 | 2.05 | 145.99 | 147.99 | 2.00 |
| OPERATING INCOME (LOSS) NET OF TAX | 5.24 | 8.59 | (3.35) | 3.49 | 8.57 | (5.08) |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | |
| Provider Grants/CalAIM/Home Heath | (0.43) | (2.06) | 1.63 | (0.45) | (2.06) | 1.60 |
| D-SNP Expenses | (0.58) | (0.99) | 0.41 | (0.89) | (0.99) | 0.10 |
| Total Non-Operating Revenue (Expense) | (1.01) | (3.05) | 2.04 | (1.34) | (3.05) | 1.70 |
| NET INCREASE (DECREASE) IN NET POSITION | 4.23 | 5.54 | (1.31) | 2.15 | 5.52 | (3.37) |
| MEDICAL LOSS RATIO | 93.2% | 91.8% | -1.4% | 93.9% | 91.8% | -2.1% |
| | | | | | | |



MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY QUARTER ROLLING 4 QUARTERS FOR THE MONTH ENDED MARCH 31, 2025

| | | | | | | CURRENT QUARTER |
|---|---------------|---------------|---------------|---------------|--------------------------|-----------------|
| | 2024 - Q1 | 2024 - Q2 | 2024 - Q3 | 2024 - Q4 | Rolling 4-Quarter Totals | 2025 - Q1 |
| Total Members - MCAL | 1,234,656 | 1,217,132 | 1,204,552 | 1,209,901 | 4,866,241 | 1,215,186 |
| | | | | | | |
| REVENUES | | | | | | ļ |
| Medicaid - Family and Other | 163,114,742 | 168,098,248 | 157,352,051 | 181,853,744 | 670,418,785 | 164,182,925 |
| Medicaid - Expansion Members | 142,141,972 | 141,387,639 | 115,764,407 | 146,690,508 | 545,984,526 | 146,129,580 |
| Medicaid - SPD Members | 70,643,949 | 72,382,078 | 63,945,176 | 72,615,432 | 279,586,636 | 112,116,656 |
| Medicaid - LTC Members | 12,120,676 | 12,644,500 | 12,158,979 | 12,679,447 | 49,603,603 | - |
| Premium - MCO Tax | 118,164,689 | 118,164,689 | 304,000,610 | 169,305,625 | 709,635,614 | 177,408,904 |
| Premium - Hospital Directed Payments | 74,715,152 | 73,085,162 | 73,636,849 | 74,054,842 | 295,492,005 | 176,821,231 |
| Investment Earnings And Other Income | 6,526,452 | 7,627,603 | 10,624,397 | 6,363,381 | 31,141,833 | 6,614,108 |
| Rate Adjustments - Hospital Directed Payments | 2,628,208 | (467,208) | (8,849,506) | (45,264) | (6,733,769) | 105,206,644 |
| Rate/Income Adjustments | 3,361,928 | (5,047,999) | 2,310,217 | 29,220 | 653,366 | 2,557,018 |
| Total Revenues | 593,417,768 | 587,874,713 | 730,943,182 | 663,546,935 | 2,575,782,598 | 891,037,065 |
| EXPENSES MEDICAL COSTS | | | | | | |
| Physician Services | 93,110,533 | 102,259,757 | 100,828,569 | 117,920,414 | 414,119,273 | 113,538,825 |
| Other Professional Services | 37,861,872 | 28,897,182 | 27,259,189 | 17,579,841 | 111,598,083 | 31,017,823 |
| Emergency Room | 19,266,762 | 19,274,640 | 19,085,229 | 20,264,346 | 77,890,977 | 20,024,420 |
| Inpatient | 91,080,658 | 97,071,689 | 98,069,526 | 109,860,804 | 396,082,677 | 98,477,222 |
| Reinsurance Expense | 324,349 | 347,257 | 337,661 | 337,245 | 1,346,512 | 808,856 |
| Outpatient Hospital | 44,304,385 | 41,034,136 | 46,542,079 | 45,089,064 | 176,969,664 | 46,204,757 |
| Other Medical | 80,881,278 | 88,283,888 | 93,132,007 | 95,537,563 | 357,834,737 | 99,350,041 |
| Pay for Performance Quality Incentive | 1,851,974 | 1,825,698 | 1,809,795 | 1,814,852 | 7,302,318 | 1,822,779 |
| Risk Corridor Expense | - | - | 2,133,095 | (960.173) | 1,172,922 | - |
| Hospital Directed Payments | 74,715,152 | 73,085,162 | 73,636,849 | 74,054,842 | 295,492,005 | 176,821,231 |
| Hospital Directed Payment Adjustment | 2,663,543 | 18,927 | (6,489,175) | (45,264) | (3,851,969) | 105,103,291 |
| Non-Claims Expense Adjustment | 356,533 | (22,398) | (4,294,448) | (1,489,159) | (5,449,472) | (6,486,815) |
| IBNR, Incentive, Paid Claims Adjustment | 622,759 | (7,444,944) | (6,331,814) | (3,892,128) | (17,046,128) | 658,346 |
| Total Medical Costs | 447,039,796 | 444,630,994 | 445,718,563 | 476,072,247 | 1,813,461,599 | 687,340,775 |
| GROSS MARGIN | 146,377,973 | 143,243,720 | 285,224,619 | 187,474,687 | 762,320,998 | 203,696,289 |
| ADMINISTRATIVE COSTS | | | | | | |
| Compensation | 10,509,084.54 | 10,907,085.38 | 11,047,726.06 | 12,349,628.75 | 44,813,525 | 11,773,691 |
| Purchased Services | 5,448,763.44 | 5,076,648.88 | 6,652,420.88 | 6,570,350.58 | 23,748,184 | 5,241,893 |
| Supplies | 764,750.56 | 722,573.26 | 707,109.10 | 693,364.50 | 2,887,797 | 438,866 |
| Depreciation | 2,040,936.15 | 2,164,108.52 | 2,283,774.25 | 2,071,811.61 | 8,560,631 | 1,794,880 |
| Other Administrative Expenses | 1,644,704.19 | 1,714,820.40 | 1,588,771.91 | 1,848,717.24 | 6,797,014 | 2,016,475 |
| Administrative Expense Adjustment | 96,937.58 | 22,381.02 | (2,308.92) | 1,230,808.23 | 1,347,818 | 776,919 |
| Total Administrative Expenses | 20,505,176 | 20,607,617 | 22,277,493 | 24,764,681 | 88,154,968 | 22,042,724 |
| TOTAL EXPENSES | 467,544,972 | 465,238,611 | 467,996,056 | 500,836,928 | 1,901,616,568 | 709,383,500 |
| OPERATING INCOME (LOSS) BEFORE TAX | 125,872,796 | 122,636,102 | 262,947,125 | 162,710,007 | 674,166,030 | 181,653,565 |
| MCO TAX | 118,164,689 | 118,164,689 | 304,000,610 | 169,305,625 | 709,635,614 | 177,408,904 |
| OPERATING INCOME (LOSS) NET OF TAX | 7,708,107 | 4,471,413 | (41,053,485) | (6,595,619) | (35,469,584) | 4,244,662 |
| NON-OPERATING REVENUE (EXPENSE) | • | • | | | • | • |
| Provider Grants/CalAIM/Home Heath | (1,329,860) | (2,537,763) | (1,419,027) | (4,675,912) | (9,962,561) | (1,080,457) |
| D-SNP Expenses | (877,356) | (951,808) | 169.913 | 470.656 | (1,188,595) | (552,237) |
| Total Non-Operating Revenue (Expense) | (2,207,215) | (3,489,571) | (1,249,113) | (4,205,257) | (11,151,156) | (1,632,695) |
| Total Non-Operating Nevenue (Expense) | (2,207,213) | (3,703,371) | (1,2-7,113) | (7,203,237) | (11,131,130) | (1,032,053) |
| NET INCREASE (DECREASE) IN NET POSITION | 5,500,891 | 981,842 | (42,302,598) | (10,800,875) | (46,620,740) | 2,611,967 |
| MEDICAL LOSS RATIO | 92.9% | 93.6% | 104.5% | 95.7% | 96.5% | 93.9% |
| ADMINISTRATIVE EXPENSE RATIO | 5.2% | 5.2% | 6.2% | 5.9% | 5.6% | 5.1% |



MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY QUARTER **ROLLING 4 QUARTERS PMPM** FOR THE MONTH ENDED MARCH 31, 2025



| | | | | | | CURRENT QUARTER |
|---|-----------|-----------|-----------|-----------|------------------------|-----------------|
| | 2024 - Q1 | 2024 - Q2 | 2024 - Q3 | 2024 - Q4 | Rolling Quarter Totals | 2025 - Q1 |
| Total Members - MCAL | 1,234,656 | 1,217,132 | 1,204,552 | 1,209,901 | 4,866,241 | 1,215,186 |
| REVENUES | | | | | | |
| Medicaid - Family and Other | 201.11 | 209.43 | 197.65 | 228.42 | 209.12 | 225.55 |
| Medicaid - Expansion Members | 401.13 | 409.54 | 343.25 | 428.47 | 395.87 | 422.74 |
| Medicaid - SPD Members | 1,042.58 | 1,068.92 | 918.71 | 1,039.89 | 1,017.02 | 791.89 |
| Medicaid - LTC Members | 8,123.78 | 8,200.06 | 7,764.35 | 8,050.44 | 8,032.97 | - |
| Premium - MCO Tax | 95.71 | 97.08 | 252.38 | 139.93 | 145.83 | 145.99 |
| Premium - Hospital Directed Payments | 60.51 | 60.05 | 61.13 | 61.21 | 60.72 | 145.51 |
| Investment Earnings And Other Income | 5.29 | 6.27 | 8.82 | 5.26 | 6.40 | 5.44 |
| Rate Adjustments - Hospital Directed Payments | 2.13 | (0.38) | (7.35) | (0.04) | (1.38) | 86.58 |
| Rate/Income Adjustments | 2.72 | (4.15) | 1.92 | 0.02 | 0.13 | 2.10 |
| Total Revenues | 480.63 | 483.00 | 606.82 | 548.43 | 529.32 | 733.25 |
| EXPENSES | | | | | | '- |
| MEDICAL COSTS | | | | | | |
| Physician Services | 75.41 | 84.02 | 83.71 | 97.46 | 85.10 | 93.43 |
| Other Professional Services | 30.67 | 23.74 | 22.63 | 14.53 | 22.93 | 25.53 |
| Emergency Room | 15.60 | 15.84 | 15.84 | 16.75 | 16.01 | 16.48 |
| Inpatient | 73.77 | 79.75 | 81.42 | 90.80 | 81.39 | 81.04 |
| Reinsurance Expense | 0.26 | 0.29 | 0.28 | 0.28 | 0.28 | 0.67 |
| Outpatient Hospital | 35.88 | 33.71 | 38.64 | 37.27 | 36.37 | 38.02 |
| Other Medical | 65.51 | 72.53 | 77.32 | 78.96 | 73.53 | 81.76 |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Risk Corridor Expense | - | | 1.77 | (0.79) | 0.24 | - |
| Hospital Directed Payments | 60.51 | 60.05 | 61.13 | 61.21 | 60.72 | 145.51 |
| Hospital Directed Payment Adjustment | 2.16 | 0.02 | (5.39) | (0.04) | (0.79) | 86.49 |
| Non-Claims Expense Adjustment | 0.29 | (0.02) | (3.57) | (1.23) | (1.12) | (5.34) |
| IBNR, Incentive, Paid Claims Adjustment | 0.50 | (6.12) | (5.26) | (3.22) | (3.50) | 0.54 |
| Total Medical Costs | 362.08 | 365.31 | 370.03 | 393.48 | 372.66 | 565.63 |
| GROSS MARGIN | 118.56 | 117.69 | 236.79 | 154.95 | 156.66 | 167.63 |
| ADMINISTRATIVE COSTS | | | | | | |
| Compensation | 8.51 | 8.96 | 9.17 | 10.21 | 9.21 | 9.69 |
| Purchased Services | 4.41 | 4.17 | 5.52 | 5.43 | 4.88 | 4.31 |
| Supplies | 0.62 | 0.59 | 0.59 | 0.57 | 0.59 | 0.36 |
| Depreciation | 1.65 | 1.78 | 1.90 | 1.71 | 1.76 | 1.48 |
| Other Administrative Expenses | 1.33 | 1.41 | 1.32 | 1.53 | 1.40 | 1.66 |
| Administrative Expense Adjustment | 0.08 | 0.02 | (0.00) | 1.02 | 0.28 | 0.64 |
| Total Administrative Expenses | 16.61 | 16.93 | 18.49 | 20.47 | 18.12 | 18.14 |
| TOTAL EXPENSES | 378.68 | 382.24 | 388.52 | 413.95 | 390.78 | 583.77 |
| OPERATING INCOME (LOSS) BEFORE TAX | 101.95 | 100.76 | 218.29 | 134.48 | 138.54 | 149.49 |
| MCO TAX | 95.71 | 97.08 | 252.38 | 139.93 | 145.83 | 145.99 |
| OPERATING INCOME (LOSS) NET OF TAX | 6.24 | 3.67 | (34.08) | (5.45) | (7.29) | 3.49 |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | <u> </u> |
| Provider Grants/CalAIM/Home Heath | (1.08) | (2.09) | (1.18) | (3.86) | (2.05) | (0.89) |
| D-SNP Expenses | (0.71) | (0.78) | 0.14 | 0.39 | (0.24) | (0.45) |
| Total Non-Operating Revenue (Expense) | (1.79) | (2.87) | (1.04) | (3.48) | (2.29) | (1.34) |
| NET INCREASE (DECREASE) IN NET POSITION | 4.46 | 0.81 | (35.12) | (8.93) | (9.58) | 2.15 |
| MEDICAL LOSS RATIO | 92.9% | 93.6% | 104.5% | 95.7% | 96.5% | 93.9% |
| | | | | | | |
| ADMINISTRATIVE EXPENSE RATIO | 5.2% | 5.2% | 6.2% | 5.9% | 5.6% | 5.1% |



| | | | | | | | | - |
|---|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|---|
| | | | | | | | | 3/4 |
| | | | | | | | | KERN HEALTH |
| MEDI-CAL - ALL COA | | | | | | | | SYSTEMS |
| STATEMENT OF REVENUE, EXPENSES, AND CHANGES | | | | | | | | |
| IN NET POSITION BY MONTH | | | | | | | | |
| ROLLING 6 MONTHS FOR THE MONTH ENDED MARCH 31, 2025 | | | | | | | | |
| | SEPTEMBER 2024 | OCTOBER 2024 | NOVEMBER 2024 | DECEMBER 2024 | JANUARY 2025 | FEBRUARY 2025 | Prior 6 Month YTD | MARCH 2025 |
| Total Members - MCAL | 401,956 | 402,241 | 403,549 | 404,440 | 404,441 | 405,545 | 2,422,172 | 405,200 |
| REVENUES | • | | | | | | | |
| Medicaid - Family and Other | 47,143,352 | 55,766,852 | 62,628,897 | 63,457,995 | 54,779,472 | 55,023,433 | 338,800,002 | 54,380,020 |
| Medicaid - Expansion Members | 25,578,416 | 44,274,896 | 47,452,486 | 54,963,125 | 48,572,760 | 48,902,196 | 269,743,879 | 48,654,624 |
| Medicaid - SPD Members | 15,514,183 | 23,582,809 | 24,507,942 | 24,524,681 | 38,799,459 | 35,786,816 | 162,715,890 | 37,530,381 |
| Medicaid - LTC Members | 3,673,451 | 4,161,018 | 4,337,441 | 4,180,989 | - | - | 16,352,899 | 48,654,624 37,530,381 59,136,301 58,943,903 2,464,994 |
| Premium - MCO Tax | 225,224,150 24,650,569 | 59,470,965 24,613,116 | 59,673,120 24,699,036 | 50,161,540 24,742,689 | 59,136,301 59,831,392 | 59,136,301 58,045,936 | 512,802,378 216,582,739 | 59,136,301 58,943,903 |
| Premium - Hospital Directed Payments Investment Earnings And Other Income | 3,630,475 | 2,035,919 | 2,147,703 | 24,742,689 | 1,729,314 | 2,419,799 | 14,142,970 | 2,464,994 |
| Rate Adjustments - Hospital Directed Payments | (2,168,580) | (55,251) | 17,404 | (7,417) | 103,134,648 | 1,953,159 | 102,873,962 | 118,837 |
| Rate/Income Adjustments | 1,598,001 | 102,639 | 239,543 | (312,962) | 520,492 | 1,370,485 | 3,518,198 | 666,041 |
| Total Revenues | 344,844,017 | 213,952,963 | 225,703,571 | 223,890,400 | 366,503,837 | 262,638,127 | 1,637,532,916 | 261,895,101 |
| EXPENSES | | | | | | | | |
| MEDICAL COSTS | 1 | | | | | | | |
| Physician Services | 34,021,968 | 42,641,203 | 37,671,697 | 37,607,514 | 36,132,491 | 38,711,809 | 226,786,682 | 38,694,525 |
| Other Professional Services Emergency Room | 9,068,160 6,283,494 | (3,203,582) 7,576,830 | 9,971,766 6,638,555 | 10,811,656 6,048,961 | 11,445,798 7,289,728 | 10,004,694 6,508,981 | 48,098,493 40,346,549 | 9,567,330 6,225,711 |
| npatient | 32,589,946 | 33,979,229 | 37,175,106 | 38,706,469 | 33,857,875 | 31,406,220 | 207,714,846 | 33,213,126 |
| Reinsurance Expense | 112,562 | 111,767 | 112,931 | 112,548 | 269,619 | 269,619 | 989,045 | 269,619 |
| Outpatient Hospital | 14,853,348 | 15,182,189 | 14,401,513 | 15,505,363 | 16,019,765 | 15,697,949 | 91,660,126 | 14,487,044 |
| Other Medical | 33,376,773 | 34,893,013 | 31,812,311 | 28,832,240 | 30,295,617 | 34,766,397 | 193,976,350 | 34,288,028 |
| Pay for Performance Quality Incentive Risk Corridor Expense | 602,934 2,133,095 | 603,362 (1,390,990) | 604,830 | 606,660 430,817 | 606,662 | 608,318 | 3,632,765 1,172,922 | 607,800 |
| Hospital Directed Payments | 24,650,569 | 24,613,116 | 24,699,036 | 24,742,689 | 59,831,392 | 58,045,936 | 216,582,739 | 58,943,903 |
| Hospital Directed Payment Adjustment | 185,219 | (55,251) | 17,404 | (7,417) | 103,134,648 | 1,953,159 | 105,227,761 | 15,484 |
| Non-Claims Expense Adjustment | (414,162) | (329) | (1,490,761) | 1,931 | (350,170) | (2,753,743) | (5,007,235) | (3,382,901) |
| BNR, Incentive, Paid Claims Adjustment | (1,847,593) | 905,899 | 277,697 | (5,075,723) | 388,615 | 248,637 | (5,102,468) | 21,094 |
| Total Medical Costs | 155,616,313 | 155,856,455 | 161,892,084 | 158,323,708 | 298,922,038 | 195,467,975 | 1,126,078,573 | 192,950,763 |
| GROSS MARGIN ADMINISTRATIVE COSTS | 189,227,704 | 58,096,509 | 63,811,487 | 65,566,692 | 67,581,799 | 67,170,152 | 511,454,343 | 68,944,338 |
| Compensation | 3,445,542 | 3,800,976 | 4,154,887 | 4,393,765 | 4,200,484 | 3,708,197 | 23,703,851 | 3,865,011 |
| Purchased Services | 1,939,952 | 1,959,335 | 1,661,091 | 2,949,925 | 1,498,800 | 1,740,859 | 11,749,961 | 2,002,235 |
| upplies | 197,976 | 250,386 | 133,675 | 309,304 | 95,074 | 163,332 | 1,149,746 | 180,460 |
| epreciation | 875,296 | 718,614 | 691,764 | 661,433 | 812,433 | 385,016 | 4,144,557 | 597,431 |
| Other Administrative Expenses Idministrative Expense Adjustment | 526,643 135 | 706,468 0 | 608,620 (2,230) | 533,629 1,233,038 | 883,740 202,969 | 468,446 198,773 | 3,727,546 1,632,686 | 664,289 375,177 |
| Total Administrative Expenses | 6,985,543 | 7,435,779 | 7,247,808 | 10,081,094 | 7,693,499 | 6,664,623 | 46,108,346 | 7,684,602 |
| OTAL EXPENSES | 162,601,856 | 163,292,234 | 169,139,892 | 168,404,802 | 306,615,536 | 202,132,598 | 1,172,186,919 | 200,635,365 |
| | | | | | | | | |
| PERATING INCOME (LOSS) BEFORE TAX | 182,242,161 | 50,660,730 | 56,563,679 | 55,485,598 | 59,888,301 | 60,505,529 | 465,345,997 | 61,259,736 |
| MCO TAX | 225,224,150 | 59,470,965 | 59,673,120 | 50,161,540 | 59,136,301 | 59,136,301 | 512,802,378 | 59,136,301 |
| PERATING INCOME (LOSS) NET OF TAX | (42,981,989) | (8,810,236) | (3,109,441) | 5,324,058 | 751,999 | 1,369,228 | (47,456,381) | 2,123,435 |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | | | |
| Provider Grants/CalAIM/Home Heath | (389,199) | (2,640,541) | (605,185) | (1,430,186) | (387,871) | (458,704) | (5,911,687) | (233,882) |
| O-SNP Expenses | (116,864.19) | 858,721.41 | (228,888.43) | (159,177.34) | (236,064.70) | (142,265.35) | (24,539) | (173,907) |
| Total Non-Operating Revenue (Expense) | (506,063) | (1,781,820) | (834,074) | (1,589,363) | (623,936) | (600,969) | (5,936,225) | (407,789) |
| NET INCREASE (DECREASE) IN NET POSITION | (43,488,053) | (10,592,056) | (3,943,514) | 3,734,694 | 128,064 | 768,258 | (53,392,606) | 1,715,645 |
| MEDICAL LOSS RATIO | 134.6% | 101.1% | 97.1% | 89.7% | 94.2% | 94.4% | 99.9% | 93.2% |
| | | | | | | | | |



MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH PMPM ROLLING 6 MONTHS FOR THE MONTH ENDED MARCH 31, 2025



| | SEPTEMBER 2024 | OCTOBER 2024 | NOVEMBER 2024 | DECEMBER 2024 | JANUARY 2025 | FEBRUARY 2025 | 6 Month Prior YTD | MARCH 2025 |
|---|----------------|--------------|---------------|---------------|--------------|---------------|-------------------|------------|
| Total Members - MCAL | 401,956 | 402,241 | 403,549 | 404,440 | 404,441 | 405,545 | 2,422,172 | 405,200 |
| 1 | 401,550 | 402,241 | 403,343 | 404,440 | 404,441 | 403,343 | 2,422,172 | 403,200 |
| REVENUES | 477.70 | 240.25 | 225 20 | 220 50 | 225.07 | 225 52 | 240.07 | 224.05 |
| Medicaid - Family and Other | 177.79 | 210.36 | 236.28 | 238.59 | 225.97 | 226.62 | 219.07 | 224.06 |
| Medicaid - Expansion Members | 226.08 | 390.42 | 414.85 | 479.73 | 423.70 | 422.28 | 393.24 | 422.24 |
| Medicaid - SPD Members | 670.71 | 1,016.41 | 1,054.01 | 1,049.14 | 818.92 | 762.41 | 868.84 | 794.08 |
| Medicaid - LTC Members | 7,023.81 | 7,850.98 | 8,309.27 | 7,994.24 | - | - | 7,794.52 | - |
| Premium - MCO Tax | 560.32 | 147.85 | 147.87 | 124.03 | 146.22 | 145.82 | 211.71 | 145.94 |
| Premium - Hospital Directed Payments | 61.33 | 61.19 | 61.20 | 61.18 | 147.94 | 143.13 | 89.42 | 145.47 |
| Investment Earnings And Other Income | 9.03 | 5.06 | 5.32 | 5.39 | 4.28 | 5.97 | 5.84 | 6.08 |
| Rate Adjustments - Hospital Directed Payments | (5.40) | (0.14) | 0.04 | (0.02) | 255.01 | 4.82 | 42.47 | 0.29 |
| Rate/Income Adjustments | 3.98 | 0.26 | 0.59 | (0.77) | 1.29 | 3.38 | 1.45 | 1.64 |
| Total Revenues | 857.91 | 531.90 | 559.30 | 553.58 | 906.20 | 647.62 | 676.06 | 646.34 |
| EXPENSES MEDICAL COSTS | | | | | | | | |
| Physician Services | 84.64 | 106.01 | 93.35 | 92.99 | 89.34 | 95.46 | 93.63 | 95.49 |
| Other Professional Services | 22.56 | (7.96) | 24.71 | 26.73 | 28.30 | 24.67 | 19.86 | 23.61 |
| Emergency Room | 15.63 | 18.84 | 16.45 | 14.96 | 18.02 | 16.05 | 16.66 | 15.36 |
| Inpatient | 81.08 | 84.47 | 92.12 | 95.70 | 83.72 | 77.44 | 85.76 | 81.97 |
| Reinsurance Expense | 0.28 | 0.28 | 0.28 | 0.28 | 0.67 | 0.66 | 0.41 | 0.67 |
| Outpatient Hospital | 36.95 | 37.74 | 35.69 | 38.34 | 39.61 | 38.71 | 37.84 | 35.75 |
| Other Medical | 83.04 | 86.75 | 78.83 | 71.29 | 74.91 | 85.73 | 80.08 | 84.62 |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Risk Corridor Expense | 5.31 | (3.46) | - | 1.07 | - | - | 0.48 | - |
| Hospital Directed Payments | 61.33 | 61.19 | 61.20 | 61.18 | 147.94 | 143.13 | 89.42 | 145.47 |
| Hospital Directed Payment Adjustment | 0.46 | (0.14) | 0.04 | (0.02) | 255.01 | 4.82 | 43.44 | 0.04 |
| Non-Claims Expense Adjustment | (1.03) | (0.00) | (3.69) | 0.00 | (0.87) | (6.79) | (2.07) | (8.35) |
| IBNR, Incentive, Paid Claims Adjustment | (4.60) | 2.25 | 0.69 | (12.55) | 0.96 | 0.61 | (2.11) | 0.05 |
| Total Medical Costs | 387.15 | 387.47 | 401.17 | 391.46 | 739.10 | 481.99 | 464.90 | 476.19 |
| GROSS MARGIN | 470.77 | 144.43 | 158.13 | 162.12 | 167.10 | 165.63 | 211.16 | 170.15 |
| ADMINISTRATIVE COSTS | 1 | -::::- | | | | | | |
| Compensation | 8.57 | 9.45 | 10.30 | 10.86 | 10.39 | 9.14 | 9.79 | 9.54 |
| Purchased Services | 4.83 | 4.87 | 4.12 | 7.29 | 3.71 | 4.29 | 4.85 | 4.94 |
| Supplies | 0.49 | 0.62 | 0.33 | 0.76 | 0.24 | 0.40 | 0.47 | 0.45 |
| Depreciation | 2.18 | 1.79 | 1.71 | 1.64 | 2.01 | 0.95 | 1.71 | 1.47 |
| Other Administrative Expenses | 1.31 | 1.76 | 1.51 | 1.32 | 2.19 | 1.16 | 1.54 | 1.64 |
| Administrative Expense Adjustment | 0.00 | 0.00 | (0.01) | 3.05 | 0.50 | 0.49 | 0.67 | 0.93 |
| Total Administrative Expenses | 17.38 | 18.49 | 17.96 | 24.93 | 19.02 | 16.43 | 19.04 | 18.96 |
| TOTAL EXPENSES | 404.53 | 405.96 | 419.13 | 416.39 | 758.12 | 498.42 | 483.94 | 495.15 |
| TOTAL EXPENSES | 404.33 | 403.50 | 415.13 | 410.39 | 730.12 | 430.42 | 403.34 | 455.15 |
| OPERATING INCOME (LOSS) BEFORE TAX | 453.39 | 125.95 | 140.17 | 137.19 | 148.08 | 149.20 | 192.12 | 151.18 |
| MCO TAX | 560.32 | 147.85 | 147.87 | 124.03 | 146.22 | 145.82 | 211.71 | 145.94 |
| OPERATING INCOME (LOSS) NET OF TAX | (106.93) | (21.90) | (7.71) | 13.16 | 1.86 | 3.38 | (19.59) | 5.24 |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | | | |
| Provider Grants/CalAIM/Home Heath | (0.97) | (6.56) | (1.50) | (3.54) | (0.96) | (1.13) | (2.44) | (0.58) |
| D-SNP Expenses | (0.29) | 2.13 | (0.57) | (0.39) | (0.58) | (0.35) | (0.01) | (0.43) |
| Total Non-Operating Revenue (Expense) | (1.26) | (4.43) | (2.07) | (3.93) | (1.54) | (1.48) | (2.45) | (1.01) |
| NET INCREASE (DECREASE) IN NET POSITION | (108.19) | (26.33) | (9.77) | 9.23 | 0.32 | 1.89 | (22.04) | 4.23 |
| MEDICAL LOSS RATIO | 134.6% | 101.1% | 97.1% | 89.7% | 94.2% | 94.4% | 99.9% | 93.2% |
| ADMINISTRATIVE EXPENSE RATIO | 7.2% | 5.7% | 5.1% | 6.8% | 5.3% | 4.6% | 5.7% | 5.3% |
| A STATE OF LINE IN THE INTERNATION | 7.270 | 3.770 | 3.1/0 | 0.0/0 | 3.3% | 7.0% | 3.7/0 | 5.5/6 |

MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED MARCH 31, 2025

| | March | Budget | Variance |
|--|------------|------------|-------------|
| REVENUES | | | |
| Premium - Medi-Cal | 47,551,546 | 48,267,349 | (715,803) |
| Premium - Maternity Kick | 2,840,108 | 3,354,624 | (514,516) |
| Premium - Enhanced Care Management | 2,130,863 | 1,750,738 | 380,125 |
| Premium - Major Organ Transplant | 161,742 | 237,152 | (75,410) |
| Premium - Provider Enhancement | 1,437,262 | 1,167,588 | 269,674 |
| Premium - GEMT | 161,348 | 181,848 | (20,500) |
| Other | 97,150 | 107,360 | (10,210) |
| TOTAL MEDICAID - FAMILY & OTHER | 54,380,020 | 55,066,659 | (686,640) |
| Premium - Medi-Cal | 45,018,916 | 44,592,454 | 426,462 |
| Premium - Maternity Kick | 480,986 | 442,636 | 38,350 |
| Premium - Enhanced Care Management | 2,154,091 | 1,778,641 | 375,450 |
| Premium - Major Organ Transplant | 286,455 | 422,945 | (136,490) |
| Premium - Provider Enhancement | 430,922 | 364,845 | 66,077 |
| Premium - GEMT | 236,993 | 261,525 | (24,532) |
| Other | 46,262 | 49,720 | (3,458) |
| TOTAL MEDICAID - EXPANSION MEMBERS | 48,654,624 | 47,912,766 | 741,858 |
| Premium - Medi-Cal | 35,919,054 | 38,844,030 | (2,924,977) |
| Premium - Enhanced Care Management | 1,326,920 | 1,014,864 | 312,055 |
| Premium - Major Organ Transplant | 114,724 | 341,085 | (226,361) |
| Premium - Provider Enhancement | 31,770 | 28,525 | 3,245 |
| Premium - GEMT | 136,547 | 173,842 | (37,295) |
| Premium - Distinct Part Nursing Facility | 1,251 | - | 1,251 |
| Other | 115 | 115 | - |
| TOTAL MEDICAID - SPD MEMBERS | 37,530,381 | 40,402,462 | (2,872,081) |

| | KE | Variance Directors (2,044,503) (270,833) (1,145,535 (226,202) 808,628 (60.665) |
|--------------|-------------|--|
| Year to Date | Budget | Variance 🔻 |
| | | ë |
| 142,460,818 | 144,505,321 | (2,044,503) |
| 9,772,416 | 10,043,249 | (270,833) |
| 6,386,987 | 5,241,452 | 1,145,535 |
| 483,795 | 709,997 | (226,202) <u>≤</u> |
| 4,304,215 | 3,495,587 | 808,628 |
| 483,762 | 544,427 | |
| 290,931 | 321,420 | (30,489) |
| 164,182,925 | 164,861,454 | (678,529) |
| 135,093,781 | 133,777,363 | (30,489) (678,529) 1,316,418 p |
| 1,557,479 | 1,327,909 | |
| 6,473,246 | 5,335,922 | 229,570 1,137,324 |
| 859,363 | 1,268,835 | (409,472) |
| 1,294,511 | 1,094,535 | (409,472) 199,976 (73,291) |
| 712,284 | 784,575 | (72,291) |
| 138,915 | 149,160 | (10,245) |
| 146,129,580 | 143,738,298 | 2,391,281 |
| 107,298,739 | 116,532,095 | (9,233,357) |
| 3,968,507 | 3,044,592 | 923,915 |
| 342,138 | 1,023,255 | (681,117) |
| 95,037 | 85,575 | 9,462 |
| 408,090 | 521,526 | (113,436) |
| 3,803 | - | 3,803 |
| 342 | 342 | |
| 112,116,656 | 121,207,385 | (9,090,729) |



MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED MARCH 31, 2025

| | January | February | March | Year to Date |
|--|------------|------------|------------|--------------|
| REVENUES | | | | |
| Premium - Medi-Cal | 47,363,308 | 47,545,964 | 47,551,546 | 142,460,818 |
| Premium - Maternity Kick | 3,443,250 | 3,489,058 | 2,840,108 | 9,772,416 |
| Premium - Enhanced Care Management | 2,125,064 | 2,131,060 | 2,130,863 | 6,386,987 |
| Premium - Major Organ Transplant | 160,356 | 161,697 | 161,742 | 483,795 |
| Premium - Provider Enhancement | 1,429,771 | 1,437,183 | 1,437,262 | 4,304,215 |
| Premium - GEMT | 160,977 | 161,437 | 161,348 | 483,762 |
| Other | 96,746 | 97,035 | 97,150 | 290,931 |
| TOTAL MEDICAID - FAMILY & OTHER | 54,779,472 | 55,023,433 | 54,380,020 | 164,182,925 |
| Premium - Medi-Cal | 44,855,744 | 45,219,120 | 45,018,916 | 135,093,781 |
| Premium - Maternity Kick | 564,968 | 511,525 | 480,986 | 1,557,479 |
| Premium - Enhanced Care Management | 2,153,257 | 2,165,899 | 2,154,091 | 6,473,246 |
| Premium - Major Organ Transplant | 285,237 | 287,671 | 286,455 | 859,363 |
| Premium - Provider Enhancement | 430,414 | 433,175 | 430,922 | 1,294,511 |
| Premium - GEMT | 236,976 | 238,316 | 236,993 | 712,284 |
| Other | 46,164 | 46,490 | 46,262 | 138,915 |
| TOTAL MEDICAID - EXPANSION MEMBERS | 48,572,760 | 48,902,196 | 48,654,624 | 146,129,580 |
| Premium - Medi-Cal | 37,081,984 | 34,297,701 | 35,919,054 | 107,298,739 |
| Premium - Enhanced Care Management | 1,403,572 | 1,238,016 | 1,326,920 | 3,968,507 |
| Premium - Major Organ Transplant | 125,409 | 102,004 | 114,724 | 342,138 |
| Premium - Provider Enhancement | 35,647 | 27,621 | 31,770 | 95,037 |
| Premium - GEMT | 151,476 | 120,067 | 136,547 | 408,090 |
| Premium - Distinct Part Nursing Facility | 1,259 | 1,293 | 1,251 | 3,803 |
| Other | 112 | 114 | 115 | 342 |
| TOTAL MEDICAID - SPD MEMBERS | 38,799,459 | 35,786,816 | 37,530,381 | 112,116,656 |

| | March | Budget | Variance | Year to Date | Budget | Variance |
|---|-------------|-------------|-----------------------|------------------------|-------------|------------------------|
| Physician Services | | | (| | | /\ |
| Primary Care Physician Services | 8,511,088 | 8,126,811 | (384,277) | 25,380,514 | 24,347,277 | (1,033,237) |
| Referral Specialty Services | 26,067,518 | 24,836,958 | (1,230,560) | 75,784,456 | 74,445,860 | (1,338,596) |
| Urgent Care & After Hours Advice | 4,106,619 | 3,808,164 | (298,455) | 12,346,854 | 11,409,518 | (937,336) |
| Hospital Admitting Team | 9,300 | 9,300 | - | 27,000 | 27,000 | - |
| Total Physician Services | 38,694,525 | 36,781,233 | (1,913,292) | 113,538,825 | 110,229,656 | (3,309,169) |
| Other Professional Services | | | | | | |
| Vision Service Capitation | 343,775 | 363,600 | 19,825 | 1,032,155 | 1,089,450 | 57,295 |
| 221 - Business Intelligence | 191,787 | 193,058 | 1,271 | 592,255 | 578,737 | (13,517) |
| 310 - Health Servcies - Utilization Management | 757,294 | 775,574 | 18,279 | 2,346,200 | 2,324,964 | (21,235) |
| 311 - Health Services - Quality Improvement | 220,433 | 286,226 | 65,793 | 747,024 | 858,029 | 111,005 |
| 312 - Health Services Education | 316,293 | 356,563 | 40,270 | 945,109 | 1,068,881 | 123,773 |
| 313 - Pharmacy | 115,447 | 127,943 | 12,496 | 367,698 | 383,540 | 15,841 |
| 314 - Enhanced Care Management | 371,602 | 395,710 | 24,109 | 1,130,923 | 1,186,234 | 55,311 |
| 316 - Population Health Management | 520,999 | 610,870 | 89,871 | 1,616,787 | 1,831,228 | 214,441 |
| 317 - In Lieu of Services | 127,368 | 130,273 | 2,905 | 382,187 | 390,525 | 8,338 |
| 321 - Homeless Management Information Services | 20,283 | 42,588 | 22,305 | 87,656 | 127,668 | 40,013 |
| 330 - Member Services | 1,011,284 | 1,087,650 | 76,366 | 3,121,699 | 3,260,486 | 138,788 |
| 331 - Member Outreach | 82,465 | 252,320 | 169,855 | 244,096 | 756,389 | 512,293 |
| 410 - Member Engagement | 57,455 | 105,621 | 48.167 | 171.720 | 316,625 | 144.905 |
| 601 - Behavioral Health | 140,152 | 177,023 | 36,871 | 457,482 | 530,668 | 73,186 |
| 602 - Quality & Health Equity | 78,678 | 82,153 | 3,474 | 239,734 | 246,272 | 6,538 |
| 604 - Clinical Operations, Strategy, and Analytics | 130,628 | 134,897 | 4,268 | 390,131 | 404,384 | 14,254 |
| 605 - Quality Performance | 160,748 | 186,946 | 26,198 | 457,283 | 560,416 | 103,133 |
| Behavior Health Treatment | | | | | | |
| | 2,493,778 | 2,824,595 | 330,817 | 9,031,363 | 8,463,588 | (567,775) |
| Mental Health Services | 300,821 | 678,392 | 377,571 | 1,781,282 | 2,033,910 | 252,628 |
| Other Professional Services | 2,126,040 | 2,038,779 | (87,261) | 5,875,040 | 6,110,603 | 235,562 |
| Total Other Professional Services | 9,567,330 | 10,850,782 | 1,283,452 | 31,017,823 | 32,522,597 | 1,504,775 |
| Emergency Room | 6,225,711 | 6,794,039 | 568,328 | 20,024,420 | 20,358,929 | 334,509 |
| Inpatient Hospital | 33,213,126 | 33,977,863 | 764,736 | 98,477,222 | 101,865,234 | 3,388,012 |
| Reinsurance Expense Premium | 269,619 | 273,757 | 4,138 | 808,856 | 820,204 | 11,348 |
| Outpatient Hospital | 14,487,044 | 15,425,551 | 938,507 | 46,204,757 | 46,247,952 | 43,195 |
| Other Medical | | | | | | |
| Ambulance and NEMT | 6,724,343 | 5,047,867 | (1,676,476) | 19,780,563 | 15,136,343 | (4,644,220) |
| Home Health Services & CBAS | 1,185,227 | 1,318,876 | 133,648 | 4,352,729 | 3,955,802 | (396,927) |
| Utilization and Quality Review Expenses | 1,665,464 | 1,814,531 | 149,067 | 3,531,754 | 5,439,484 | 1,907,731 |
| Long Term/SNF/Hospice | 9,460,426 | 11,517,477 | 2,057,051 | 30,806,077 | 34,548,912 | 3,742,834 |
| Provider Enhancement Expense - Prop. 56 | 1,805,739 | 1,648,060 | (157,679) | 5,410,107 | 4,441,913 | (968,194) |
| Provider Enhancement Expense - GEMT | 534,888 | 421,205 | (113,683) | 1,604,137 | 1,758,001 | 153,865 |
| Enhanced Care Management | 5,331,279 | 4,317,031 | (1,014,249) | 15,987,304 | 12,940,868 | (3,046,435) |
| Community Support Services | 4,662,690 | - | (4,662,690) | 9,078,278 | - | (9,078,278) |
| Major Organ Transplant | 534,775 | 951,123 | 416,347 | 1,651,819 | 2,851,983 | 1,200,163 |
| Cal AIM Incentive Programs | 390,633 | | (390,633) | 853,648 | - | (853,648) |
| Distinct Part Nursing Facility Expense | 1,251 | - | (1,251) | 3,803 | - | (3,803) |
| DME/Rebates | 1,991,312 | 1,985,018 | (6,294) | 6,289,824 | 5,951,336 | (338,488) |
| Total Other Medical | 34,288,028 | 29,021,188 | (5,266,840) | 99,350,041 | 87,024,643 | (12,325,399) |
| Pay for Performance Quality Incentive | 607,800 | 606,005 | (1,795) | 1,822,779 | 1,815,771 | (7,008) |
| Hospital Directed Payments | 58,943,903 | 24,347,356 | (34,596,547) | 176,821,231 | 72,982,900 | (103,838,332) |
| Hospital Directed Payment Adjustment | 15,484 | 24,347,330 | (15,484) | 105,103,291 | 12,362,300 | (105,103,291) |
| · · · · | | - | | | - | . , , , |
| Non-Claims Expense Adjustment IBNR, Incentive, Paid Claims Adjustment | (3,382,901) | - | 3,382,901 (21,094) | (6,486,815) 658,346 | - | 6,486,815 (658,346) |
| | | | | | | |
| Total Medical Costs | 192,950,763 | 158,077,774 | (34,872,989) | 687,340,775 | 473,867,885 | (213,472,890) |

^{*} MEDICAL COSTS PER DMHC REGULATIONS

KERN HEALTH SYSTEMS

| | March | Budget | Variance | Year to Date | Budget | Variance | | | |
|--|---------|---------|----------|--------------|-----------|-----------|--|--|--|
| TOTAL MEMBERS - MCAL | 405,200 | 404,000 | 1,200 | 1,215,186 | 1,210,500 | 4,686 | | | |
| Physician Services | | | | | | | | | |
| Primary Care Physician Services | 21.00 | 20.12 | (0.89) | 20.89 | 20.11 | (0.77) | | | |
| Referral Specialty Services | 64.33 | 61.48 | (2.85) | 62.36 | 61.50 | (0.86) | | | |
| Urgent Care & After Hours Advice | 10.13 | 9.43 | (0.71) | 10.16 | 9.43 | (0.74) | | | |
| Hospital Admitting Team | 0.02 | 0.02 | 0.00 | 0.02 | 0.02 | 0.00 | | | |
| Total Physician Services | 95.49 | 91.04 | (4.45) | 93.43 | 91.06 | (2.37) | | | |
| Other Professional Services | | • | | | • | | | | |
| Vision Service Capitation | 0.85 | 0.90 | 0.05 | 0.85 | 0.90 | 0.05 | | | |
| 221 - Business Intelligence | 0.47 | 0.48 | 0.00 | 0.49 | 0.48 | (0.01) | | | |
| 310 - Health Servcies - Utilization Management | 1.87 | 1.92 | 0.05 | 1.93 | 1.92 | (0.01) | | | |
| 311 - Health Services - Quality Improvement | 0.54 | 0.71 | 0.16 | 0.61 | 0.71 | 0.09 | | | |
| 312 - Health Services Education | 0.78 | 0.88 | 0.10 | 0.78 | 0.88 | 0.11 | | | |
| 313 - Pharmacy | 0.28 | 0.32 | 0.03 | 0.30 | 0.32 | 0.01 | | | |
| 314 - Enhanced Care Management | 0.92 | 0.98 | 0.06 | 0.93 | 0.98 | 0.05 | | | |
| 316 - Population Health Management | 1.29 | 1.51 | 0.23 | 1.33 | 1.51 | 0.18 | | | |
| 317 - In Lieu of Services | 0.31 | 0.32 | 0.01 | 0.31 | 0.32 | 0.01 | | | |
| 321 - Homeless Management Information Services | 0.05 | 0.11 | 0.06 | 0.07 | 0.11 | 0.03 | | | |
| 330 - Member Services | 2.50 | 2.69 | 0.20 | 2.57 | 2.69 | 0.12 | | | |
| 331 - Member Outreach | 0.20 | 0.62 | 0.42 | 0.20 | 0.62 | 0.42 | | | |
| 410 - Member Engagement | 0.14 | 0.26 | 0.12 | 0.14 | 0.26 | 0.12 | | | |
| 601 - Behavioral Health | 0.35 | 0.44 | 0.09 | 0.38 | 0.44 | 0.06 | | | |
| 602 - Quality & Health Equity | 0.19 | 0.20 | 0.01 | 0.20 | 0.20 | 0.01 | | | |
| 604 - Clinical Operations, Strategy, and Analytics | 0.32 | 0.33 | 0.01 | 0.32 | 0.33 | 0.01 | | | |
| 605 - Quality Performance | 0.40 | 0.46 | 0.07 | 0.38 | 0.46 | 0.09 | | | |
| Behavior Health Treatment | 6.15 | 6.99 | 0.84 | 7.43 | 6.99 | (0.44) | | | |
| Mental Health Services | 0.74 | 1.68 | 0.94 | 1.47 | 1.68 | 0.21 | | | |
| Other Professional Services | 5.25 | 5.05 | (0.20) | 4.83 | 5.05 | 0.21 | | | |
| Total Other Professional Services | 23.61 | 26.86 | 3.25 | 25.53 | 26.87 | 1.34 | | | |
| Emergency Room | 15.36 | 16.82 | 1.45 | 16.48 | 16.82 | 0.34 | | | |
| Inpatient Hospital | 81.97 | 84.10 | 2.14 | 81.04 | 84.15 | 3.11 | | | |
| Reinsurance Expense Premium | 0.67 | 0.68 | 0.01 | 0.67 | 0.68 | 0.01 | | | |
| Outpatient Hospital | 35.75 | 38.18 | 2.43 | 38.02 | 38.21 | 0.18 | | | |
| Other Medical | | | | L. | \!\- | | | | |
| Ambulance and NEMT | 16.60 | 12.49 | (4.10) | 16.28 | 12.50 | (3.77) | | | |
| Home Health Services & CBAS | 2.93 | 3.26 | 0.34 | 3.58 | 3.27 | (0.31) | | | |
| Utilization and Quality Review Expenses | 4.11 | 4.49 | 0.38 | 2.91 | 4.49 | 1.59 | | | |
| Long Term/SNF/Hospice | 23.35 | 28.51 | 5.16 | 25.35 | 28.54 | 3.19 | | | |
| Provider Enhancement Expense - Prop. 56 | 4.46 | 4.08 | (0.38) | 4.45 | 3.67 | (0.78) | | | |
| Provider Enhancement Expense - GEMT | 1.32 | 1.04 | (0.28) | 1.32 | 1.45 | 0.13 | | | |
| Enhanced Care Management | 13.16 | 10.69 | (2.47) | 13.16 | 10.69 | (2.47) | | | |
| Community Support Services | 11.51 | 10.05 | (11.51) | 7.47 | 10.03 | (7.47) | | | |
| Major Organ Transplant | 1.32 | 2.35 | 1.03 | 1.36 | 2.36 | 1.00 | | | |
| Cal AIM Incentive Programs | 0.96 | - | (0.96) | 0.70 | | (0.70) | | | |
| Distinct Part Nursing Facility Expense | 0.00 | - | (0.00) | 0.00 | - | (0.00) | | | |
| DME/Rebates | 4.91 | 4.91 | (0.00) | 5.18 | 4.92 | (0.26) | | | |
| Total Other Medical | 84.62 | 71.83 | (12.79) | 81.76 | 71.89 | (9.87) | | | |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 0.00 | 1.50 | 1.50 | 0.00 | | | |
| Hospital Directed Payments | 145.47 | 60.27 | (85.20) | 145.51 | 60.29 | (85.22) | | | |
| Hospital Directed Payment Adjustment | 0.04 | - | (0.04) | 86.49 | - | (86.49) | | | |
| Non-Claims Expense Adjustment | (8.35) | - | 8.35 | (5.34) | - | 5.34 | | | |
| IBNR, Incentive, Paid Claims Adjustment | 0.05 | | (0.05) | 0.54 | | (0.54) | | | |
| Total Medical Costs | 476.19 | 391.28 | (84.90) | 565.63 | 391.46 | (174.16) | | | |
| | | | (230) | | | (=: 1120) | | | |



| | January | February | March | Year to Date |
|--|-------------|-------------|-------------|--------------|
| Physician Services | | | | |
| Primary Care Physician Services | 6,633,777 | 10,235,649 | 8,511,088 | 25,380,514 |
| Referral Specialty Services | 25,541,006 | 24,175,932 | 26,067,518 | 75,784,456 |
| Urgent Care & After Hours Advice | 3,948,407 | 4,291,828 | 4,106,619 | 12,346,854 |
| Hospital Admitting Team | 9,300 | 8,400 | 9,300 | 27,000 |
| Total Physician Services | 36,132,491 | 38,711,809 | 38,694,525 | 113,538,825 |
| Other Professional Services | | | | |
| Vision Service Capitation | 344,606 | 343,774 | 343,775 | 1,032,155 |
| 221 - Business Intelligence | 211,963 | 188,504 | 191,787 | 592,255 |
| 310 - Health Servcies - Utilization Management | 826,640 | 762,266 | 757,294 | 2,346,200 |
| 311 - Health Services - Quality Improvement | 306,121 | 220,471 | 220,433 | 747,024 |
| 312 - Health Services Education | 321,705 | 307,110 | 316,293 | 945,109 |
| 313 - Pharmacy | 140,301 | 111,951 | 115,447 | 367,698 |
| 314 - Enhanced Care Management | 411,824 | 347,498 | 371,602 | 1,130,923 |
| 316 - Population Health Management | 593,720 | 502,067 | 520,999 | 1,616,787 |
| 317 - In Lieu of Services | 134,223 | 120,595 | 127,368 | 382,187 |
| 321 - Homeless Management Information Services | 44,251 | 23,122 | 20,283 | 87,656 |
| 330 - Member Services | 1,080,746 | 1,029,669 | 1,011,284 | 3,121,699 |
| 410 - Member Engagement | 59,841 | 54,424 | 57,455 | 171,720 |
| 601 - Behavioral Health | 170,807 | 146,523 | 140,152 | 457,482 |
| 602 - Quality & Health Equity | 82,237 | 78,819 | 78,678 | 239,734 |
| 604 - Clinical Operations, Strategy, and Analytics | 142,213 | 117,289 | 130,628 | 390,131 |
| 605 - Quality Performance | 154,331 | 142,203 | 160,748 | 457,283 |
| Behavior Health Treatment | 3,181,908 | 3,355,677 | 2,493,778 | 9,031,363 |
| Mental Health Services | 974,251 | 506,210 | 300,821 | 1,781,282 |
| Other Professional Services | 2,180,697 | 1,568,304 | 2,126,040 | 5,875,040 |
| Total Other Professional Services | 11,445,798 | 10,004,694 | 9,567,330 | 31,017,823 |
| | | | | |
| Emergency Room | 7,289,728 | 6,508,981 | 6,225,711 | 20,024,420 |
| Inpatient Hospital | 33,857,875 | 31,406,220 | 33,213,126 | 98,477,222 |
| Reinsurance Expense Premium | 269,619 | 269,619 | 269,619 | 808,856 |
| Outpatient Hospital | 16,019,765 | 15,697,949 | 14,487,044 | 46,204,757 |
| Other Medical | | | | |
| Ambulance and NEMT | 5,965,805 | 7,090,416 | 6,724,343 | 19,780,563 |
| Home Health Services & CBAS | 1,636,266 | 1,531,236 | 1,185,227 | 4,352,729 |
| Utilization and Quality Review Expenses | 936,126 | 930,163 | 1,665,464 | 3,531,754 |
| Long Term/SNF/Hospice | 10,523,545 | 10,822,106 | 9,460,426 | 30,806,077 |
| Provider Enhancement Expense - Prop. 56 | 1,801,039 | 1,803,328 | 1,805,739 | 5,410,107 |
| Provider Enhancement Expense - GEMT | 549,430 | 519,819 | 534,888 | 1,604,137 |
| Enhanced Care Management | 5,134,027 | 5,521,997 | 5,331,279 | 15,987,304 |
| Community Support Services | 590,845 | 3,824,743 | 4,662,690 | 9,078,278 |
| Major Organ Transplant | 542,452 | 574,592 | 534,775 | 1,651,819 |
| Cal AIM Incentive Programs | 275,000 | 188,015 | 390,633 | 853,648 |
| Distinct Part Nursing Facility Expense | 1,259 | 1,293 | 1,251 | 3,803 |
| DME/Rebates | 2,339,823 | 1,958,689 | 1,991,312 | 6,289,824 |
| Total Other Medical | 30,295,617 | 34,766,397 | 34,288,028 | 99,350,041 |
| Pay for Performance Quality Incentive | 606,662 | 608,318 | 607,800 | 1,822,779 |
| Hospital Directed Payments | 59,831,392 | 58,045,936 | 58,943,903 | 176,821,231 |
| Hospital Directed Payment Adjustment | 103,134,648 | 1,953,159 | 15,484 | 105,103,291 |
| Non-Claims Expense Adjustment | (350,170) | (2,753,743) | (3,382,901) | (6,486,815) |
| IBNR, Incentive, Paid Claims Adjustment | 388,615 | 248,637 | 21,094 | 658,346 |
| Total Medical Costs | 298,922,038 | 195,467,975 | 192,950,763 | 687,340,775 |
| i otal ivieultal costs | 230,322,038 | 133,407,373 | 192,330,703 | 007,340,773 |

^{*} MEDICAL COSTS PER DMHC REGULATIONS

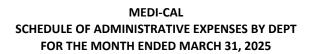


| Primary Care Physician Services 16.40 25.24 21.00 20.8 16.31 5.96.1 64.31 10 | | January | February | March | Year to Date |
|--|--|---------|----------|--------|--------------|
| Referral Specialty Services 9.76 10.58 10.13 10.11 Hospital Admitting Team 0.02 0.02 0.02 0.02 0.02 Hospital Admitting Team 0.02 0.02 0.02 0.02 0.02 Other Professional Services 0.08 0.08 0.08 0.08 Other Professional Services 0.08 0 | Physician Services | | | | |
| Urgent Care & After Hours Advice 9.76 10.58 10.13 10.14 Hospital Admitting Team 0.02 | Primary Care Physician Services | 16.40 | 25.24 | 21.00 | 20.89 |
| Hospital Admitting Team | , , | | | | 62.36 |
| Total Physician Services 83.34 95.46 95.49 | | | | | 10.16 |
| Other Professional Services 0.85 | Hospital Admitting Team | 0.02 | 0.02 | 0.02 | 0.02 |
| Vision Service Capitation | Total Physician Services | 89.34 | 95.46 | 95.49 | 93.43 |
| 221 - Business Intelligence 0.52 0.46 0.47 1.48 1.87 1.91 | Other Professional Services | | | | |
| 1311 | Vision Service Capitation | 0.85 | 0.85 | 0.85 | 0.85 |
| 1311 - Health Services - Quality Improvement 0.76 0.54 0.54 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0.77 0.78 0. | 221 - Business Intelligence | 0.52 | 0.46 | 0.47 | 0.49 |
| 1312 - Health Services Education 0.90 0.76 0.78 0.31 0.32 0.28 0.38 0.31 0.35 0.22 0.28 0.33 0.31 - Enhanced Care Management 1.02 0.86 0.92 0.93 0.31 0.32 0 | 310 - Health Servcies - Utilization Management | 2.04 | 1.88 | 1.87 | 1.93 |
| 1313 - Pharmacy | 311 - Health Services - Quality Improvement | 0.76 | 0.54 | 0.54 | 0.61 |
| 1314 - Enhanced Care Management | 312 - Health Services Education | 0.80 | 0.76 | 0.78 | 0.78 |
| 1.67 1.24 1.29 1.33 1.317 1.124 1.29 1.33 1.317 1.124 1.29 1.33 1.317 1.124 1.29 1.33 1.317 1.124 1.29 1.33 1.30 1.30 1.30 1.33 1.30 1.33 1.30 1.33 1.30 1.33 1.30 1.33 1.34 1.33 1.34 1.34 1.34 1.34 1.35 | 313 - Pharmacy | 0.35 | 0.28 | 0.28 | 0.30 |
| 1317 - In Lieu of Services 0.33 0.30 0.31 0.33 0.30 0.31 0.33 0.30 0.31 0.33 0.30 0.31 0.32 0.32 0.32 0.32 0.32 0.35 0.33 0.35 0.35 0.33 0.35 0.32 0.32 0.32 0.32 0.32 0.32 0.33 0.35 0.39 0.32 0.32 0.33 0.35 0.39 0.32 | 314 - Enhanced Care Management | 1.02 | 0.86 | 0.92 | 0.93 |
| 130 - Member Services 2.67 2.54 2.50 2.51 410 - Member Engagement 0.15 0.13 0.14 0.14 0.15 0.13 0.14 0.15 0.13 0.14 0.15 0.15 0.13 0.14 0.15 0.15 0.13 0.14 0.15 | 316 - Population Health Management | 1.47 | 1.24 | 1.29 | 1.33 |
| 10 10 10 10 10 10 10 10 | 317 - In Lieu of Services | 0.33 | 0.30 | 0.31 | 0.31 |
| E01 - Behavioral Health 0.42 0.36 0.35 0.35 0.602 - Quality & Health Equity 0.20 0.19 0.19 0.19 0.20 0.32 0.32 0.32 0.32 0.35 0.40 0.32 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.33 0.35 0.40 0.34 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.35 0.40 0.35 0.3 | 330 - Member Services | 2.67 | 2.54 | 2.50 | 2.57 |
| Color Colo | 410 - Member Engagement | 0.15 | 0.13 | 0.14 | 0.14 |
| Consideration Consideratio | 601 - Behavioral Health | 0.42 | 0.36 | 0.35 | 0.38 |
| 605 - Quality Performance 0.38 0.35 0.40 0.33 0.36 0.40 0.33 0.35 0.40 0.35 | 602 - Quality & Health Equity | 0.20 | 0.19 | 0.19 | 0.20 |
| Behavior Health Treatment 7.87 8.27 6.15 7.48 | 604 - Clinical Operations, Strategy, and Analytics | 0.35 | 0.29 | 0.32 | 0.32 |
| Mental Health Services | 605 - Quality Performance | 0.38 | 0.35 | 0.40 | 0.38 |
| Total Other Professional Services | Behavior Health Treatment | 7.87 | 8.27 | 6.15 | 7.43 |
| Total Other Professional Services 28.30 24.67 23.61 25.52 | Mental Health Services | 2.41 | 1.25 | 0.74 | 1.47 |
| Emergency Room | Other Professional Services | 5.39 | 3.87 | 5.25 | 4.83 |
| Inpatient Hospital 83.72 77.44 81.97 81.00 Reinsurance Expense Premium 0.67 0.66 0.67 0.67 0.66 0.67 0.67 0.67 0.66 0.67 0 | Total Other Professional Services | 28.30 | 24.67 | 23.61 | 25.53 |
| Reinsurance Expense Premium 0.67 0.66 0.66 0.66 0.66 0.66 0.66 0.66 0.66 0.67 0.66 | Emergency Room | 18.02 | 16.05 | 15.36 | 16.48 |
| Outpatient Hospital 39.61 38.71 35.75 38.00 | Inpatient Hospital | 83.72 | 77.44 | 81.97 | 81.04 |
| Ambulance and NEMT | Reinsurance Expense Premium | 0.67 | 0.66 | 0.67 | 0.67 |
| Ambulance and NEMT | Outpatient Hospital | 39.61 | 38.71 | 35.75 | 38.02 |
| Home Health Services & CBAS 4.05 3.78 2.93 3.55 Utilization and Quality Review Expenses 2.31 2.29 4.11 2.95 Long Term/SNF/Hospice 26.02 26.69 23.35 25.33 Provider Enhancement Expense - Prop. 56 4.45 4.45 4.46 Provider Enhancement Expense - GEMT 1.36 1.28 1.32 1.32 Enhanced Care Management 12.69 13.62 13.16 13.16 Community Support Services 1.46 9.43 11.51 7.44 Major Organ Transplant 1.34 1.42 1.32 1.33 Cal AlM Incentive Programs 0.68 0.46 0.96 0.77 Distinct Part Nursing Facility Expense 0.00 0.00 0.00 DME/Rebates 5.79 4.83 4.91 5.11 Total Other Medical 74.91 85.73 84.62 Pay for Performance Quality Incentive 1.50 1.50 1.50 Risk Corridor Expense | Other Medical | | | | |
| Utilization and Quality Review Expenses 2.31 2.29 4.11 2.95 | Ambulance and NEMT | 14.75 | 17.48 | 16.60 | 16.28 |
| Long Term/SNF/Hospice 26.02 26.69 23.35 25.3 | Home Health Services & CBAS | 4.05 | 3.78 | 2.93 | 3.58 |
| Provider Enhancement Expense - Prop. 56 | Utilization and Quality Review Expenses | 2.31 | 2.29 | 4.11 | 2.91 |
| Provider Enhancement Expense - GEMT | Long Term/SNF/Hospice | 26.02 | 26.69 | 23.35 | 25.35 |
| Enhanced Care Management 12.69 13.62 13.16 13.16 Community Support Services 1.46 9.43 11.51 7.47 Major Organ Transplant 1.34 1.42 1.32 1.32 Cal AIM Incentive Programs 0.68 0.46 0.96 0.76 Distinct Part Nursing Facility Expense 0.00 0.00 0.00 0.00 DME/Rebates 5.79 4.83 4.91 5.14 Total Other Medical 74.91 85.73 84.62 81.76 Pay for Performance Quality Incentive 1.50 1.50 1.50 1.50 Risk Corridor Expense - - - - - - Hospital Directed Payments 147.94 143.13 145.47 145.57 Hospital Directed Payment Adjustment 255.01 4.82 0.04 86.44 Non-Claims Expense Adjustment 0.96 0.61 0.05 0.56 IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 0.56 | Provider Enhancement Expense - Prop. 56 | 4.45 | 4.45 | 4.46 | 4.45 |
| Community Support Services 1.46 9.43 11.51 7.45 Major Organ Transplant 1.34 1.42 1.32 1.34 Cal AIM Incentive Programs 0.68 0.46 0.96 0.76 Distinct Part Nursing Facility Expense 0.00 0.00 0.00 0.00 DME/Rebates 5.79 4.83 4.91 5.18 Total Other Medical 74.91 85.73 84.62 81.76 Pay for Performance Quality Incentive 1.50 1.50 1.50 Risk Corridor Expense - - - - Hospital Directed Payments 147.94 143.13 145.47 145.57 Hospital Directed Payment Adjustment 255.01 4.82 0.04 86.49 Non-Claims Expense Adjustment (0.87) (6.79) (8.35) (5.34 IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 0.56 | Provider Enhancement Expense - GEMT | 1.36 | 1.28 | 1.32 | 1.32 |
| Major Organ Transplant 1.34 1.42 1.32 1.34 Cal AIM Incentive Programs 0.68 0.46 0.96 0.76 Distinct Part Nursing Facility Expense 0.00 0.00 0.00 0.00 DME/Rebates 5.79 4.83 4.91 5.18 Total Other Medical 74.91 85.73 84.62 81.76 Pay for Performance Quality Incentive 1.50 1.50 1.50 Risk Corridor Expense - - - - - Hospital Directed Payments 147.94 143.13 145.47 145.53 Hospital Directed Payment Adjustment 255.01 4.82 0.04 86.49 Non-Claims Expense Adjustment (0.87) (6.79) (8.35) (5.34 IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 0.54 | Enhanced Care Management | 12.69 | 13.62 | 13.16 | 13.16 |
| Cal AIM Incentive Programs 0.68 0.46 0.96 0.76 Distinct Part Nursing Facility Expense 0.00 0.00 0.00 0.00 DME/Rebates 5.79 4.83 4.91 5.19 Total Other Medical 74.91 85.73 84.62 81.76 Pay for Performance Quality Incentive 1.50 1.50 1.50 Risk Corridor Expense - - - - Hospital Directed Payments 147.94 143.13 145.47 145.53 Hospital Directed Payment Adjustment 255.01 4.82 0.04 86.49 Non-Claims Expense Adjustment (0.87) (6.79) (8.35) (5.34 IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 0.54 | | 1.46 | 9.43 | 11.51 | 7.47 |
| Distinct Part Nursing Facility Expense 0.00 0.00 0.00 0.00 | Major Organ Transplant | 1.34 | 1.42 | 1.32 | 1.36 |
| DME/Rebates 5.79 4.83 4.91 5.11 Total Other Medical 74.91 85.73 84.62 81.70 Pay for Performance Quality Incentive 1.50 1.50 1.50 Risk Corridor Expense - - - - Hospital Directed Payments 147.94 143.13 145.47 145.53 Hospital Directed Payment Adjustment 255.01 4.82 0.04 86.49 Non-Claims Expense Adjustment (0.87) (6.79) (8.35) (5.34 IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 0.54 | Cal AIM Incentive Programs | 0.68 | 0.46 | 0.96 | 0.70 |
| Total Other Medical 74.91 85.73 84.62 81.70 Pay for Performance Quality Incentive 1.50 1.50 1.50 1.50 Risk Corridor Expense -< | Distinct Part Nursing Facility Expense | 0.00 | 0.00 | 0.00 | 0.00 |
| Pay for Performance Quality Incentive 1.50 1.50 1.50 Risk Corridor Expense - - - - Hospital Directed Payments 147.94 143.13 145.47 145.53 Hospital Directed Payment Adjustment 255.01 4.82 0.04 86.49 Non-Claims Expense Adjustment (0.87) (6.79) (8.35) (5.34 IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 0.54 | DME/Rebates | 5.79 | 4.83 | 4.91 | 5.18 |
| Risk Corridor Expense - - - Hospital Directed Payments 147.94 143.13 145.47 145.55 Hospital Directed Payment Adjustment 255.01 4.82 0.04 86.49 Non-Claims Expense Adjustment (0.87) (6.79) (8.35) (5.34 IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 0.54 | Total Other Medical | 74.91 | 85.73 | 84.62 | 81.76 |
| Hospital Directed Payments 147.94 143.13 145.47 145.55 Hospital Directed Payment Adjustment 255.01 4.82 0.04 86.49 Non-Claims Expense Adjustment (0.87) (6.79) (8.35) (5.34 IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 0.54 | Pay for Performance Quality Incentive | 1.50 | 1.50 | 1.50 | 1.50 |
| Hospital Directed Payment Adjustment 255.01 4.82 0.04 86.49 Non-Claims Expense Adjustment (0.87) (6.79) (8.35) (5.34) IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 0.54 | Risk Corridor Expense | - | - | - | - |
| Non-Claims Expense Adjustment (0.87) (6.79) (8.35) IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 | Hospital Directed Payments | 147.94 | 143.13 | 145.47 | 145.51 |
| Non-Claims Expense Adjustment (0.87) (6.79) (8.35) IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 | Hospital Directed Payment Adjustment | 255.01 | 4.82 | 0.04 | 86.49 |
| IBNR, Incentive, Paid Claims Adjustment 0.96 0.61 0.05 | | (0.87) | (6.79) | (8.35) | (5.34) |
| Total Medical Costs | IBNR, Incentive, Paid Claims Adjustment | 0.96 | 0.61 | 0.05 | 0.54 |
| 10tal Medical Costs /39.10 481.99 4/6.19 565.69 | Total Medical Costs | 739.10 | 481.99 | 476.19 | 565.63 |



MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED MARCH 31, 2025

| | | | | | | - |
|--|-----------|---------------------|----------------|--------------|------------|-------------|
| | | AAEDI CA | | | _ | |
| | | MEDI-CA | - | _ | B | CERN HEALTH |
| | | JLE OF ADMINISTRATI | | Γ | | SYSTEMS |
| | FO | R THE MONTH ENDED | MARCH 31, 2025 | | | |
| | March | Budget | Variance | Year to Date | Budget | Variance |
| 110 - Executive | 564,215 | 650,390 | 86,176 | 1,699,972 | 1,951,171 | 251,199 |
| 112 - Government Relations | 53,593 | 62,942 | 9,349 | 172,361 | 188,826 | 16,465 |
| 210 - Accounting | 370,641 | 370,068 | (573) | 1,014,540 | 1,110,203 | 95,662 |
| 220 - Management Information Systems (MIS) | 322,843 | 508,775 | 185,932 | 960,704 | 1,526,324 | 565,620 |
| 221 - Business Intelligence | 445,959 | 246,484 | (199,475) | 1,067,783 | 739,452 | (328,331) |
| 222 - MIS Development | 481,800 | 515,722 | 33,923 | 1,211,504 | 1,547,167 | 335,663 |
| 223 - Enterprise Configuration | 205,373 | 321,789 | 116,416 | 627,938 | 965,367 | 337,429 |
| 224 - Cyber Security | 39,996 | 43,744 | 3,747 | 123,141 | 131,231 | 8,090 |
| 225 - Infrastructure | 845,020 | 1,140,153 | 295,133 | 2,257,318 | 3,420,458 | 1,163,141 |
| 26 - Technical Administrative Services | 67,549 | 94,102 | 26,554 | 202,435 | 282,307 | 79,872 |
| 30 - Claims | 941,807 | 823,337 | (118,471) | 2,813,086 | 2,470,011 | (343,075) |
| 40 - Project Development | 220,963 | 216,007 | (4,956) | 672,463 | 648,021 | (24,443) |
| 10 - Health Services - Utilization Management | 40,446 | 50,148 | 9,702 | 123,005 | 150,443 | 27,438 |
| 11 - Health Services - Quality Improvement | 7,052 | 11,596 | 4,544 | 23,899 | 34,787 | 10,888 |
| 12 - Health Services - Education | · - | 648 | 648 | | 1,945 | 1,945 |
| 13 - Pharmacy | 10,500 | 11,450 | 950 | 31,795 | 34,350 | 2,555 |
| 14 - Enhanced Care Management | 20,337 | 22,583 | 2,246 | 83,871 | 67,748 | (16,123) |
| 16 - Population Health Management | | 2,454 | 2,454 | 103 | 7,362 | 7,260 |
| 217 - Community Support Services | 883 | 3,150 | 2,267 | 883 | 9,451 | 8,568 |
| 320 - Provider Network Management | 285,138 | 326,776 | 41,638 | 856,981 | 980.329 | 123,348 |
| 21 - Homeless Management Information Services | 54 | 1,854 | 1,800 | 127 | 5,562 | 5,435 |
| 22 - Delegation & Oversight | 26,376 | 30,422 | 4.046 | 78,283 | 91,265 | 12,982 |
| 30 - Member Services | 118,453 | 229,310 | 110,857 | 521,548 | 687,930 | 166,382 |
| 440 - Corporate Services | 851,850 | 1,128,044 | 276,194 | 2,617,999 | 3,384,133 | 766,135 |
| 60 - Audit & Investigative Services | 269,614 | 306,189 | 36,575 | 894,474 | 918,567 | 24,093 |
| 10 - Member Engagement | 64,681 | 62,873 | (1,808) | 195,011 | 188,620 | (6,391) |
| 20 - Sales/Marketing/Public Relations | 228,233 | 329,532 | 101,298 | 594,364 | 988,595 | 394,231 |
| 10 - Human Resourses | 475,133 | 460,498 | (14,635) | 1,519,926 | 1,381,493 | (138,433) |
| 20 - Legal | 142,724 | 122,824 | (19,900) | 278,854 | 368,471 | 89,617 |
| 01 - Behavioral Health | , | 3,350 | 3,350 | 507 | 10,050 | 9,543 |
| 02 - Quality & Health Equity | 10,083 | 35,573 | 25,490 | 30,644 | 106,719 | 76,075 |
| 04 - Clinical Operations, Strategy & Analytics | 32 | 662 | 630 | 32 | 1,987 | 1,955 |
| 05 - Quality Performance | 198,076 | 116,048 | (82,028) | 590,255 | 348,145 | (242,110) |
| Administrative Expense Adjustment | 375,177 | 200,000 | (175,177) | 776,919 | 600,000 | (176,919) |
| Total Administrative Expenses | 7,684,602 | 8,449,496 | 764,894 | 22,042,724 | 25,348,490 | 3,305,765 |





| | January | February | March |
|---|-----------|-----------|-----------|
| 110 - Executive | 682,639 | 453,118 | 564,215 |
| 112 - Government Relations | 64,745 | 54,023 | 53,593 |
| 210 - Accounting | 373,730 | 270,170 | 370,641 |
| 220 - Management Information Systems (MIS) | 354,906 | 282,955 | 322,843 |
| 221 - Business Intelligence | 288,258 | 333,566 | 445,959 |
| 222 - MIS Development | 390,138 | 339,566 | 481,800 |
| 223 - Enterprise Configuration | 233,790 | 188,775 | 205,373 |
| 224 - Cyber Security | 31,621 | 51,523 | 39,996 |
| 225 - Infrastructure | 767,910 | 644,388 | 845,020 |
| 226 - Technical Administrative Services | 70,628 | 64,258 | 67,549 |
| 230 - Claims | 885,033 | 986,246 | 941,807 |
| 240 - Project Development | 214,035 | 237,465 | 220,963 |
| 310 - Health Services - Utilization Management | 30,019 | 52,541 | 40,446 |
| 311 - Health Services - Quality Improvement | (15,100) | 31,947 | 7,052 |
| 313 - Pharmacy | 10,795 | 10,500 | 10,500 |
| 314 - Enhanced Care Management | 18,954 | 44,579 | 20,337 |
| 316 - Population Health Management | 103 | - | - |
| 317 - Community Support Services | - | - | 883 |
| 320 - Provider Network Management | 297,212 | 274,630 | 285,138 |
| 322 - Delegation & Oversight | 50,538 | 1,369 | 26,376 |
| 330 - Member Services | 174,446 | 228,649 | 118,453 |
| 340 - Corporate Services | 1,085,693 | 680,455 | 851,850 |
| 360 - Audit & Investigative Services | 286,424 | 338,436 | 269,614 |
| 410 - Member Engagement | 67,809 | 62,520 | 64,681 |
| 420 - Sales/Marketing/Public Relations | 139,774 | 226,357 | 228,233 |
| 510 - Human Resourses | 727,474 | 317,319 | 475,133 |
| 520 - Legal | 35,231 | 100,899 | 142,724 |
| 601 - Behavioral Health | 307 | 200 | - |
| 602 - Quality & Health Equity | 10,624 | 9,938 | 10,083 |
| 604 - Clinical Operations, Strategy & Analytics | - | - | 32 |
| 605 - Quality Performance | 212,721 | 179,458 | 198,076 |
| Administrative Expense Adjustment | 202,969 | 198,773 | 375,177 |
| Total Administrative Expenses | 7,693,499 | 6,664,623 | 7,684,602 |

| TOTALS |
|------------|
| 1,699,972 |
| 172,361 |
| 1,014,540 |
| 960,704 |
| 1,067,783 |
| 1,211,504 |
| 627,938 |
| 123,141 |
| 2,257,318 |
| 202,435 |
| 2,813,086 |
| 672,463 |
| 123,005 |
| 23,899 |
| 31,795 |
| 83,871 |
| 103 |
| 883 |
| 856,981 |
| 78,283 |
| 521,548 |
| 2,617,999 |
| 894,474 |
| 195,011 |
| 594,364 |
| 1,519,926 |
| 278,854 |
| 507 |
| 30,644 |
| 32 |
| 590,255 |
| 776,919 |
| 22,042,724 |
| |



KHS - GROUP HEALTH PLAN STATEMENT OF NET POSITION AS OF MARCH 31, 2025

| | | | Increase/ |
|--|------------|---------------|------------|
| ASSETS | March 2025 | February 2025 | (Decrease) |
| Cash and Cash Equivalents | 1,246,986 | 1,245,481 | 1,505 |
| Interest Receivable | 13,672 | 9,400 | 4,272 |
| Other Receivable | 125 | 125 | - |
| Total Current Assets | 1,260,783 | 1,255,006 | 5,777 |
| CURRENT LIABILITIES | | | |
| Other Liabilities | - | - | - |
| Total Current Liabilities | - | - | - |
| NET POSITION: | | | |
| Net Position at Beginning of Year | 1,245,606 | 1,245,606 | - |
| Increase (Decrease) in Net Position - Current Year | 15,177 | 9,400 | 5,777 |
| Total Net Position | 1,260,783 | 1,255,006 | 5,777 |
| TOTAL LIABILITIES AND NET POSITION | 1,260,783 | 1,255,006 | 5,777 |

KHS - GROUP HEALTH PLAN STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION



FOR THE MONTH ENDED MARCH 31, 2025

| | March | Budget | Variance | Year to Date | Budget | Variance |
|--|-------|--------|----------|--------------|--------|----------|
| REVENUES | | | | | | - |
| Premium | - | - | - | - | - | - |
| Interest | 4,272 | - | 4,272 | 13,672 | - | 13,672 |
| Other Investment Income | 1,505 | - | 1,505 | 1,505 | - | 1,505 |
| Total Revenues | 5,777 | -] | 5,777 | 15,177 | - | 15,177 |
| EXPENSES MEDICAL COSTS | | | | | | |
| IBNR and Paid Claims Adjustment | - | - | - | - | - | - |
| Total Medical Costs | - | - | - | - | - | - |
| GROSS MARGIN | 5,777 | - | 5,777 | 15,177 | - | 15,177 |
| ADMINISTRATIVE COSTS | | | | | | |
| Management Fee Expense and Other Admin Exp | - | - | - | - | - | - |
| Total Administrative Expenses | - | - | - | - | - | - |
| TOTAL EXPENSES | - | - | - | - | - | - |
| OPERATING INCOME (LOSS) BEFORE TAX | 5,777 | - | 5,777 | 15,177 | - | 15,177 |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | |
| Total Non-Operating Revenue (Expense) | - | - | - | - | - | - |
| NET INCREASE (DECREASE) IN NET POSITION | 5,777 | - | 5,777 | 15,177 | - | 15,177 |
| MEDICAL LOSS RATIO | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| ADMINISTRATIVE EXPENSE RATIO | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |



KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

| MONTHET MEMBERS SOON | | | | | | | | | | | | | |
|----------------------------------|-------------|---------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2025 MEMBER | | | | | | | | | | | | |
| MEDI-CAL | MONTHS | JAN'25 | FEB'25 | MAR'25 | APR'25 | MAY'25 | JUN'25 | JUL'25 | AUG'25 | SEP'25 | OCT'25 | NOV'25 | DEC'25 |
| ADULT AND FAMILY | | | | | | | | | | | | | |
| ADULT (SEE COMMENT) | 223,518 | 74,604 | 74,605 | 74,309 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CHILD | 502,775 | 167,252 | 167,669 | 167,854 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB-TOTAL ADULT & FAMILY | 726,293 | 241,856 | 242,274 | 242,163 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER MEMBERS | | | | | | | | | | | | | |
| FULL DUALS - FAMILY | 1,637 | 566 | 526 | 545 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FULL DUALS - CHILD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUBTOTAL OTHER MEMBERS | 78,034 | 566 | 526 | 545 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL FAMILY | 804,327 | 242,422 | 242,800 | 242,708 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPD MEMBERS | | | | | | | | | | | | | |
| SPD (AGED AND DISABLED) | 62,615 | 23,226 | 18,391 | 20,998 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER MEMBERS | | | | | | | | | | | | | |
| BCCTP - TABACCO SETTLEMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FULL DUALS - BCCTP | 5 | 2 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPD FULL DUALS | 76,392 | 23,272 | 27,695 | 25,425 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EXPANDION FULL DUALS | 1,021 | 366 | 333 | 322 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LONG TERM CARE (LTC) | | | | | | | | | | | | | |
| LTC | 154 | 48 | 52 | 54 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LTC DUALS | 1,394 | 465 | 467 | 462 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL LTC | 1,548 | 513 | 519 | 516 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SPD | 141,581 | 47,379 | 46,939 | 47,263 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ACA OE - MEDI-CAL OPTIONAL EXPAN | ISION | | | | | | | | | | | | |
| ACA Expansion Adult-Citizen | 345,675 | 114,640 | 115,806 | 115,229 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EXPANSION | 345,675 | 114,640 | 115,806 | 115,229 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CLASSIC MEMBERS | 866,942 | 404,441 | 405,545 | 405,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | |
| GRAND TOTAL | 1,214,165 | 404,441 | 405,545 | 405,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Robert Landis, Chief Financial Officer

SUBJECT: April 2025 Financial Results

DATE: June 19, 2025

The April results reflect a \$1.5 million Net Increase in Net Position which is a \$.6 million unfavorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$38.9 million favorable variance primarily due to:
 - A) \$2.7 million unfavorable variance in SPD Premium Revenues primarily due to California becoming a Medicare Part A Buy-In State effective January 1, 2025. Qualifying Medi-Cal members, who are enrolled in Medicare Part B only, were automatically enrolled into Medicare Part A Buy-In by the Department of Health Care Services ("DHCS"). The rate received for members who have Part A and Part B (\$488 pmpm) is less than the rate for members who have Part B only (\$1,130 pmpm), however, Medicare will now become primary for medical expenses associated with the members having both Part A and Part B. The reduction in revenue has been offset against a reduction in medical expenses included in 2C (1) below.
 - B) \$1.1 million favorable variance in Enhanced Care Management Premiums primarily due to receiving updated rate information from DHCS after the approval of the 2025 Budget partially offset against amounts included in 2C (2) below.
 - C) \$34.5 million favorable variance in Premium-Hospital Directed Payments primarily due to receiving updated rate information from DHCS on February 28, 2025 for Calendar Year 2025 offset against amounts included in 2D below.
 - D) \$6.5 million favorable variance in Rate/Income Adjustments primarily relating from MCO Tax Adjustments from prior years (\$4.6 million) and Student Behavioral Health Incentive Program funds received in April 2025 for the prior year (\$1.4 million) offset against amounts included in 2E below.

- 2) Total Medical Costs reflect a \$41.4 million unfavorable variance primarily due to
 - A) \$2.2 million unfavorable variance in Physician Services primarily due to higher-than-expected utilization by Expansion members over the last several months.
 - B) \$1.3 million unfavorable variance in Outpatient Hospital primarily due to higher-than-expected utilization over the last several months.
 - C) \$6.3 million unfavorable variance in Other Medical primarily from:
 - 1) \$.8 million favorable variance in Long Term/SNF/Hospice primarily due to lower-than-expected SPD membership and benefit changes described in 1A above.
 - 2) \$1.0 million unfavorable variance in Enhance Care Management expenses to receiving updated rate information from DHCS after the approval of the 2025 Budget offset against amounts included in 1B above.
 - 3) \$6.1 million unfavorable variance in Community Support Services expenses due to higher-than-expected usage of program services over the last several months.

(A key feature of CalAIM was the introduction of Community Support Services, formerly referred to as In Lieu of Services (ILOS). Community Support Services are designed to help improve the overall health and well-being of Medi-Cal managed care plan (MCP) members by addressing the members' health-related social needs, helping the members live healthier lives, and avoiding higher, costlier levels of care. Services include support to secure and maintain housing, access to medically tailored meals to support short-term recovery, personal care, and a variety of other community-based services. The range of services and resources are designed to address the unique needs of Medi-Cal members in the community, with a focus on promoting health, stability, and independence. Members may receive a Community Supports Service if they meet the eligibility criteria and if the MCP determines it is a medically appropriate and cost-effective alternative to services covered under Medi-Cal) **These services are unfunded with expected savings to be realized by lower medical expenses, if any.**

- D) \$34.5 million unfavorable variance in Hospital Directed Payments primarily due to receiving updated rate information from DHCS for Calendar Year 2024 offset against amounts included in 1C above.
- E) \$2.7 million favorable variance IBNR, Incentive, Paid Claims adjustments primarily from favorable IBNR relating to the prior year (\$4.0 million) and an unfavorable variance relating to accruing a \$1.3 million liability to the Kern County Superintendent of Schools for funds received in 1D above.

The April Medical Loss Ratio is 93.4% which is unfavorable to the 91.8% budgeted amount. The April Administrative Expense Ratio is 5.3% which is favorable to the 5.8% budgeted amount.

The results for the 4 months ending April 30, 2025 reflect a Net Increase in Net Position of \$4.1 million. This is a \$4.8 million unfavorable variance to the budget and includes approximately \$17.5 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.8% which is unfavorable to the 91.8% budgeted amount. The year-to-date Administrative Expense Ratio is 5.2% which is favorable to the 5.8% budgeted amount.



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 Quarter | Page 4 |
| Statement of Revenue, Expenses, and Changes in Net Position by Quarter - PMPM | Page 5 |
| Statement of Revenue, Expenses, and Changes in Net Position 6 Month | Page 6 |
| Statement of Revenue, Expenses, and Changes in Net Position 6 Month - PMPM | Page 7 |
| Schedule of Revenues | Page 8 |
| Schedule of Revenues by Month | Page 9 |
| Schedule of Medical Costs | Page 10 |
| Schedule of Medical Costs - PMPM | Page 11 |
| Schedule of Medical Costs by Month | Page 12 |
| Schedule of Medical Costs by Month – PMPM | Page 13 |
| Schedule of Administrative Expenses by Department | Page 14 |
| Schedule of Administrative Expenses by Department by Month | Page 15 |
| KHS Group Health Plan – Healthy Families Line of Business | |
| Comparative Statement of Net Position | Page 16 |
| Statement of Revenue, Expenses, and Changes in Net Position | Page 17 |
| KHS Administrative Analysis and Other Reporting | |
| Monthly Member Count | Page 18 |

KERN HEALTH SYSTEMS

MEDI-CAL STATEMENT OF NET POSITION AS OF APRIL 30, 2025

| | | | Increase/ |
|---|---|---------------|---------------|
| ASSETS | April | March | (Decrease) |
| Cash and Cash Equivalents | 189,735,524 | 298,871,852 | (109,136,328) |
| Short-Term Investments | 255,736,108 | 235,529,500 | 20,206,608 |
| Premiums Receivable | 125,171,977 | 134,763,686 | (9,591,709) |
| Premiums Receivable - MCO Tax | 62,960,999 | 62,897,806 | 63,193 |
| Premiums Receivable - Hospital Directed Payments | 742,176,728 | 683,169,220 | 59,007,508 |
| Interest Receivable | 87,015 | 262,152 | (175,137) |
| Provider Advance Payment | 145,798 | 154,665 | (8,867) |
| Other Receivables | 1,397,718 | 1,948,695 | (550,977) |
| Prepaid Expenses & Other Current Assets | 7,748,205 | 8,733,780 | (985,575) |
| Total Current Assets | 1,385,160,072 | 1,426,331,355 | (41,171,282) |
| Land | 4,090,706 | 4,090,706 | - |
| Furniture and Equipment - Net | 1,087,139 | 1,114,393 | (27,253) |
| Computer Equipment - Net | 17,962,453 | 18,453,521 | (491,068) |
| Building and Improvements - Net | 32,752,815 | 32,831,759 | (78,944) |
| Capital Projects In Process | 2,290,413 | 1,129,530 | 1,160,883 |
| Total Capital Assets | 58,183,526 | 57,619,908 | 563,618 |
| Restricted Assets | 300,000 | 300,000 | - |
| Officer Life Insurance Receivables | 3,762,263 | 3,762,263 | - |
| SBITA Asset | 8,875,096 | 8,875,096 | - |
| Total Long-Term Assets | 12,937,359 | 12,937,359 | - |
| Deferred Outflow of Resources | 6,846,742 | 6,846,742 | - |
| Total Assets and Deferred Outflows of Resources | 1,463,127,700 | 1,503,735,364 | (40,607,664) |
| CURRENT LIABILITIES | | | (10,001,001, |
| Accrued Salaries and Benefits | 8,593,363 | 8,677,547 | (84,184) |
| Accrued Other Operating Expenses | 6,348,920 | 6,673,455 | (324,535) |
| MCO Tax Payable | 83,811,866 | 202,886,441 | (119,074,575) |
| Claims Payable (Reported) | 21,093,376 | 28,544,847 | (7,451,471) |
| IBNR - Inpatient Claims | 57,448,847 | 62,685,764 | (5,236,916) |
| IBNR - Physician Claims | 23,152,636 | 23,308,093 | (155,457) |
| IBNR - Accrued Other Medical | 33,063,604 | 33,804,279 | (740,674) |
| Risk Pool and Withholds Payable | 8,290,139 | 7,682,790 | 607,349 |
| Allowance for Claims Processing Expense | 4,779,517 | 4,779,517 | - |
| Other Liabilities | 112,663,399 | 81,529,572 | 31,133,826 |
| SBITA Liability – Current portion | 2,217,189 | 2,217,189 | - |
| Accrued Hospital Directed Payments | 745,411,526 | 686,402,230 | 59,009,297 |
| Total Current Liabilities | 1,106,874,382 | 1,149,191,724 | (42,317,342) |
| NONCURRENT LIABILITIES | | | |
| Net Pension Liability | 13,001,788 | 12,801,788 | 200,000 |
| SBITA Liability, net of current portion | 5,491,541 | 5,491,541 | - |
| Total NonCurrent Liabilities | 18,493,329 | 18,293,329 | 200,000 |
| Deferred Inflow of Resources | 70,705 | 70,705 | - |
| NET POSITION: | , | 1 | |
| Net Position at Beginning of Year | 333,567,639 | 333,567,639 | - |
| Increase (Decrease) in Net Position - Current Year | 4,121,645 | 2,611,967 | 1,509,677 |
| Total Net Position | 337,689,283 | 336,179,606 | 1,509,677 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | 1,463,127,700 | 1,503,735,364 | (40,607,664) |
| TO THE ENGLISHED PER ENGLISHED IN LOCATION OF RESOURCES AND REF. 1 00111011 | 2, 100,127,700 | 2,000,700,004 | (10,007,004) |

MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION



FOR THE MONTH ENDED APRIL 30, 2025

| | April | Budget | Variance | Year to Date | Budget | Variance |
|---|-------------|-------------|--------------|---------------|-------------|---------------|
| Family Members | 242,305 | 244,500 | (2,195) | 970,235 | 975,000 | (4,765) |
| Expansion Members | 115,342 | 113,000 | 2,342 | 461,017 | 452,000 | 9,017 |
| SPD Members | 47,252 | 47,000 | 252 | 188,833 | 188,000 | 833 |
| Total Members - MCAL | 404,899 | 404,500 | 399 | 1,620,085 | 1,615,000 | 5,085 |
| | .0.1,000 | .0.,000 | | _,0_0,000 | 2,020,000 | 5,555 |
| REVENUES Medicaid - Family and Other | 54,688,236 | 55,179,501 | (491,265) | 218,871,161 | 220,040,955 | (1,169,794) |
| Medicaid - Expansion Members | 48,688,708 | 47,912,766 | 775,941 | 194,818,287 | 191,651,064 | 3,167,223 |
| Medicaid - SPD Members | 37,663,190 | 40,402,462 | (2,739,272) | 149,779,846 | 161,609,847 | (11,830,001) |
| Premium - MCO Tax | 59,136,301 | 59,861,955 | (725,654) | 236,545,205 | 239,003,850 | (2,458,645) |
| Premium - Hospital Directed Payments | 58,897,348 | 24,367,080 | 34,530,269 | 235,718,580 | 97,349,979 | 138,368,600 |
| Investment Earnings And Other Income | 3,204,688 | 1,996,235 | 1,208,453 | 9,818,796 | 7,975,906 | 1,842,890 |
| Reinsurance Recoveries | - | 274,112 | (274,112) | - | 1,094,316 | (1,094,316) |
| Rate Adjustments - Hospital Directed Payments | 111,950 | - | 111,950 | 105,318,593 | - | 105,318,593 |
| Rate/Income Adjustments | 6,525,510 | - | 6,525,510 | 9,082,528 | - | 9,082,528 |
| Total Revenues | 268,915,931 | 229,994,110 | 38,921,820 | 1,159,952,996 | 918,725,917 | 241,227,079 |
| EXPENSES | | | _ | | | |
| MEDICAL COSTS | | | 4 | | | . |
| Physician Services | 39,018,167 | 36,819,248 | (2,198,919) | 152,556,992 | 147,048,903 | (5,508,088) |
| Other Professional Services | 11,252,193 | 10,860,698 | (391,495) | 42,270,016 | 43,383,296 | 1,113,280 |
| Emergency Room | 6,330,730 | 6,801,768 | 471,038 | 26,355,150 | 27,160,697 | 805,547 |
| Inpatient | 33,714,646 | 34,000,647 | 286,002 | 132,191,867 | 135,865,881 | 3,674,014 |
| Reinsurance Expense | 240,829 | 274,112 | 33,283 | 1,049,685 | 1,094,316 | 44,631 |
| Outpatient Hospital | 16,762,573 | 15,435,117 | (1,327,456) | 62,967,330 | 61,683,069 | (1,284,261) |
| Other Medical | 35,490,308 | 29,199,312 | (6,290,996) | 134,840,349 | 116,058,805 | (18,781,544) |
| Pay for Performance Quality Incentive | 607,349 | 606,754 | (595) | 2,430,128 | 2,422,524 | (7,603) |
| Hospital Directed Payments | 58,897,348 | 24,367,080 | (34,530,269) | 235,718,580 | 97,349,979 | (138,368,600) |
| Hospital Directed Payment Adjustment | 111,948 | - | (111,948) | 105,215,239 | - | (105,215,239) |
| Non-Claims Expense Adjustment | (1,877) | - | 1,877 | (6,488,692) | - | 6,488,692 |
| IBNR, Incentive, Paid Claims Adjustment | (2,667,286) | 450 264 726 | 2,667,286 | (2,008,940) | | 2,008,940 |
| Total Medical Costs | 199,756,928 | 158,364,736 | (41,392,192) | 887,097,704 | 632,067,471 | (255,030,233) |
| GROSS MARGIN | 69,159,003 | 71,629,375 | (2,470,372) | 272,855,292 | 286,658,446 | (13,803,154) |
| ADMINISTRATIVE COSTS | | | | | | |
| Compensation | 3,886,069 | 4,223,118 | 337,049 | 15,659,760 | 16,892,470 | 1,232,710 |
| Purchased Services | 2,673,698 | 2,343,143 | (330,555) | 7,915,591 | 9,372,571 | 1,456,980 |
| Supplies | 122,949 | 244,079 | 121,130 | 561,815 | 976,315 | 414,500 |
| Depreciation | 597,265 | 766,752 | 169,487 | 2,392,146 | 3,067,008 | 674,863 |
| Other Administrative Expenses | 561,209 | 672,406 | 111,196 | 2,577,684 | 2,689,622 | 111,938 |
| Administrative Expense Adjustment | 160,116 | 200,000 | 39,884 | 937,035 | 800,000 | (137,035) |
| Total Administrative Expenses | 8,001,306 | 8,449,497 | 448,191 | 30,044,030 | 33,797,987 | 3,753,957 |
| TOTAL EXPENSES | 207,758,234 | 166,814,233 | (40,944,001) | 917,141,734 | 665,865,458 | (251,276,276) |
| OPERATING INCOME (LOSS) BEFORE TAX | 61,157,697 | 63,179,878 | (2,022,181) | 242,811,262 | 252,860,459 | (10,049,198) |
| MCO TAX | 59,136,301 | 59,861,955 | 725,654 | 236,545,205 | 239,003,850 | 2,458,645 |
| OPERATING INCOME (LOSS) NET OF TAX | 2,021,395 | 3,317,923 | (1,296,527) | 6,266,057 | 13,856,609 | (7,590,552) |
| NON-OPERATING REVENUE (EXPENSE) | | | | | <u>-</u> | |
| Provider Grants/CalAIM/Home Heath | (346,543) | (831,698) | 485,155 | (1,427,000) | (3,322,869) | 1,895,869 |
| D-SNP Expenses | (165,175) | (399,653) | 234,478 | (717,412) | (1,596,727) | 879,315 |
| Total Non-Operating Revenue (Expense) | (511,718) | (1,231,351) | 719,633 | (2,144,413) | (4,919,596) | 2,775,183 |
| NET INCREASE (DECREASE) IN NET POSITION | 1,509,677 | 2,086,571 | (576,894) | 4,121,645 | 8,937,014 | (4,815,369) |
| MEDICAL LOSS RATIO | 93.4% | 91.9% | -1.4% | 93.8% | 91.8% | -2.0% |
| ADMINISTRATIVE EXPENSE RATIO | 5.3% | 5.8% | 0.5% | 5.2% | 5.8% | 0.6% |



MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED APRIL 30, 2025

| | April | Budget | Variance | Year to Date | Budget | Variance |
|---|---------|---------|----------|--------------|-----------|----------|
| Family Members | 242,305 | 244,500 | (2,195) | 970,235 | 975,000 | (4,765) |
| Expansion Members | 115,342 | 113,000 | 2,342 | 461,017 | 452,000 | 9,017 |
| SPD Members | 47,252 | 47,000 | 252 | 188,833 | 188,000 | 833 |
| Total Members - MCAL | 404,899 | 404,500 | 399 | 1,620,085 | 1,615,000 | 5,085 |
| REVENUES | | | - | | | |
| Medicaid - Family and Other | 225.70 | 225.68 | 0.02 | 225.59 | 225.68 | (0.10) |
| Medicaid - Expansion Members | 422.12 | 424.01 | (1.88) | 422.58 | 424.01 | (1.42) |
| Medicaid - SPD Members | 797.07 | 859.63 | (62.56) | 793.19 | 859.63 | (66.44) |
| Premium - MCO Tax | 146.05 | 147.99 | (1.94) | 146.01 | 147.99 | (1.98) |
| Premium - Hospital Directed Payments | 145.46 | 60.24 | 85.22 | 145.50 | 60.28 | 85.22 |
| Investment Earnings And Other Income | 7.91 | 4.94 | 2.98 | 6.06 | 4.94 | 1.12 |
| Reinsurance Recoveries | - | 0.68 | (0.68) | - | 0.68 | (0.68) |
| Rate Adjustments - Hospital Directed Payments | 0.28 | - | 0.28 | 65.01 | - | 65.01 |
| Rate/Income Adjustments | 16.12 | - | 16.12 | 5.61 | _ | 5.61 |
| Total Revenues | 664.16 | 568.59 | 95.57 | 715.98 | 568.87 | 147.11 |
| EXPENSES | | | | | <u> </u> | |
| MEDICAL COSTS | | | | | | |
| Physician Services | 96.37 | 91.02 | (5.34) | 94.17 | 91.05 | (3.11) |
| Other Professional Services | 27.79 | 26.85 | (0.94) | 26.09 | 26.86 | 0.77 |
| Emergency Room | 15.64 | 16.82 | 1.18 | 16.27 | 16.82 | 0.55 |
| Inpatient | 83.27 | 84.06 | 0.79 | 81.60 | 84.13 | 2.53 |
| Reinsurance Expense | 0.59 | 0.68 | 0.08 | 0.65 | 0.68 | 0.03 |
| Outpatient Hospital | 41.40 | 38.16 | (3.24) | 38.87 | 38.19 | (0.67) |
| Other Medical | 87.65 | 72.19 | (15.47) | 83.23 | 71.86 | (11.37) |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 0.00 | 1.50 | 1.50 | 0.00 |
| Hospital Directed Payments | 145.46 | 60.24 | (85.22) | 145.50 | 60.28 | (85.22) |
| Hospital Directed Payment Adjustment | 0.28 | - | (0.28) | 64.94 | = | (64.94) |
| Non-Claims Expense Adjustment | (0.00) | - | 0.00 | (4.01) | - | 4.01 |
| IBNR, Incentive, Paid Claims Adjustment | (6.59) | - | 6.59 | (1.24) | - | 1.24 |
| Total Medical Costs | 493.35 | 391.51 | (101.84) | 547.56 | 391.37 | (156.19) |
| GROSS MARGIN | 170.81 | 177.08 | (6.28) | 168.42 | 177.50 | (9.08) |
| ADMINISTRATIVE COSTS | | | (/) | | | (/) |
| Compensation | 9.60 | 10.44 | 0.84 | 9.67 | 10.46 | 0.79 |
| Purchased Services | 6.60 | 5.79 | (0.81) | 4.89 | 5.80 | 0.92 |
| Supplies | 0.30 | 0.60 | 0.30 | 0.35 | 0.60 | 0.26 |
| Depreciation | 1.48 | 1.90 | 0.42 | 1.48 | 1.90 | 0.42 |
| Other Administrative Expenses | 1.39 | 1.66 | 0.28 | 1.59 | 1.67 | 0.07 |
| Administrative Expense Adjustment | 0.40 | 0.49 | 0.10 | 0.58 | 0.50 | (0.08) |
| Total Administrative Expenses | 19.76 | 20.89 | 1.13 | 18.54 | 20.93 | 2.38 |
| TOTAL EXPENSES | 513.11 | 412.40 | (100.72) | 566.11 | 412.30 | (153.81) |
| | | | (5.15) | | | |
| OPERATING INCOME (LOSS) BEFORE TAX | 151.04 | 156.19 | | 149.88 | 156.57 | (6.69) |
| MCO TAX | 146.05 | 147.99 | 1.94 | 146.01 | 147.99 | 1.98 |
| OPERATING INCOME (LOSS) NET OF TAX | 4.99 | 8.20 | (3.21) | 3.87 | 8.58 | (4.71) |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | |
| Provider Grants/CalAIM/Home Heath | (0.41) | (2.06) | 1.65 | (0.44) | (2.06) | 1.61 |
| D-SNP Expenses | (0.86) | (0.99) | 0.13 | (0.88) | (0.99) | 0.11 |
| Total Non-Operating Revenue (Expense) | (1.26) | (3.04) | 1.78 | (1.32) | (3.05) | 1.72 |
| NET INCREASE (DECREASE) IN NET POSITION | 3.73 | 5.16 | (1.43) | 2.54 | 5.53 | (2.99) |
| MEDICAL LOSS RATIO | 93.4% | 91.9% | -1.4% | 93.8% | 91.8% | -2.0% |
| ADMINISTRATIVE EXPENSE RATIO | 5.3% | 5.8% | 0.5% | 5.2% | 5.8% | 0.6% |
| ADMINISTRATIVE EXPENSE RATIO | 3.3/6 | 3.0% | 0.3/0 | 3.270 | 3.0% | 0.076 |



MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY QUARTER **ROLLING 4 QUARTERS** FOR THE MONTH ENDED APRIL 30, 2025



| | | | | | | CURRENT QUARTER |
|---|---------------|---------------|---------------|---------------|--------------------------|-----------------|
| | 2024 - Q2 | 2024 - Q3 | 2024 - Q4 | 2025 - Q1 | Rolling 4-Quarter Totals | 2025 - Q2 |
| Total Members - MCAL | 1,217,132 | 1,204,552 | 1,209,901 | 1,215,186 | 3,631,585 | 404,899 |
| REVENUES | | | | | | |
| Medicaid - Family and Other | 168,098,248 | 157,352,051 | 181,853,744 | 164,182,925 | 671,486,969 | 54,688,236 |
| Medicaid - Expansion Members | 141,387,639 | 115,764,407 | 146,690,508 | 146,129,580 | 549,972,133 | 48,688,708 |
| Medicaid - SPD Members | 72,382,078 | 63,945,176 | 72,615,432 | 112,116,656 | 321,059,342 | 37,663,190 |
| Medicaid - LTC Members | 12,644,500 | 12,158,979 | 12,679,447 | 112,110,030 | 37,482,926 | 37,003,190 |
| Premium - MCO Tax | 118,164,689 | 304,000,610 | 169,305,625 | 177,408,904 | 768,879,828 | 59,136,301 |
| Premium - Hospital Directed Payments | 73,085,162 | 73,636,849 | 74,054,842 | 176,821,231 | 397,598,085 | 58,897,348 |
| Investment Earnings And Other Income | 7,627,603 | 10,624,397 | 6,363,381 | 6,614,108 | 31,229,489 | 3,204,688 |
| Rate Adjustments - Hospital Directed Payments | (467,208) | (8,849,506) | (45,264) | 105,206,644 | 95,844,666 | 111,950 |
| Rate/Income Adjustments | (5,047,999) | 2,310,217 | 29,220 | 2,557,018 | (151,544) | 6,525,510 |
| Total Revenues | 587,874,713 | 730,943,182 | 663,546,935 | 891,037,065 | 1,982,364,829 | 268,915,931 |
| EXPENSES | • | • | | | | |
| MEDICAL COSTS | | | | | | |
| Physician Services | 102,259,757 | 100,828,569 | 117,920,414 | 113,538,825 | 434,547,565 | 39,018,167 |
| Other Professional Services | 28,897,182 | 27,259,189 | 17,579,841 | 31,017,823 | 104,754,034 | 11,252,193 |
| Emergency Room | 19,274,640 | 19,085,229 | 20,264,346 | 20,024,420 | 78,648,635 | 6,330,730 |
| Inpatient | 97,071,689 | 98,069,526 | 109,860,804 | 98,477,222 | 403,479,241 | 33,714,646 |
| Reinsurance Expense | 347,257 | 337,661 | 337,245 | 808,856 | 1,831,019 | 240,829 |
| Outpatient Hospital | 41,034,136 | 46,542,079 | 45,089,064 | 46,204,757 | 178,870,036 | 16,762,573 |
| Other Medical | 88,283,888 | 93,132,007 | 95,537,563 | 99,350,041 | 376,303,501 | 35,490,308 |
| Pay for Performance Quality Incentive | 1,825,698 | 1,809,795 | 1,814,852 | 1,822,779 | 7,273,124 | 607,349 |
| Risk Corridor Expense | - | 2,133,095 | (960,173) | - | 1,172,922 | - |
| Hospital Directed Payments | 73,085,162 | 73,636,849 | 74,054,842 | 176,821,231 | 397,598,085 | 58,897,348 |
| Hospital Directed Payment Adjustment | 18,927 | (6,489,175) | (45,264) | 105,103,291 | 98,587,778 | 111,948 |
| Non-Claims Expense Adjustment | (22,398) | (4,294,448) | (1,489,159) | (6,486,815) | (12,292,820) | (1,877 |
| IBNR, Incentive, Paid Claims Adjustment | (7,444,944) | (6,331,814) | (3,892,128) | 658,346 | (17,010,540) | (2,667,286 |
| Total Medical Costs | 444,630,994 | 445,718,563 | 476,072,247 | 687,340,775 | 1,366,421,804 | 199,756,928 |
| GROSS MARGIN | 143,243,720 | 285,224,619 | 187,474,687 | 203,696,289 | 615,943,026 | 69,159,003 |
| ADMINISTRATIVE COSTS | | | | | | |
| Compensation | 10,907,085.38 | 11,047,726.06 | 12,349,628.75 | 11,773,691.11 | 46,078,131 | 3,886,069 |
| Purchased Services | 5,076,648.88 | 6,652,420.88 | 6,570,350.58 | 5,241,892.90 | 23,541,313 | 2,673,698 |
| Supplies | 722,573.26 | 707,109.10 | 693,364.50 | 438,865.78 | 2,561,913 | 122,949 |
| Depreciation | 2,164,108.52 | 2,283,774.25 | 2,071,811.61 | 1,794,880.26 | 8,314,575 | 597,265 |
| Other Administrative Expenses | 1,714,820.40 | 1,588,771.91 | 1,848,717.24 | 2,016,474.97 | 7,168,785 | 561,209 |
| Administrative Expense Adjustment | 22,381.02 | (2,308.92) | 1,230,808.23 | 776,919.07 | 2,027,799 | 160,116 |
| Total Administrative Expenses | 20,607,617 | 22,277,493 | 24,764,681 | 22,042,724 | 67,649,792 | 8,001,306 |
| TOTAL EXPENSES | 465,238,611 | 467,996,056 | 500,836,928 | 709,383,500 | 1,434,071,595 | 207,758,234 |
| OPERATING INCOME (LOSS) BEFORE TAX | 122,636,102 | 262,947,125 | 162,710,007 | 181,653,565 | 548,293,234 | 61,157,697 |
| MCO TAX | 118,164,689 | 304,000,610 | 169,305,625 | 177,408,904 | 768,879,828 | 59,136,301 |
| OPERATING INCOME (LOSS) NET OF TAX | 4,471,413 | (41,053,485) | (6,595,619) | 4,244,662 | (43,177,690) | 2,021,395 |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | |
| Provider Grants/CalAIM/Home Heath | (2,537,763) | (1,419,027) | (4,675,912) | (1,080,457) | (9,713,159) | (346,543 |
| D-SNP Expenses | (951,808) | 169,913 | 470,656 | (552,237) | (863,476) | (165,175 |
| Total Non-Operating Revenue (Expense) | (3,489,571) | (1,249,113) | (4,205,257) | (1,632,695) | (8,943,941) | (511,718 |
| NET INCREASE (DECREASE) IN NET DOSITION | 001.043 | (42 202 500) | (10.000.075) | 2 614 067 | (52 121 522) | 1 500 577 |
| NET INCREASE (DECREASE) IN NET POSITION | 981,842 | (42,302,598) | (10,800,875) | 2,611,967 | (52,121,632) | 1,509,677 |
| MEDICAL LOSS RATIO | 93.6% | 104.5% | 95.7% | 93.9% | 120.9% | 93.4% |
| ADMINISTRATIVE EXPENSE RATIO | 5.2% | 6.2% | 5.9% | 5.1% | 9.4% | 5.3% |



| MEDI-CAL - ALL COA | | | | | |
|---|----------------|-----------------|-----------------|------------------|------------------------|
| STATEMENT OF REVENUE, EXPENSES, AND CHANG | ES | | | | |
| IN NET POSITION BY QUARTER | | | | | |
| ROLLING 4 QUARTERS PMPM | | | | | |
| FOR THE MONTH ENDED APRIL 30, 2025 | | | | | |
| | 2024 - Q2 | 2024 - Q3 | 2024 - Q4 | 2025 - Q1 | Rolling Quarter Totals |
| Total Members - MCAL | 1,217,132 | 1,204,552 | 1,209,901 | 1,215,186 | 3,631,585 |
| REVENUES | | | | | _ |
| Medicaid - Family and Other | 209.43 | 197.65 | 228.42 | 225.55 | 215.03 |
| Medicaid - Expansion Members | 409.54 | 343.25 | 428.47 | 422.74 | 401.28 |
| Medicaid - SPD Members | 1,068.92 | 918.71 | 1,039.89 | 791.89 | 920.66 |
| Medicaid - LTC Members | 8,200.06 | 7,764.35 | 8,050.44 | - 145.00 | 8,004.04 |
| Premium - MCO Tax Premium - Hospital Directed Payments | 97.08 60.05 | 252.38 61.13 | 139.93 61.21 | 145.99 145.51 | 211.72 109.48 |
| Investment Earnings And Other Income | 6.27 | 8.82 | 5.26 | 5.44 | 8.60 |
| Rate Adjustments - Hospital Directed Payments | (0.38) | (7.35) | (0.04) | 86.58 | 26.39 |
| Rate/Income Adjustments | (4.15) | 1.92 | 0.02 | 2.10 | (0.04) |
| Total Revenues | 483.00 | 606.82 | 548.43 | 733.25 | 545.87 |
| EXPENSES MEDICAL COSTS | | | | | |
| Physician Services | 84.02 | 83.71 | 97.46 | 93.43 | 119.66 |
| Other Professional Services | 23.74 | 22.63 | 14.53 | 25.53 | 28.85 |
| Emergency Room | 15.84 | 15.84 | 16.75 | 16.48 | 21.66 |
| Inpatient Reinsurance Evacues | 79.75 0.29 | 81.42 0.28 | 90.80 | 81.04 0.67 | 111.10 0.50 |
| Reinsurance Expense Outpatient Hospital | 33.71 | 38.64 | 37.27 | 38.02 | 49.25 |
| Other Medical | 72.53 | 77.32 | 78.96 | 81.76 | 103.62 |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 1.50 | 1.50 | 2.00 |
| Risk Corridor Expense | - | 1.77 | (0.79) | - | 0.32 |
| Hospital Directed Payments Hospital Directed Payment Adjustment | 60.05 0.02 | 61.13 (5.39) | 61.21 (0.04) | 145.51 86.49 | 109.48 27.15 |
| Non-Claims Expense Adjustment | (0.02) | (3.57) | (1.23) | (5.34) | (3.38) |
| IBNR, Incentive, Paid Claims Adjustment | (6.12) | (5.26) | (3.22) | 0.54 | (4.68) |
| Total Medical Costs | 365.31 | 370.03 | 393.48 | 565.63 | 376.26 |
| GROSS MARGIN | 117.69 | 236.79 | 154.95 | 167.63 | 169.61 |
| ADMINISTRATIVE COSTS | | | | | |
| Compensation | 8.96 | 9.17 | 10.21 | 9.69 | 12.69 |
| Purchased Services | 4.17 | 5.52 | 5.43 | 4.31 | 6.48 |
| Supplies Depreciation | 0.59 1.78 | 0.59 1.90 | 0.57 1.71 | 0.36 1.48 | 0.71 2.29 |
| Other Administrative Expenses | 1.41 | 1.32 | 1.53 | 1.66 | 1.97 |
| Administrative Expense Adjustment | 0.02 | (0.00) | 1.02 | 0.64 | 0.56 |
| Total Administrative Expenses | 16.93 | 18.49 | 20.47 | 18.14 | 18.63 |
| TOTAL EXPENSES | 382.24 | 388.52 | 413.95 | 583.77 | 394.89 |
| OPERATING INCOME (LOSS) BEFORE TAX | 100.76 | 218.29 | 134.48 | 149.49 | 150.98 |
| MCO TAX | 97.08 | 252.38 | 139.93 | 145.99 | 211.72 |
| OPERATING INCOME (LOSS) NET OF TAX | 3.67 | (34.08) | (5.45) | 3.49 | (11.89) |
| NON-OPERATING REVENUE (EXPENSE) | • | • | • | | • |
| Provider Grants/CalAIM/Home Heath | (2.09) | (1.18) | (3.86) | (0.89) | (2.67) |
| D-SNP Expenses | (0.78) | 0.14 | 0.39 | (0.45) | (0.24) |
| Total Non-Operating Revenue (Expense) | (2.87) | (1.04) | (3.48) | (1.34) | (2.46) |
| NET INCREASE (DECREASE) IN NET POSITION | 0.81 | (35.12) | (8.93) | 2.15 | (14.35) |
| · · · · · · · · · · · · · · · · · · · | | | | | |
| MEDICAL LOSS RATIO | 93.6% | 104.5% | 95.7% | 93.9% | 120.9% |
| ADMINISTRATIVE EXPENSE RATIO | 5.2% | 6.2% | 5.9% | 5.1% | 9.4% |



MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH **ROLLING 6 MONTHS** FOR THE MONTH ENDED APRIL 30, 2025

| | OCTOBER 2024 | NOVEMBER 2024 | DECEMBER 2024 | JANUARY 2025 | FEBRUARY 2025 | MARCH 2025 | Prior 6 Month YTD | APRIL 2025 | | |
|--|---------------------------|---------------------------|-----------------------------|--------------------------|---------------------------|-----------------------|----------------------------|--------------------|--|--|
| Total Members - MCAL | 402,241 | 403,549 | 404,440 | 404,441 | 405,545 | 405,200 | 2,425,416 | 404,899 | | |
| REVENUES | | | | | | | | | | |
| Medicaid - Family and Other | 55,766,852 | 62,628,897 | 63,457,995 | 54,779,472 | 55,023,433 | 54,380,020 | 346,036,669 | 54,688,236 | | |
| Medicaid - Expansion Members | 44,274,896 | 47,452,486 | 54,963,125 | 48,572,760 | 48,902,196 | 48,654,624 | 292,820,087 | 48,688,708 | | |
| Medicaid - SPD Members | 23,582,809 | 24,507,942 | 24,524,681 | 38,799,459 | 35,786,816 | 37,530,381 | 184,732,088 | 37,663,190 | | |
| Medicaid - LTC Members | 4,161,018 | 4,337,441 | 4,180,989 | | | | 12,679,447 | - | | |
| Premium - MCO Tax | 59,470,965 | 59,673,120 | 50,161,540 | 59,136,301 | 59,136,301 | 59,136,301 | 346,714,529 | 59,136,301 | | |
| Premium - Hospital Directed Payments | 24,613,116 | 24,699,036 | 24,742,689 | 59,831,392 | 58,045,936 | 58,943,903 | 250,876,073 | 58,897,348 | | |
| Investment Earnings And Other Income | 2,035,919 | 2,147,703 | 2,179,759 | 1,729,314 | 2,419,799 | 2,464,994 | 12,977,489 | 3,204,688 | | |
| Rate Adjustments - Hospital Directed Payments | (55,251) | 17,404 | (7,417) | 103,134,648 | 1,953,159 | 118,837 | 105,161,379 | 111,950 | | |
| Rate/Income Adjustments | 102,639 | 239,543 | (312,962) | 520,492 | 1,370,485 | 666,041 | 2,586,238 | 6,525,510 | | |
| Total Revenues | 213,952,963 | 225,703,571 | 223,890,400 | 366,503,837 | 262,638,127 | 261,895,101 | 1,554,583,999 | 268,915,931 | | |
| EXPENSES | • | | | · | | · | • | • | | |
| MEDICAL COSTS | | | | | | | | | | |
| Physician Services | 42,641,203 | 37,671,697 | 37,607,514 | 36,132,491 | 38,711,809 | 38,694,525 | 231,459,239 | 39,018,167 | | |
| Other Professional Services | (3,203,582) | 9,971,766 | 10,811,656 | 11,445,798 | 10,004,694 | 9,567,330 | 48,597,663 | 11,252,193 | | |
| Emergency Room | 7,576,830 | 6,638,555 | 6,048,961 | 7,289,728 | 6,508,981 | 6,225,711 | 40,288,766 | 6,330,730 | | |
| Inpatient | 33,979,229 | 37,175,106 | 38,706,469 | 33,857,875 | 31,406,220 | 33,213,126 | 208,338,026 | 33,714,646 | | |
| Reinsurance Expense | 111,767 | 112,931 | 112,548 | 269,619 | 269,619 | 269,619 | 1,146,101 | 240,829 | | |
| Outpatient Hospital | 15,182,189 | 14,401,513 | 15,505,363 | 16,019,765 | 15,697,949 | 14,487,044 | 91,293,822 | 16,762,573 | | |
| Other Medical | 34,893,013 | 31,812,311 | 28,832,240 | 30,295,617 | 34,766,397 | 34,288,028 | 194,887,605 | 35,490,308 | | |
| Pay for Performance Quality Incentive | 603,362 | 604,830 | 606,660 | 606,662 | 608,318 | 607,800 | 3,637,631 | 607,349 | | |
| Risk Corridor Expense | (1,390,990) | | 430,817 | | - | | (960,173) | | | |
| Hospital Directed Payments | 24,613,116 | 24,699,036 | 24,742,689 | 59,831,392 | 58,045,936 | 58,943,903 | 250,876,073 | 58,897,348 | | |
| Hospital Directed Payment Adjustment Non-Claims Expense Adjustment | (55,251) (329) | 17,404 (1,490,761) | (7,417) 1,931 | 103,134,648 (350,170) | 1,953,159 (2,753,743) | 15,484 (3,382,901) | 105,058,026 (7,975,974) | 111,948 (1,877) | | |
| IBNR, Incentive, Paid Claims Adjustment | 905,899 | (1,490,761) | (5,075,723) | 388,615 | 248,637 | (3,382,901) | (3,233,782) | (2,667,286) | | |
| Total Medical Costs | 155,856,455 | 161,892,084 | 158,323,708 | 298,922,038 | 195,467,975 | 192,950,763 | 1,163,413,023 | 199,756,928 | | |
| | | | | | | | | | | |
| GROSS MARGIN | 58,096,509 | 63,811,487 | 65,566,692 | 67,581,799 | 67,170,152 | 68,944,338 | 391,170,977 | 69,159,003 | | |
| ADMINISTRATIVE COSTS | | | | | | | | | | |
| Compensation | 3,800,976 | 4,154,887 | 4,393,765 | 4,200,484 | 3,708,197 | 3,865,011 | 24,123,320 | 3,886,069 | | |
| Purchased Services | 1,959,335 | 1,661,091 | 2,949,925 | 1,498,800 | 1,740,859 | 2,002,235 | 11,812,243 | 2,673,698 | | |
| Supplies | 250,386 | 133,675 | 309,304 | 95,074 | 163,332 | 180,460 | 1,132,230 | 122,949 | | |
| Depreciation | 718,614 | 691,764 | 661,433 | 812,433 | 385,016 | 597,431 | 3,866,692 | 597,265 | | |
| Other Administrative Expenses | 706,468 | 608,620 | 533,629 | 883,740 | 468,446 | 664,289 | 3,865,192 | 561,209 | | |
| Administrative Expense Adjustment | 0 | (2,230) | 1,233,038 | 202,969 | 198,773 | 375,177 | 2,007,727 | 160,116 | | |
| Total Administrative Expenses | 7,435,779 | 7,247,808 | 10,081,094 | 7,693,499 | 6,664,623 | 7,684,602 | 46,807,405 | 8,001,306 | | |
| TOTAL EXPENSES | 163,292,234 | 169,139,892 | 168,404,802 | 306,615,536 | 202,132,598 | 200,635,365 | 1,210,220,428 | 207,758,234 | | |
| OPERATING INCOME (LOSS) BEFORE TAX | 50,660,730 | 56,563,679 | 55,485,598 | 59,888,301 | 60,505,529 | 61,259,736 | 344,363,572 | 61,157,697 | | |
| MCO TAX | 59,470,965 | 59,673,120 | 50,161,540 | 59,136,301 | 59,136,301 | 59,136,301 | 346,714,529 | 59,136,301 | | |
| OPERATING INCOME (LOSS) NET OF TAX | (8,810,236) | (3,109,441) | 5,324,058 | 751,999 | 1,369,228 | 2,123,435 | (2,350,957) | 2,021,395 | | |
| NON ODERATING DESCRIPTION (EVERTAGE) | | | | | | | | | | |
| NON-OPERATING REVENUE (EXPENSE) | () | () | / | /·\ | (1) | / | (= === ===) | (2.2.2.2) | | |
| Provider Grants/CalAIM/Home Heath | (2,640,541) 858,721.41 | (605,185) (228,888,43) | (1,430,186) (159,177.34) | (387,871) | (458,704) (142,265.35) | (233,882) | (5,756,370) | (346,543) | | |
| D-SNP Expenses | | , -,, | | | | (173,907.04) | (81,581) | | | |
| Total Non-Operating Revenue (Expense) | (1,781,820) | (834,074) | (1,589,363) | (623,936) | (600,969) | (407,789) | (5,837,951) | (511,718) | | |
| NET INCREASE (DECREASE) IN NET POSITION | (10,592,056) | (3,943,514) | 3,734,694 | 128,064 | 768,258 | 1,715,645 | (8,188,908) | 1,509,677 | | |
| MEDICAL LOSS RATIO | 101.1% | 97.1% | 89.7% | 94.2% | 94.4% | 93.2% | 94.8% | 93.4% | | |
| ADMINISTRATIVE EXPENSE RATIO | 5.7% | 5.1% | 6.8% | 5.3% | 4.6% | 5.3% | 5.5% | 5.3% | | |
| A STATE OF THE PARTY OF THE PAR | 3.7/6 | 3.1/6 | 0.876 | 3.3/6 | 4.0% | 3.3/6 | 3.3/6 | 3.3/6 | | |



| | | | | | | | | 3/4 |
|---|--------------|---------------|---------------|--------------|---------------|------------|-------------------|---------------|
| MEDI-CAL - ALL COA | | | | | | | | KERN HEALT |
| STATEMENT OF REVENUE, EXPENSES, AND CHANGES | | | | | | | | SYSTEMS |
| IN NET POSITION BY MONTH | | | | | | | | O I O I LIVIO |
| PMPM ROLLING 6 MONTHS | | | | | | | | |
| FOR THE MONTH ENDED APRIL 30, 2025 | | | | | | | | |
| | | | | | | | | |
| | OCTOBER 2024 | NOVEMBER 2024 | DECEMBER 2024 | JANUARY 2025 | FEBRUARY 2025 | MARCH 2025 | 6 Month Prior YTD | APRIL 2025 |
| Total Members - MCAL | 402,241 | 403,549 | 404,440 | 404,441 | 405,545 | 405,200 | 2,425,416 | 404,899 |
| REVENUES | • | • | * | • | • | • | • | , |
| Medicaid - Family and Other | 210.36 | 236.28 | 238.59 | 225.97 | 226.62 | 224.06 | 227.05 | 225.70 |
| Medicaid - Expansion Members | 390.42 | 414.85 | 479.73 | 423.70 | 422.28 | 422.24 | 425.59 | 422.12 |
| Medicaid - SPD Members | 1,016.41 | 1,054.01 | 1,049.14 | 818.92 | 762.41 | 794.08 | 873.81 | 797.07 |
| Medicaid - LTC Members | 7,850.98 | 8,309.27 | 7,994.24 | - | - | - | 8,050.44 | - |
| Premium - MCO Tax | 147.85 | 147.87 | 124.03 | 146.22 | 145.82 | 145.94 | 142.95 | 146.05 |
| Premium - Hospital Directed Payments | 61.19 | 61.20 | 61.18 | 147.94 | 143.13 | 145.47 | 103.44 | 145.46 |
| Investment Earnings And Other Income | 5.06 | 5.32 | 5.39 | 4.28 | 5.97 | 6.08 | 5.35 | 7.91 |
| Rate Adjustments - Hospital Directed Payments | (0.14) | 0.04 | (0.02) | 255.01 | 4.82 | 0.29 | 43.36 | 0.28 |
| Rate/Income Adjustments | 0.26 | 0.59 | (0.77) | 1.29 | 3.38 | 1.64 | 1.07 | 16.12 |
| Total Revenues | 531.90 | 559.30 | 553.58 | 906.20 | 647.62 | 646.34 | 640.96 | 664.16 |
| EXPENSES | | | | | 2 | | 2.2.30 | |
| MEDICAL COSTS | | | | | | | | |
| Physician Services | 106.01 | 93.35 | 92.99 | 89.34 | 95.46 | 95.49 | 95.43 | 96.37 |
| Other Professional Services | (7.96) | 24.71 | 26.73 | 28.30 | 24.67 | 23.61 | 20.04 | 27.79 |
| Emergency Room | 18.84 | 16.45 | 14.96 | 18.02 | 16.05 | 15.36 | 16.61 | 15.64 |
| Inpatient | 84.47 | 92.12 | 95.70 | 83.72 | 77.44 | 81.97 | 85.90 | 83.27 |
| • | 0.28 | 0.28 | 0.28 | 0.67 | 0.66 | 0.67 | 0.47 | 0.59 |
| Reinsurance Expense Outpatient Hospital | 37.74 | 35.69 | 38.34 | 39.61 | 38.71 | 35.75 | 37.64 | 41.40 |
| Outpatient Hospital Other Medical | | | 71.29 | 74.91 | | | | |
| | 86.75 | 78.83 | | | 85.73 | 84.62 | 80.35 | 87.65 |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Risk Corridor Expense | (3.46) | - | 1.07 | - | - | - | (0.40) | - |
| Hospital Directed Payments | 61.19 | 61.20 | 61.18 | 147.94 | 143.13 | 145.47 | 103.44 | 145.46 |
| Hospital Directed Payment Adjustment | (0.14) | 0.04 | (0.02) | 255.01 | 4.82 | 0.04 | 43.32 | 0.28 |
| Non-Claims Expense Adjustment | (0.00) | (3.69) | 0.00 | (0.87) | (6.79) | (8.35) | (3.29) | (0.00) |
| IBNR, Incentive, Paid Claims Adjustment | 2.25 | 0.69 | (12.55) | 0.96 | 0.61 | 0.05 | (1.33) | (6.59) |
| Total Medical Costs | 387.47 | 401.17 | 391.46 | 739.10 | 481.99 | 476.19 | 479.68 | 493.35 |
| GROSS MARGIN | 144.43 | 158.13 | 162.12 | 167.10 | 165.63 | 170.15 | 161.28 | 170.81 |
| ADMINISTRATIVE COSTS | | | | | | Т | | |
| Compensation | 9.45 | 10.30 | 10.86 | 10.39 | 9.14 | 9.54 | 9.95 | 9.60 |
| Purchased Services | 4.87 | 4.12 | 7.29 | 3.71 | 4.29 | 4.94 | 4.87 | 6.60 |
| Supplies | 0.62 | 0.33 | 0.76 | 0.24 | 0.40 | 0.45 | 0.47 | 0.30 |
| Depreciation | 1.79 | 1.71 | 1.64 | 2.01 | 0.95 | 1.47 | 1.59 | 1.48 |
| Other Administrative Expenses | 1.76 | 1.51 | 1.32 | 2.19 | 1.16 | 1.64 | 1.59 | 1.39 |
| Administrative Expense Adjustment | 0.00 | (0.01) | 3.05 | 0.50 | 0.49 | 0.93 | 0.83 | 0.40 |
| Total Administrative Expenses | 18.49 | 17.96 | 24.93 | 19.02 | 16.43 | 18.96 | 19.30 | 19.76 |
| TOTAL EXPENSES | 405.96 | 419.13 | 416.39 | 758.12 | 498.42 | 495.15 | 498.97 | 513.11 |
| OPERATING INCOME (LOSS) BEFORE TAX | 125.95 | 140.17 | 137.19 | 148.08 | 149.20 | 151.18 | 141.98 | 151.04 |
| | | | | | | | | |
| MCO TAX | 147.85 | 147.87 | 124.03 | 146.22 | 145.82 | 145.94 | 142.95 | 146.05 |
| OPERATING INCOME (LOSS) NET OF TAX | (21.90) | (7.71) | 13.16 | 1.86 | 3.38 | 5.24 | (0.97) | 4.99 |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | | , | |
| Provider Grants/CalAIM/Home Heath | (6.56) | (1.50) | (3.54) | (0.96) | (1.13) | (0.58) | (2.37) | (0.86) |
| D-SNP Expenses | 2.13 | (0.57) | (0.39) | (0.58) | (0.35) | (0.43) | (0.03) | (0.41) |
| Total Non-Operating Revenue (Expense) | (4.43) | (2.07) | (3.93) | (1.54) | (1.48) | (1.01) | (2.41) | (1.26) |
| NET INCREASE (DECREASE) IN NET POSITION | (26.33) | (9.77) | 9.23 | 0.32 | 1.89 | 4.23 | (3.38) | 3.73 |
| MEDICAL LOSS RATIO | 101.1% | 97.1% | 89.7% | 94.2% | 94.4% | 93.2% | 94.8% | 93.4% |
| | | • | • | | • | | | |
| ADMINISTRATIVE EXPENSE RATIO | 5.7% | 5.1% | 6.8% | 5.3% | 4.6% | 5.3% | 5.5% | 5.3% |



MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED APRIL 30, 2025

| | April | Budget | Variance |
|--|------------|------------|-------------|
| REVENUES | | | |
| Premium - Medi-Cal | 47,638,089 | 48,366,257 | (728,168) |
| Premium - Maternity Kick | 3,053,880 | 3,361,498 | (307,618) |
| Premium - Enhanced Care Management | 2,133,053 | 1,754,326 | 378,727 |
| Premium - Major Organ Transplant | 162,891 | 237,638 | (74,746) |
| Premium - Provider Enhancement | 1,441,621 | 1,169,981 | 271,640 |
| Premium - GEMT | 161,465 | 182,221 | (20,755) |
| Other | 97,236 | 107,580 | (10,344) |
| TOTAL MEDICAID - FAMILY & OTHER | 54,688,236 | 55,179,501 | (491,265) |
| Premium - Medi-Cal | 45,125,766 | 44,592,454 | 533,312 |
| Premium - Maternity Kick | 412,274 | 442,636 | (30,362) |
| Premium - Enhanced Care Management | 2,150,015 | 1,778,641 | 371,375 |
| Premium - Major Organ Transplant | 287,370 | 422,945 | (135,575) |
| Premium - Provider Enhancement | 430,557 | 364,845 | 65,712 |
| Premium - GEMT | 236,445 | 261,525 | (25,080) |
| Other | 46,280 | 49,720 | (3,440) |
| TOTAL MEDICAID - EXPANSION MEMBERS | 48,688,708 | 47,912,766 | 775,941 |
| Premium - Medi-Cal | 36,050,326 | 38,844,036 | (2,793,710) |
| Premium - Enhanced Care Management | 1,327,850 | 1,014,864 | 312,986 |
| Premium - Major Organ Transplant | 115,251 | 341,085 | (225,834) |
| Premium - Provider Enhancement | 31,745 | 28,525 | 3,220 |
| Premium - GEMT | 136,681 | 173,842 | (37,161) |
| Premium - Distinct Part Nursing Facility | 1,227 | - | 1,227 |
| Other | 110 | 110 | |
| TOTAL MEDICAID - SPD MEMBERS | 37,663,190 | 40,402,462 | (2,739,272) |
| | | | |

| 190,098,907 | | | |
|--|--------------|-------------|----------------|
| 12,826,296 13,404,747 (578,451) 8,520,040 6,995,778 1,524,262 646,687 947,635 (300,948) 5,745,836 4,665,568 1,080,268 645,228 726,648 (81,420) 388,167 429,000 (40,833) 218,871,161 220,040,955 (1,169,794) 180,219,547 178,369,817 1,849,730 1,969,753 1,770,545 199,208 8,623,261 7,114,562 1,508,699 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | Year to Date | Budget | Variance |
| 12,826,296 13,404,747 (578,451) 8,520,040 6,995,778 1,524,262 646,687 947,635 (300,948) 5,745,836 4,665,568 1,080,268 645,228 726,648 (81,420) 388,167 429,000 (40,833) 218,871,161 220,040,955 (1,169,794) 180,219,547 178,369,817 1,849,730 1,969,753 1,770,545 199,208 8,623,261 7,114,562 1,508,699 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | 400 000 00- | | (2 === 2=4) |
| 8,520,040 6,995,778 1,524,262 646,687 947,635 (300,948) 5,745,836 4,665,568 1,080,268 645,228 726,648 (81,420) 388,167 429,000 (40,833) 218,871,161 220,040,955 (1,169,794) 180,219,547 178,369,817 1,849,730 1,969,753 1,770,545 199,208 8,623,261 7,114,562 1,508,699 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | | | |
| 646,687 947,635 (300,948) 5,745,836 4,665,568 1,080,268 645,228 726,648 (81,420) 388,167 429,000 (40,833) 218,871,161 220,040,955 (1,169,794) 180,219,547 178,369,817 1,849,730 1,969,753 1,770,545 199,208 8,623,261 7,114,562 1,508,699 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | | | |
| 5,745,836 4,665,568 1,080,268 645,228 726,648 (81,420) 388,167 429,000 (40,833) 218,871,161 220,040,955 (1,169,794) 180,219,547 178,369,817 1,849,730 1,969,753 1,770,545 199,208 8,623,261 7,114,562 1,508,699 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | | | |
| 645,228 726,648 (81,420) 388,167 429,000 (40,833) 218,871,161 220,040,955 (1,169,794) 180,219,547 178,369,817 1,849,730 1,969,753 1,770,545 199,208 8,623,261 7,114,562 1,508,699 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | | • | · · · · |
| 388,167 429,000 (40,833) 218,871,161 220,040,955 (1,169,794) 180,219,547 178,369,817 1,849,730 1,969,753 1,770,545 199,208 8,623,261 7,114,562 1,508,699 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | | | |
| 218,871,161 220,040,955 (1,169,794) 180,219,547 178,369,817 1,849,730 1,969,753 1,770,545 199,208 8,623,261 7,114,562 1,508,699 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | | • | |
| 180,219,547 178,369,817 1,849,730 1,969,753 1,770,545 199,208 8,623,261 7,114,562 1,508,699 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | | - | |
| 1,969,753 1,770,545 199,208 8,623,261 7,114,562 1,508,699 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | 218,871,161 | 220,040,955 | (1,169,794) |
| 8,623,261 7,114,562 1,508,699 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | 180,219,547 | 178,369,817 | 1,849,730 |
| 1,146,734 1,691,780 (545,046) 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | 1,969,753 | 1,770,545 | 199,208 |
| 1,725,068 1,459,380 265,688 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | 8,623,261 | 7,114,562 | 1,508,699 |
| 948,730 1,046,100 (97,370) 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | 1,146,734 | 1,691,780 | (545,046) |
| 185,194 198,880 (13,686) 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | 1,725,068 | 1,459,380 | 265,688 |
| 194,818,287 191,651,064 3,167,223 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | 948,730 | 1,046,100 | (97,370) |
| 143,349,065 155,376,131 (12,027,066) 5,296,357 4,059,456 1,236,901 | 185,194 | 198,880 | (13,686) |
| 5,296,357 4,059,456 1,236,901 | 194,818,287 | 191,651,064 | 3,167,223 |
| | 143,349,065 | 155,376,131 | (12,027,066) |
| 457,389 1,364,340 (906,951) 126,783 114,100 12,683 544,771 695,368 (150,597) 5,030 - 5,030 452 452 - 9 149,779,846 161,609,847 (11,830,001) Of Directors Meeting June | 5,296,357 | 4,059,456 | 1,236,901 |
| 126,783 | 457,389 | 1,364,340 | (906,951) |
| 544,771 695,368 (150,597) | 126,783 | 114,100 | 12,683 🛣 |
| 5,030 | 544,771 | 695,368 | (150,597) ဟ |
| 452 452 - 149,779,846 161,609,847 (11,830,001) of Directors Meeting, June 19, | 5,030 | - | 5,030 🖽 |
| 149,779,846 161,609,847 (11,830,001) of Directors Meeting, June 19, | 452 | 452 | <u>'</u> |
| of Directors Meeting, June 19, | 149,779,846 | 161,609,847 | (11,830,001) 🗅 |
| Directors Meeting, June 19, | | | of |
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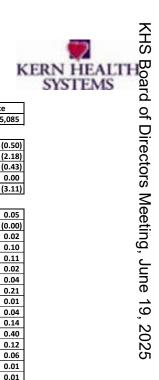
MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED APRIL 30, 2025



| | January | February | March | April | Year to Date |
|--|------------|------------|------------|------------|--------------|
| REVENUES | ' <u> </u> | | | | |
| Premium - Medi-Cal | 47,363,308 | 47,545,964 | 47,551,546 | 47,638,089 | 190,098,907 |
| Premium - Maternity Kick | 3,443,250 | 3,489,058 | 2,840,108 | 3,053,880 | 12,826,296 |
| Premium - Enhanced Care Management | 2,125,064 | 2,131,060 | 2,130,863 | 2,133,053 | 8,520,040 |
| Premium - Major Organ Transplant | 160,356 | 161,697 | 161,742 | 162,891 | 646,687 |
| Premium - Provider Enhancement | 1,429,771 | 1,437,183 | 1,437,262 | 1,441,621 | 5,745,836 |
| Premium - GEMT | 160,977 | 161,437 | 161,348 | 161,465 | 645,228 |
| Other | 96,746 | 97,035 | 97,150 | 97,236 | 388,167 |
| TOTAL MEDICAID - FAMILY & OTHER | 54,779,472 | 55,023,433 | 54,380,020 | 54,688,236 | 218,871,161 |
| Premium - Medi-Cal | 44,855,744 | 45,219,120 | 45,018,916 | 45,125,766 | 180,219,547 |
| Premium - Maternity Kick | 564,968 | 511,525 | 480,986 | 412,274 | 1,969,753 |
| Premium - Enhanced Care Management | 2,153,257 | 2,165,899 | 2,154,091 | 2,150,015 | 8,623,261 |
| Premium - Major Organ Transplant | 285,237 | 287,671 | 286,455 | 287,370 | 1,146,734 |
| Premium - Provider Enhancement | 430,414 | 433,175 | 430,922 | 430,557 | 1,725,068 |
| Premium - GEMT | 236,976 | 238,316 | 236,993 | 236,445 | 948,730 |
| Other | 46,164 | 46,490 | 46,262 | 46,280 | 185,194 |
| TOTAL MEDICAID - EXPANSION MEMBERS | 48,572,760 | 48,902,196 | 48,654,624 | 48,688,708 | 194,818,287 |
| Premium - Medi-Cal | 37,081,984 | 34,297,701 | 35,919,054 | 36,050,326 | 143,349,065 |
| Premium - Enhanced Care Management | 1,403,572 | 1,238,016 | 1,326,920 | 1,327,850 | 5,296,357 |
| Premium - Major Organ Transplant | 125,409 | 102,004 | 114,724 | 115,251 | 457,389 |
| Premium - Provider Enhancement | 35,647 | 27,621 | 31,770 | 31,745 | 126,783 |
| Premium - GEMT | 151,476 | 120,067 | 136,547 | 136,681 | 544,771 |
| Premium - Distinct Part Nursing Facility | 1,259 | 1,293 | 1,251 | 1,227 | 5,030 |
| Other | 112 | 114 | 115 | 110 | 452 |
| TOTAL MEDICAID - SPD MEMBERS | 38.799.459 | 35.786.816 | 37.530.381 | 37.663.190 | 149.779.846 |

| | April | Budget | Variance | Year to Date | Budget | Variance |
|--|-------------|-------------|--------------|--------------|-------------|---------------|
| Physician Services | 7.10 | Dauget | Turiunce | | Danger | 74114114 |
| Primary Care Physician Services | 8,021,079 | 8,137,863 | 116,783 | 33,401,594 | 32,485,140 | (916,454) |
| Referral Specialty Services | 27,364,943 | 24,858,630 | (2,506,312) | 103,149,399 | 99,304,491 | (3,844,908) |
| Urgent Care & After Hours Advice | 3,623,145 | 3,813,755 | 190,610 | 15,969,999 | 15,223,273 | (746,726) |
| Hospital Admitting Team | 9,000 | 9,000 | - | 36,000 | 36,000 | - |
| Total Physician Services | 39,018,167 | 36,819,248 | (2,198,919) | 152,556,992 | 147,048,903 | (5,508,088) |
| Other Professional Services | | | | | | |
| Vision Service Capitation | 345,653 | 364,050 | 18,398 | 1,377,808 | 1,453,500 | 75,693 |
| 221 - Business Intelligence | 186,842 | 193,204 | 6,362 | 779,096 | 771,941 | (7,155 |
| 310 - Health Servcies - Utilization Management | 734,148 | 776,159 | 42,011 | 3,080,347 | 3,101,123 | 20,776 |
| 311 - Health Services - Quality Improvement | 238,693 | 286,442 | 47,749 | 985,717 | 1,144,471 | 158,754 |
| 312 - Health Services Education | 312,444 | 356,832 | 44,388 | 1,257,552 | 1,425,713 | 168,161 |
| 313 - Pharmacy | 113,186 | 128,040 | 14,854 | 480,884 | 511,579 | 30,695 |
| 314 - Enhanced Care Management | 395,870 | 396,009 | 139 | 1,526,794 | 1,582,243 | 55,450 |
| 316 - Population Health Management | 496,916 | 611,332 | 114,416 | 2,113,703 | 2,442,559 | 328,856 |
| 317 - In Lieu of Services | 125,560 | 130,372 | 4,812 | 507,747 | 520,896 | 13,150 |
| 321 - Homeless Management Information Services | 21,008 | 42,620 | 21,612 | 108,664 | 170,289 | 61,625 |
| 330 - Member Services | 1,016,232 | 1,088,471 | 72,239 | 4,137,931 | 4,348,958 | 211,026 |
| 331 - Member Outreach | 117,142 | 252,511 | 135,369 | 361,238 | 1,008,899 | 647,661 |
| 410 - Member Engagement | 57,181 | 105,701 | 48,521 | 228,900 | 422,326 | 193,426 |
| 601 - Behavioral Health | 147,490 | 177,157 | 29,667 | 604,972 | 707,824 | 102,853 |
| 602 - Quality & Health Equity | 79,984 | 82,215 | 2,231 | 319,718 | 328,487 | 8,769 |
| 604 - Clinical Operations, Strategy, and Analytics | 128,689 | 134,998 | 6,309 | 518,820 | 539,383 | 20,563 |
| 605 - Quality Performance | 156,090 | 187,088 | 30,997 | 613,373 | 747,503 | 134,130 |
| Behavior Health Treatment | 3,786,771 | 2,827,994 | (958,777) | 12,818,134 | 11,291,582 | (1,526,552 |
| Mental Health Services | 550,412 | 678,815 | 128,403 | 2,331,694 | 2,712,725 | 381,031 |
| Other Professional Services | 2,241,884 | 2,040,690 | (201,194) | 8,116,925 | 8,151,293 | 34,368 |
| Total Other Professional Services | 11,252,193 | 10,860,698 | (391,495) | 42,270,016 | 43,383,296 | 1,113,280 |
| Emergency Room | 6,330,730 | 6,801,768 | 471,038 | 26,355,150 | 27,160,697 | 805,547 |
| Inpatient Hospital | 33,714,646 | 34,000,647 | 286,002 | 132,191,867 | 135,865,881 | 3,674,014 |
| Reinsurance Expense Premium | 240,829 | 274,112 | 33,283 | 1,049,685 | 1,094,316 | 44,631 |
| Outpatient Hospital | 16,762,573 | 15,435,117 | (1,327,456) | 62,967,330 | 61,683,069 | (1,284,261 |
| Other Medical | • | · | • | • | • | |
| Ambulance and NEMT | 5,827,057 | 5,050,287 | (776,770) | 25,607,620 | 20,186,630 | (5,420,990 |
| Home Health Services & CBAS | 1,395,613 | 1,319,150 | (76,463) | 5,748,342 | 5,274,953 | (473,390 |
| Utilization and Quality Review Expenses | 773,340 | 1,815,901 | 1,042,561 | 4,305,094 | 7,255,386 | 2,950,291 |
| Long Term/SNF/Hospice | 10,684,436 | 11,518,651 | 834,215 | 41,490,513 | 46,067,563 | 4,577,050 |
| Provider Enhancement Expense - Prop. 56 | 1,809,345 | 1,650,333 | (159,011) | 7,219,451 | 5,927,096 | (1,292,355 |
| Provider Enhancement Expense - GEMT | 534,592 | 586,709 | 52,117 | 2,138,728 | 2,344,710 | 205,982 |
| Enhanced Care Management | 5,330,372 | 4,320,439 | (1,009,933) | 21,317,676 | 17,261,307 | (4,056,369 |
| Community Support Services | 6,140,445 | - | (6,140,445) | 15,218,723 | - | (15,218,723 |
| Major Organ Transplant | 537,237 | 951,584 | 414,347 | 2,189,057 | 3,803,567 | 1,614,510 |
| Cal AIM Incentive Programs | 125,018 | - | (125,018) | 978,665 | - | (978,665 |
| Distinct Part Nursing Facility Expense | 1,227 | - | (1,227) | 5,030 | - | (5,030 |
| DME/Rebates | 2,331,626 | 1,986,258 | (345,369) | 8,621,450 | 7,937,594 | (683,856 |
| Total Other Medical | 35,490,308 | 29,199,312 | (6,290,996) | 134,840,349 | 116,058,805 | (18,781,544 |
| Pay for Performance Quality Incentive | 607,349 | 606,754 | (595) | 2,430,128 | 2,422,524 | (7,603 |
| Hospital Directed Payments | 58,897,348 | 24,367,080 | (34,530,269) | 235,718,580 | 97,349,979 | (138,368,600 |
| Hospital Directed Payment Adjustment | 111,948 | - | (111,948) | 105,215,239 | - | (105,215,239 |
| Non-Claims Expense Adjustment | (1,877) | - | 1,877 | (6,488,692) | - | 6,488,692 |
| IBNR, Incentive, Paid Claims Adjustment | (2,667,286) | - | 2,667,286 | (2,008,940) | - | 2,008,940 |
| Total Medical Costs | 199,756,928 | 158,364,736 | (41,392,192) | 887,097,704 | 632,067,471 | (255,030,233) |
| | | | | | | |

^{*} MEDICAL COSTS PER DMHC REGULATIONS



| | Anril | Pudget | Variance | Voor to Data | Pudget | Variance |
|--|------------------|-------------------|-----------------|---------------------------|---------------------|-------------------|
| TOTAL MEMBERS - MCAL | April 404,899 | Budget 404,500 | Variance 399 | Year to Date 1,620,085 | Budget 1,615,000 | Variance 5,085 |
| | 404,033 | 404,300 | 333 | 1,020,003 | 1,013,000 | 3,003 |
| Physician Services Primary Care Physician Services | 19.81 | 20.12 | 0.31 | 20.62 | 20.11 | (0.50 |
| Referral Specialty Services | 67.58 | 61.46 | (6.13) | 63.67 | 61.49 | (2.18 |
| Urgent Care & After Hours Advice | 8.95 | 9.43 | 0.48 | 9.86 | 9.43 | (0.43 |
| Hospital Admitting Team | 0.02 | 0.02 | 0.00 | 0.02 | 0.02 | 0.00 |
| Total Physician Services | 96.37 | 91.02 | (5.34) | 94.17 | 91.05 | (3.1 |
| · | 30.37 | 31.02 | (5.54) | 34.17 | 31.03 | (5.1. |
| Other Professional Services | 0.85 | 0.90 | 0.05 | 0.85 | 0.90 | 0.0 |
| Vision Service Capitation | | 0.90 | | | 0.48 | |
| 221 - Business Intelligence | 0.46 1.81 | 1.92 | 0.02 0.11 | 0.48 1.90 | 1.92 | (0.0 |
| 310 - Health Servcies - Utilization Management 311 - Health Services - Quality Improvement | 0.59 | 0.71 | 0.11 | 0.61 | 0.71 | 0.0 |
| 312 - Health Services Education | 0.39 | 0.71 | 0.12 | 0.78 | 0.71 | 0.1 |
| 313 - Pharmacy | 0.77 | 0.88 | 0.11 | 0.78 | 0.88 | 0.0 |
| 314 - Enhanced Care Management | 0.28 | 0.98 | 0.00 | 0.94 | 0.98 | 0.0 |
| 316 - Population Health Management | 1.23 | 1.51 | 0.28 | 1.30 | 1.51 | 0.0 |
| 317 - In Lieu of Services | 0.31 | 0.32 | 0.28 | 0.31 | 0.32 | 0.0 |
| 321 - Homeless Management Information Services | 0.05 | 0.32 | 0.05 | 0.07 | 0.11 | 0.0 |
| 330 - Member Services | 2.51 | 2.69 | 0.18 | 2.55 | 2.69 | 0.14 |
| 331 - Member Outreach | 0.29 | 0.62 | 0.33 | 0.22 | 0.62 | 0.40 |
| 410 - Member Engagement | 0.14 | 0.26 | 0.12 | 0.14 | 0.26 | 0.1 |
| 601 - Behavioral Health | 0.36 | 0.44 | 0.07 | 0.37 | 0.44 | 0.0 |
| 602 - Quality & Health Equity | 0.20 | 0.20 | 0.01 | 0.20 | 0.20 | 0.0 |
| 604 - Clinical Operations, Strategy, and Analytics | 0.32 | 0.33 | 0.02 | 0.32 | 0.33 | 0.0 |
| 605 - Quality Performance | 0.39 | 0.46 | 0.08 | 0.38 | 0.46 | 0.0 |
| Behavior Health Treatment | 9.35 | 6.99 | (2.36) | 7.91 | 6.99 | (0.9) |
| Mental Health Services | 1.36 | 1.68 | 0.32 | 1.44 | 1.68 | 0.24 |
| Other Professional Services | 5.54 | 5.04 | (0.49) | 5.01 | 5.05 | 0.04 |
| Total Other Professional Services | 27.79 | 26.85 | (0.94) | 26.09 | 26.86 | 0.7 |
| Emergency Room | 15.64 | 16.82 | 1.18 | 16.27 | 16.82 | 0.5 |
| Inpatient Hospital | 83.27 | 84.06 | 0.79 | 81.60 | 84.13 | 2.5 |
| Reinsurance Expense Premium | 0.59 | 0.68 | 0.08 | 0.65 | 0.68 | 0.0 |
| Outpatient Hospital | 41.40 | 38.16 | (3.24) | 38.87 | 38.19 | (0.6 |
| Other Medical | • | | | · · | | |
| Ambulance and NEMT | 14.39 | 12.49 | (1.91) | 15.81 | 12.50 | (3.3 |
| Home Health Services & CBAS | 3.45 | 3.26 | (0.19) | 3.55 | 3.27 | (0.2 |
| Utilization and Quality Review Expenses | 1.91 | 4.49 | 2.58 | 2.66 | 4.49 | 1.8 |
| Long Term/SNF/Hospice | 26.39 | 28.48 | 2.09 | 25.61 | 28.52 | 2.9 |
| Provider Enhancement Expense - Prop. 56 | 4.47 | 4.08 | (0.39) | 4.46 | 3.67 | (0.7 |
| Provider Enhancement Expense - GEMT | 1.32 | 1.45 | 0.13 | 1.32 | 1.45 | 0.1 |
| Enhanced Care Management | 13.16 | 10.68 | (2.48) | 13.16 | 10.69 | (2.4 |
| Community Support Services | 15.17 | - | (15.17) | 9.39 | - | (9.3 |
| Major Organ Transplant | 1.33 | 2.35 | 1.03 | 1.35 | 2.36 | 1.0 |
| Cal AIM Incentive Programs | 0.31 | - | (0.31) | 0.60 | - | (0.6 |
| Distinct Part Nursing Facility Expense | 0.00 | - | (0.00) | 0.00 | - | (0.0 |
| DME/Rebates | 5.76 | 4.91 | (0.85) | 5.32 | 4.91 | (0.4 |
| Total Other Medical | 87.65 | 72.19 | (15.47) | 83.23 | 71.86 | (11.3 |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 0.00 | 1.50 | 1.50 | 0.0 |
| Hospital Directed Payments | 145.46 | 60.24 | (85.22) | 145.50 | 60.28 | (85.2 |
| Hospital Directed Payment Adjustment | 0.28 | | (0.28) | 64.94 | | (64.9 |
| Non-Claims Expense Adjustment | (0.00) | | 0.00 | (4.01) | | 4.0 |
| IBNR, Incentive, Paid Claims Adjustment | (6.59) | | 6.59 | (1.24) | | 1.24 |
| | | **** | | | | |
| Total Medical Costs | 493.35 | 391.51 | (101.84) | 547.56 | 391.37 | (156.1 |



| | January | February | March | April | Year to Date |
|--|---|------------------------|-------------|-------------|----------------------------|
| Physician Services | | | | | |
| Primary Care Physician Services | 6,633,777 | 10,235,649 | 8,511,088 | 8,021,079 | 33,401,594 |
| Referral Specialty Services | 25,541,006 | 24,175,932 | 26,067,518 | 27,364,943 | 103,149,399 |
| Urgent Care & After Hours Advice | 3,948,407 | 4,291,828 | 4,106,619 | 3,623,145 | 15,969,999 |
| Hospital Admitting Team | 9,300 | 8,400 | 9,300 | 9,000 | 36,000 |
| Total Physician Services | 36,132,491 | 38,711,809 | 38,694,525 | 39,018,167 | 152,556,992 |
| Other Professional Services | | | | | |
| Vision Service Capitation | 344,606 | 343,774 | 343,775 | 345,653 | 1,377,808 |
| 221 - Business Intelligence | 211,963 | 188,504 | 191,787 | 186,842 | 779,096 |
| 310 - Health Servcies - Utilization Management | 826,640 | 762,266 | 757,294 | 734,148 | 3,080,347 |
| 311 - Health Services - Quality Improvement | 306,121 | 220,471 | 220,433 | 238,693 | 985,717 |
| 312 - Health Services Education | 321,705 | 307,110 | 316,293 | 312,444 | 1,257,552 |
| 313 - Pharmacy | 140,301 | 111,951 | 115,447 | 113,186 | 480,884 |
| 314 - Enhanced Care Management | 411,824 | 347,498 | 371,602 | 395,870 | 1,526,794 |
| 316 - Population Health Management | 593,720 | 502,067 | 520,999 | 496,916 | 2,113,703 |
| 317 - In Lieu of Services | 134,223 | 120,595 | 127,368 | 125,560 | 507,747 |
| 321 - Homeless Management Information Services | 44,251 | 23,122 | 20,283 | 21,008 | 108,664 |
| 330 - Member Services | 1,080,746 | 1,029,669 | 1,011,284 | 1,016,232 | 4,137,931 |
| 331 - Member Outreach | 83,414 | 78,217 | 82,465 | 117,142 | 361,238 |
| 410 - Member Engagement | 59,841 | 54,424 | 57,455 | 57,181 | 228,900 |
| 601 - Behavioral Health | 170,807 | 146,523 | 140,152 | 147,490 | 604,972 |
| 602 - Quality & Health Equity | 82,237 | 78,819 | 78,678 | 79,984 | 319,718 |
| 604 - Clinical Operations, Strategy, and Analytics | 142,213 | 117,289 | 130,628 | 128,689 | 518,820 |
| 605 - Quality Performance | 154,331 | 142,203 | 160,748 | 156,090 | 613,373 |
| Behavior Health Treatment | 3,181,908 | 3,355,677 | 2,493,778 | 3,786,771 | 12,818,134 |
| Mental Health Services | 974,251 | 506,210 | 300,821 | 550,412 | 2,331,694 |
| Other Professional Services | 2,180,697 | 1,568,304 | 2,126,040 | 2,241,884 | 8,116,925 |
| Total Other Professional Services | 11,445,798 | 10,004,694 | 9,567,330 | 11,252,193 | 42,270,016 |
| Emergency Room | 7,289,728 | 6,508,981 | 6,225,711 | 6,330,730 | 26,355,150 |
| Inpatient Hospital | 33,857,875 | 31,406,220 | 33.213.126 | 33,714,646 | 132,191,867 |
| Reinsurance Expense Premium | 269,619 | 269,619 | 269,619 | 240,829 | 1,049,685 |
| Outpatient Hospital | 16,019,765 | 15,697,949 | 14,487,044 | 16,762,573 | 62,967,330 |
| Other Medical | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | -,,- | , , , , , | ., . , | |
| Ambulance and NEMT | 5,965,805 | 7,090,416 | 6,724,343 | 5,827,057 | 25,607,620 |
| Home Health Services & CBAS | 1,636,266 | 1,531,236 | 1,185,227 | 1,395,613 | 5,748,342 |
| Utilization and Quality Review Expenses | 936,126 | 930,163 | 1,665,464 | 773,340 | 4,305,094 |
| Long Term/SNF/Hospice | 10,523,545 | 10,822,106 | 9,460,426 | 10,684,436 | 41,490,513 |
| Provider Enhancement Expense - Prop. 56 | 1,801,039 | 1,803,328 | 1,805,739 | 1,809,345 | 7,219,451 |
| Provider Enhancement Expense - GEMT | 549,430 | 519,819 | 534,888 | 534,592 | 2,138,728 |
| Enhanced Care Management | 5,134,027 | 5,521,997 | 5,331,279 | 5,330,372 | 21,317,676 |
| Community Support Services | 590,845 | 3,824,743 | 4,662,690 | 6,140,445 | 15,218,723 |
| Major Organ Transplant | 542,452 | 574,592 | 534,775 | 537,237 | 2,189,057 |
| Cal AIM Incentive Programs | 275,000 | 188,015 | 390,633 | 125,018 | 978,665 |
| Distinct Part Nursing Facility Expense | 1,259 | 1,293 | 1.251 | 1,227 | 5.030 |
| DME/Rebates | 2,339,823 | 1,958,689 | 1,991,312 | 2,331,626 | 8,621,450 |
| Total Other Medical | 30,295,617 | 34,766,397 | 34,288,028 | 35,490,308 | 134,840,349 |
| Pay for Performance Quality Incentive | 606,662 | 608,318 | 607,800 | 607,349 | 2,430,128 |
| Hospital Directed Payments | 59.831.392 | 58,045,936 | 58,943,903 | 58,897,348 | 235.718.580 |
| Hospital Directed Payment Adjustment | 103,134,648 | 1,953,159 | 15,484 | 111,948 | 105,215,239 |
| | | | | | |
| Non-Claims Expense Adjustment IBNR, Incentive, Paid Claims Adjustment | (350,170) 388,615 | (2,753,743) 248,637 | (3,382,901) | (1,877) | (6,488,692) (2,008,940) |
| | | • | , , | | |
| Total Medical Costs | 298,922,038 | 195,467,975 | 192,950,763 | 199,756,928 | 887,097,704 |

^{*} MEDICAL COSTS PER DMHC REGULATIONS



| | January | February | March | April | Year to Date |
|--|---------|----------|--------|--------|--------------|
| Physician Services | | | | | |
| Primary Care Physician Services | 16.40 | 25.24 | 21.00 | 19.81 | 20.62 |
| Referral Specialty Services | 63.15 | 59.61 | 64.33 | 67.58 | 63.67 |
| Urgent Care & After Hours Advice | 9.76 | 10.58 | 10.13 | 8.95 | 9.86 |
| Hospital Admitting Team | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 |
| Total Physician Services | 89.34 | 95.46 | 95.49 | 96.37 | 94.17 |
| Other Professional Services | | | | | |
| Vision Service Capitation | 0.85 | 0.85 | 0.85 | 0.85 | 0.85 |
| 221 - Business Intelligence | 0.52 | 0.46 | 0.47 | 0.46 | 0.48 |
| 310 - Health Servcies - Utilization Management | 2.04 | 1.88 | 1.87 | 1.81 | 1.90 |
| 311 - Health Services - Quality Improvement | 0.76 | 0.54 | 0.54 | 0.59 | 0.61 |
| 312 - Health Services Education | 0.80 | 0.76 | 0.78 | 0.77 | 0.78 |
| 313 - Pharmacy | 0.35 | 0.28 | 0.28 | 0.28 | 0.30 |
| 314 - Enhanced Care Management | 1.02 | 0.86 | 0.92 | 0.98 | 0.94 |
| 316 - Population Health Management | 1.47 | 1.24 | 1.29 | 1.23 | 1.30 |
| 317 - In Lieu of Services | 0.33 | 0.30 | 0.31 | 0.31 | 0.31 |
| 321 - Homeless Management Information Services | 0.11 | 0.06 | 0.05 | 0.05 | 0.07 |
| 330 - Member Services | 2.67 | 2.54 | 2.50 | 2.51 | 2.55 |
| 331 - Member Outreach | 0.21 | 0.19 | 0.20 | 0.29 | 0.22 |
| 410 - Member Engagement | 0.15 | 0.13 | 0.14 | 0.14 | 0.14 |
| 601 - Behavioral Health | 0.42 | 0.36 | 0.35 | 0.36 | 0.37 |
| 602 - Quality & Health Equity | 0.20 | 0.19 | 0.19 | 0.20 | 0.20 |
| 604 - Clinical Operations, Strategy, and Analytics | 0.35 | 0.29 | 0.32 | 0.32 | 0.32 |
| 605 - Quality Performance | 0.38 | 0.35 | 0.40 | 0.39 | 0.38 |
| Behavior Health Treatment | 7.87 | 8.27 | 6.15 | 9.35 | 7.91 |
| Mental Health Services | 2.41 | 1.25 | 0.74 | 1.36 | 1.44 |
| Other Professional Services | 5.39 | 3.87 | 5.25 | 5.54 | 5.01 |
| Total Other Professional Services | 28.30 | 24.67 | 23.61 | 27.79 | 26.09 |
| | | | | | |
| Emergency Room | 18.02 | 16.05 | 15.36 | 15.64 | 16.27 |
| Inpatient Hospital | 83.72 | 77.44 | 81.97 | 83.27 | 81.60 |
| Reinsurance Expense Premium | 0.67 | 0.66 | 0.67 | 0.59 | 0.65 |
| Outpatient Hospital | 39.61 | 38.71 | 35.75 | 41.40 | 38.87 |
| Other Medical | | | | | |
| Ambulance and NEMT | 14.75 | 17.48 | 16.60 | 14.39 | 15.81 |
| Home Health Services & CBAS | 4.05 | 3.78 | 2.93 | 3.45 | 3.55 |
| Utilization and Quality Review Expenses | 2.31 | 2.29 | 4.11 | 1.91 | 2.66 |
| Long Term/SNF/Hospice | 26.02 | 26.69 | 23.35 | 26.39 | 25.61 |
| Provider Enhancement Expense - Prop. 56 | 4.45 | 4.45 | 4.46 | 4.47 | 4.46 |
| Provider Enhancement Expense - GEMT | 1.36 | 1.28 | 1.32 | 1.32 | 1.32 |
| Enhanced Care Management | 12.69 | 13.62 | 13.16 | 13.16 | 13.16 |
| Community Support Services | 1.46 | 9.43 | 11.51 | 15.17 | 9.39 |
| Major Organ Transplant | 1.34 | 1.42 | 1.32 | 1.33 | 1.35 |
| Cal AIM Incentive Programs | 0.68 | 0.46 | 0.96 | 0.31 | 0.60 |
| Distinct Part Nursing Facility Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| DME/Rebates | 5.79 | 4.83 | 4.91 | 5.76 | 5.32 |
| Total Other Medical | 74.91 | 85.73 | 84.62 | 87.65 | 83.23 |
| Pay for Performance Quality Incentive | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Hospital Directed Payments | 147.94 | 143.13 | 145.47 | 145.46 | 145.50 |
| Hospital Directed Payment Adjustment | 255.01 | 4.82 | 0.04 | 0.28 | 64.94 |
| Non-Claims Expense Adjustment | (0.87) | (6.79) | (8.35) | (0.00) | (4.01) |
| IBNR, Incentive, Paid Claims Adjustment | 0.96 | 0.61 | 0.05 | (6.59) | (1.24) |
| | | | | | |
| Total Medical Costs | 739.10 | 481.99 | 476.19 | 493.35 | 547.56 |

MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED APRIL 30, 2025



| 590,083 52,753 425,988 490,927 420,670 492,554 292,961 64,290 1,162,292 47,750 907,411 | 650,390 62,942 370,068 508,775 246,484 515,722 321,789 43,744 1,140,153 | 60,307 10,188 (55,920) 17,848 (174,186) 23,168 28,828 (20,547) (22,139) | 2,290,055 225,115 1,440,528 1,451,631 1,488,453 1,704,058 920,900 187,431 | 2,601,561 251,768 1,480,270 2,035,098 985,937 2,062,890 1,287,156 174,975 | 311,506 26,653 39,742 583,468 (502,517) 358,831 366,257 |
|--|--|--|---|---|---|
| 425,988 490,927 420,670 492,554 292,961 64,290 1,162,292 47,750 | 370,068 508,775 246,484 515,722 321,789 43,744 1,140,153 | (55,920) 17,848 (174,186) 23,168 28,828 (20,547) | 1,440,528 1,451,631 1,488,453 1,704,058 920,900 187,431 | 1,480,270 2,035,098 985,937 2,062,890 1,287,156 | 39,742 583,468 (502,517) 358,831 366,257 |
| 490,927 420,670 492,554 292,961 64,290 1,162,292 47,750 | 508,775 246,484 515,722 321,789 43,744 1,140,153 | 17,848 (174,186) 23,168 28,828 (20,547) | 1,451,631 1,488,453 1,704,058 920,900 187,431 | 2,035,098 985,937 2,062,890 1,287,156 | 583,468 (502,517) 358,831 366,257 |
| 420,670 492,554 292,961 64,290 1,162,292 47,750 | 246,484 515,722 321,789 43,744 1,140,153 | 17,848 (174,186) 23,168 28,828 (20,547) | 1,488,453 1,704,058 920,900 187,431 | 2,035,098 985,937 2,062,890 1,287,156 | (502,517) 358,831 366,257 |
| 492,554 292,961 64,290 1,162,292 47,750 | 515,722 321,789 43,744 1,140,153 | 23,168 28,828 (20,547) | 1,488,453 1,704,058 920,900 187,431 | 2,062,890 1,287,156 | 358,831 366,257 |
| 492,554 292,961 64,290 1,162,292 47,750 | 321,789 43,744 1,140,153 | 23,168 28,828 (20,547) | 1,704,058 920,900 187,431 | 2,062,890 1,287,156 | 358,831 366,257 |
| 64,290 1,162,292 47,750 | 43,744 1,140,153 | (20,547) | 187,431 | | • |
| 1,162,292 47,750 | 43,744 1,140,153 | | | | (42.4EC) |
| 47,750 | 1,140,153 | | · · · · · · · · · · · · · · · · · · · | | (12,456) |
| 47,750 | | (,133) | 3,419,610 | 4,560,611 | 1,141,002 |
| 907,411 | 94,102 | 46,353 | 250,185 | 376,409 | 126,224 |
| | 823,338 | (84,073) | 3,720,496 | 3,293,349 | (427,148) |
| 149,624 | 216,007 | 66,383 | 822,087 | 864,028 | 41,940 |
| 52,147 | 50,148 | (1,999) | 175,152 | 200,590 | 25,438 |
| 8,308 | 11,596 | 3,287 | 32,207 | 46,382 | 14,175 |
| - | 648 | 648 | - | 2,593 | 2,593 |
| 357 | 11,450 | 11,093 | 32,152 | 45,800 | 13,648 |
| 23,983 | 22,583 | (1,401) | 107,854 | 90,330 | (17,523) |
| 1,030 | 2,454 | 1,425 | 1,132 | 9,817 | 8,684 |
| - | 3,150 | 3,150 | 883 | 12,601 | 11,718 |
| 289,369 | 326,776 | 37,407 | 1,146,350 | 1,307,105 | 160,756 |
| | | (110) | | 7,417 | 5,326 |
| 45,370 | 30,422 | (14,948) | 123,653 | 121,687 | (1,967) 236,417 |
| 159,275 | 229,310 | 70,035 | 680,823 | 917,240 | 236,417 |
| 876,263 | 1,128,044 | 251,781 | 3,494,262 | 4,512,178 | |
| 283,804 | 306,189 | 22,385 | 1,178,278 | 1,224,756 | 1,017,916 46,478 (9,655) |
| | | | | | (9,655) |
| 118,236 | 329,532 | 211,296 | 712,600 | | 605,527 |
| 432,281 | 460,498 | 28,217 | 1,952,207 | | (110,217) |
| 118,635 | 122,824 | 4,189 | 397,489 | 491,294 | 93,806 |
| 76 | 3,350 | 3,274 | 583 | 13,400 | 12,817 |
| 72,665 | 35,573 | (37,092) | 103,309 | 142,292 | 93,806 12,817 38,983 2,617 |
| - | 662 | 662 | 32 | 2,650 | 2,617 |
| 193,987 | 116,048 | (77,939) | 784,242 | 464,193 | |
| 160,116 | 200,000 | 39,884 | 937,035 | 800,000 | (320,049) (137,035) 3,753,957 |
| 8,001,306 | 8,449,497 | 448,191 | 30,044,030 | 33,797,987 | 3,753,957 |
| | 8,308 - 357 23,983 1,030 - 289,369 1,964 45,370 159,275 876,263 283,804 66,137 118,236 432,281 118,635 76 72,665 - 193,987 | 8,308 11,596 - 648 357 11,450 23,983 22,583 1,030 2,454 - 3,150 289,369 326,776 1,964 1,854 45,370 30,422 159,275 229,310 876,263 1,128,044 283,804 306,189 66,137 62,873 118,236 329,532 432,281 460,498 118,635 122,824 76 3,350 72,665 35,573 - 662 193,987 116,048 160,116 200,000 | 8,308 11,596 3,287 - 648 648 357 11,450 11,093 23,983 22,583 (1,401) 1,030 2,454 1,425 - 3,150 3,150 289,369 326,776 37,407 1,964 1,854 (110) 45,370 30,422 (14,948) 159,275 229,310 70,035 876,263 1,128,044 251,781 283,804 306,189 22,385 66,137 62,873 (3,264) 118,236 329,532 211,296 432,281 460,498 28,217 118,635 122,824 4,189 76 3,350 3,274 72,665 35,573 (37,092) - 662 662 193,987 116,048 (77,939) 160,116 200,000 39,884 | 8,308 11,596 3,287 - 648 648 357 11,450 11,093 23,983 22,583 (1,401) 1,030 2,454 1,425 - 3,150 3,150 289,369 326,776 37,407 1,964 1,854 (110) 45,370 30,422 (14,948) 159,275 229,310 70,035 876,263 1,128,044 251,781 283,804 306,189 22,385 66,137 62,873 (3,264) 118,236 329,532 211,296 432,281 460,498 28,217 118,635 122,824 4,189 76 3,350 3,274 76,665 35,573 (37,092) - 662 662 193,987 116,048 (77,939) 784,242 160,116 200,000 39,884 | 8,308 11,596 3,287 - 648 648 357 11,450 11,093 23,983 22,583 (1,401) 1,030 2,454 1,425 - 3,150 3,150 289,369 326,776 37,407 1,964 1,854 (110) 45,370 30,422 (14,948) 159,275 229,310 70,035 876,263 1,128,044 251,781 283,804 306,189 22,385 66,137 62,873 (3,264) 118,236 329,532 211,296 718,635 122,824 4,189 118,635 122,824 4,189 76 3,350 3,274 76 3,350 3,274 76 3,350 3,274 76 3,350 3,274 76 3,350 3,274 76 3,350 3,274 76 3,350 3,274 76 3,350 3,274 76 3,350 |



MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED APRIL 30, 2025

| | January | February | March | April | YTD TOTALS |
|---|-----------|-----------|-----------|-----------|------------|
| 110 - Executive | 682,639 | 453,118 | 564,215 | 590,083 | 2,290,055 |
| 112 - Government Relations | 64,745 | 54,023 | 53,593 | 52,753 | 225,115 |
| 210 - Accounting | 373,730 | 270,170 | 370,641 | 425,988 | 1,440,528 |
| 220 - Management Information Systems (MIS) | 354,906 | 282,955 | 322,843 | 490,927 | 1,451,631 |
| 221 - Business Intelligence | 288,258 | 333,566 | 445,959 | 420,670 | 1,488,453 |
| 222 - MIS Development | 390,138 | 339,566 | 481,800 | 492,554 | 1,704,058 |
| 223 - Enterprise Configuration | 233,790 | 188,775 | 205,373 | 292,961 | 920,900 |
| 224 - Cyber Security | 31,621 | 51,523 | 39,996 | 64,290 | 187,431 |
| 225 - Infrastructure | 767,910 | 644,388 | 845,020 | 1,162,292 | 3,419,610 |
| 226 - Technical Administrative Services | 70,628 | 64,258 | 67,549 | 47,750 | 250,185 |
| 230 - Claims | 885,033 | 986,246 | 941,807 | 907,411 | 3,720,496 |
| 240 - Project Development | 214,035 | 237,465 | 220,963 | 149,624 | 822,087 |
| 310 - Health Services - Utilization Management | 30,019 | 52,541 | 40,446 | 52,147 | 175,152 |
| 311 - Health Services - Quality Improvement | (15,100) | 31,947 | 7,052 | 8,308 | 32,207 |
| 313 - Pharmacy | 10,795 | 10,500 | 10,500 | 357 | 32,152 |
| 314 - Enhanced Care Management | 18,954 | 44,579 | 20,337 | 23,983 | 107,854 |
| 316 - Population Health Management | 103 | - | - | 1,030 | 1,132 |
| 317 - Community Support Services | - | - | 883 | - | 883 |
| 320 - Provider Network Management | 297,212 | 274,630 | 285,138 | 289,369 | 1,146,350 |
| 321 - Homeless Management Information Services | 73 | • | 54 | 1,964 | 2,091 |
| 322 - Delegation & Oversight | 50,538 | 1,369 | 26,376 | 45,370 | 123,653 |
| 330 - Member Services | 174,446 | 228,649 | 118,453 | 159,275 | 680,823 |
| 340 - Corporate Services | 1,085,693 | 680,455 | 851,850 | 876,263 | 3,494,262 |
| 360 - Audit & Investigative Services | 286,424 | 338,436 | 269,614 | 283,804 | 1,178,278 |
| 410 - Member Engagement | 67,809 | 62,520 | 64,681 | 66,137 | 261,148 |
| 420 - Sales/Marketing/Public Relations | 139,774 | 226,357 | 228,233 | 118,236 | 712,600 |
| 510 - Human Resourses | 727,474 | 317,319 | 475,133 | 432,281 | 1,952,207 |
| 520 - Legal | 35,231 | 100,899 | 142,724 | 118,635 | 397,489 |
| 601 - Behavioral Health | 307 | 200 | - | 76 | 583 |
| 602 - Quality & Health Equity | 10,624 | 9,938 | 10,083 | 72,665 | 103,309 |
| 604 - Clinical Operations, Strategy & Analytics | - | - | 32 | - | 32 |
| 605 - Quality Performance | 212,721 | 179,458 | 198,076 | 193,987 | 784,242 |
| Administrative Expense Adjustment | 202,969 | 198,773 | 375,177 | 160,116 | 937,035 |
| Total Administrative Expenses | 7,693,499 | 6,664,623 | 7,684,602 | 8,001,306 | 30,044,030 |





| | | | Increase/ |
|--|------------|------------|------------|
| ASSETS | April 2025 | March 2025 | (Decrease) |
| Cash and Cash Equivalents | 1,260,658 | 1,246,986 | 13,672 |
| Interest Receivable | 4,600 | 13,672 | (9,072) |
| Other Receivable | 125 | 125 | - |
| Total Current Assets | 1,265,383 | 1,260,783 | 4,600 |
| CURRENT LIABILITIES | | | |
| Other Liabilities | - | - | - |
| Total Current Liabilities | - | - | - |
| NET POSITION: | | | |
| Net Position at Beginning of Year | 1,245,606 | 1,245,606 | - |
| Increase (Decrease) in Net Position - Current Year | 19,777 | 15,177 | 4,600 |
| Total Net Position | 1,265,383 | 1,260,783 | 4,600 |
| TOTAL LIABILITIES AND NET POSITION | 1,265,383 | 1,260,783 | 4,600 |

KHS - GROUP HEALTH PLAN STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION



FOR THE MONTH ENDED APRIL 30, 2025

| | April | Budget | Variance | Year to Date | Budget | Variance |
|--|-------|--------|----------|--------------|----------|----------|
| REVENUES | | | | | <u> </u> | |
| Premium | - | - | - | - | - | - |
| Interest | 4,600 | - | 4,600 | 18,272 | - | 18,272 |
| Other Investment Income | - | - | - | 1,505 | - | 1,505 |
| Total Revenues | 4,600 | - | 4,600 | 19,777 | - | 19,777 |
| EXPENSES MEDICAL COSTS | | | | | | |
| IBNR and Paid Claims Adjustment | - | - | - | - | - | - |
| Total Medical Costs | - | - | - | - | - | - |
| GROSS MARGIN | 4,600 | - | 4,600 | 19,777 | - | 19,777 |
| ADMINISTRATIVE COSTS | | | | | | |
| Management Fee Expense and Other Admin Exp | - | - | - | - | - | - |
| Total Administrative Expenses | - | - | - | - | - | - |
| TOTAL EXPENSES | - | - | - | - | - | - |
| OPERATING INCOME (LOSS) BEFORE TAX | 4,600 | - | 4,600 | 19,777 | - | 19,777 |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | |
| Total Non-Operating Revenue (Expense) | - | - | - | - | - | |
| NET INCREASE (DECREASE) IN NET POSITION | 4,600 | - | 4,600 | 19,777 | - | 19,777 |
| MEDICAL LOSS RATIO | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| ADMINISTRATIVE EXPENSE RATIO | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |



KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

| | 2025 MEMBER | | | | | | | | | | | | |
|--|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------|---------------|---------------|---------------|--------|----------|--------|--------|
| MEDI-CAL | MONTHS | JAN'25 | FEB'25 | MAR'25 | APR'25 | MAY'25 | JUN'25 | JUL'25 | AUG'25 | SEP'25 | OCT'25 | NOV'25 | DEC'25 |
| ADULT AND FAMILY | | | | | | | | | | | | | |
| ADULT (SEE COMMENT) | 297,915 | 74,604 | 74,605 | 74,309 | 74,397 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CHILD | 670,142 | 167,252 | 167,669 | 167,854 | 167,367 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB-TOTAL ADULT & FAMILY | 968,057 | 241,856 | 242,274 | 242,163 | 241,764 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER MEMBERS | | | | | | | | | | | | | |
| FULL DUALS - FAMILY | 2,178 | 566 | 526 | 545 | 541 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FULL DUALS - CHILD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUBTOTAL OTHER MEMBERS | 103,964 | 566 | 526 | 545 | 541 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL FAMILY | 1,072,021 | 242,422 | 242,800 | 242,708 | 242,305 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPD MEMBERS | | | | | | | | | | | | | |
| SPD (AGED AND DISABLED) | 83,649 | 23,226 | 18,391 | 20,998 | 21,034 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER MEMBERS | | | | | | | | | | | | | |
| BCCTP - TABACCO SETTLEMENT | 12 | 0 | 0 | 0 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FULL DUALS - BCCTP | 7 | 2 | 1 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ŭ |
| SPD FULL DUALS | 101,767 | 23,272 | 27,695 | 25,425 | 25,375 | 0 | 0 | 0 | | 0 | 0 | 0 | |
| EXPANDION FULL DUALS | 1,347 | 366 | 333 | 322 | 326 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LONG TERM CARE (LTC) | | | | | | | | | | | | | |
| LTC | 206 | 48 | 52 | | 52 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LTC DUALS | 1,845 | 465 | 467 | 462 | 451 | 0 | 0 | 0 | _ | 0 | 0 | 0 | |
| TOTAL LTC | 2,051 | 513 | 519 | 516 | 503 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SPD | 188,821 | 47,379 | 46,939 | 47,263 | 47,252 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | · | | • | | | | | | <u> </u> | | |
| ACA OE - MEDI-CAL OPTIONAL EXPAI | | 444040 | 445.000 | 445,000 | 115.040 | | 0 | | 0 | 0 | | | |
| ACA Expansion Adult-Citizen TOTAL EXPANSION | 461,017 461,017 | 114,640 114,640 | 115,806 115,806 | 115,229 115,229 | 115,342 115,342 | 0 0 | 0 0 | 0 0 | 0 0 | 0 | 0 | 0 | |
| TOTAL EXPANSION | 401,017 | 114,040 | 113,800 | 110,229 | 110,342 | U | U | U | U | U | U | U | 0 |
| TOTAL CLASSIC MEMBERS | 1,155,670 | 404,441 | 405,545 | 405,200 | 404,899 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | |
| GRAND TOTAL | 1,618,738 | 404,441 | 405,545 | 405,200 | 404,899 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | |



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Robert Landis, Chief Financial Officer

SUBJECT: Reports on Accounts Payable, Administrative Contracts and IT Technology

Consulting Resources

DATE: June 19, 2025

Attached for your review are the following items:

1) Accounts Payable Vendor Report listing of payments over \$20,000 for the months of February, March and April 2025.

- 2) Administrative Contract Report listing of contracts between \$50,000 and \$200,000 for the months of February, March and April 2025.
- 3) IT Technology Consulting Resources Report for the period ending March 31, 2025.

Requested Action

Receive and File.

February AP Vendor Report

Amounts over \$20,000.00

| Amount | s over \$20,000.00 | | | | |
|---------------|---|---------------|--------------|--|--|
| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
| WT/ACH | BLACKHAWK ENGAGEMENT SOLUTIONS, INC | 650,000.00 | 850,000.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM | HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES - QI |
| WT/ACH | BCI HOLDINGS | 380,789.32 | 587,945.71 | FEB. 2025 EMPLOYEE HMO HEALTH BENEFITS PREMIUM & RX CLAIMS | VARIOUS |
| T5292 | ALL'S WELL HEALTH CARE SERVICES | 231,852.92 | 312,591.83 | DEC. 2024 - FEB 2025 TEMPORARY HELP - UM: (13) | VARIOUS |
| T1180 | LANGUAGE LINE SERVICES INC. | 224,885.82 | 454,178.18 | DEC. 2024 INTERPRETATION SERVICES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T2469 | DST HEALTH SOLUTIONS, LLC **** | 218,725.00 | 218,725.00 | 2025 ACG LICENSE FEE & SUPPORT | BUSINESS INTELLIGENCE |
| T5111 | ENTISYS 360, E360 **** | 197,065.44 | 197,065.44 | VMWARE VSPHERE ENTERPRISE PLUS 2025 | TECHNICAL ADMINISTRATIVE SERVICES |
| T5337 | CAZADOR CONSULTING GROUP INC | 172,496.05 | 228,246.49 | DEC. 2024 - FEB 2025 TEMPORARY HELP - (1) PHM: (22) MS: (1) ME: (1) HE | VARIOUS |
| T5684 | REBELLIS GROUP LLC | 160,319.05 | 252,125.69 | NOV. 2024 TRAVEL REIMBURSEMENT & DEC. 2024 PROFESSIONAL SERVICES | MEDICARE |
| T5509 | NGUYEN CAO LUU-TRONG | 96,225.00 | 139,125.00 | DEC. 2024 & JAN. 2025 CONSULTING SERVICES | HEALTH SERVICES - UM |
| T5520 | BG HEALTHCARE CONSULTING, INC **** | 84,437.50 | 84,437.50 | DEC. 2024 & JAN. 2025 CONSULTING SERVICES | HEALTH SERVICES - UTIL. REVIEW/QUALITY MGMNT |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC | 76,628.88 | 203,247.66 | JAN. & FEB. 2025 PROFESSIONAL SERVICES & EDI CLAIMS | MIS INFRASTRUCTURE/CLAIMS |
| T5564 | CLARISHEALTH, INC | 76,355.56 | 134,171.84 | JAN. 2025 CONSULTING SERVICES | ADMINISTRATION |
| T3011 | OFFICE ALLY, INC | 72,169.23 | 136,538.64 | JAN. 2025 EDI CLAIMS | CLAIMS |
| T4737 | TEKSYSTEMS, INC. | 70,168.00 | 309,569.00 | DEC. 2024 PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T4733 | UNITED STAFFING ASSOCIATES | 67,633.04 | 117,000.20 | JAN. & FEB. 2025 TEMPORARY HELP - (9) MS: (3) ME | VARIOUS |
| T5967 | SAI360 INC **** | 66,255.00 | 66,255.00 | JAN. 2025 PROFESSIONAL SERVICES & 2 YR POLICY MANAGEMENT SYSTEM 3.2024-3.2026 | AUDIT & INVESTIGATIVE SERVICES |
| T5658 | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 64,356.86 | 127,978.49 | FEB. 2025 VOLUNTARY LIFE, AD&D INSURANCE PREMIUM | VARIOUS |

KERN·HEALTH SYSTEMS

February AP Vendor Report

Amounts over \$20,000.00

| Amount | s over \$20,000.00 | | | | |
|---------------|---|---------------|--------------|---|---|
| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
| T4350 | COMPUTER ENTERPRISE | 63,420.00 | 519,740.81 | OCT. 2024 & DEC. 2024 PROFESSIONAL SERVICES/CONSULTING SERVICES | VARIOUS |
| WT/ACH | PAYPRO ACH | 61,568.99 | 108,951.95 | JAN. & FEB. 2025 EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T6246 | UNIVERSAL HEALTHCARE MSO, LLC **** | 61,250.00 | 61,250.00 | D-SNP PSA IMPLEMENTATION FEES 1/4 | CAPITAL PROJECT |
| T2458 | HEALTHCARE FINANCIAL, INC. **** | 56,000.00 | 66,000.00 | NOV. 2024 - JAN. 2025 CONSULTING | ADMINISTRATION |
| T5890 | DELTA DENTAL OF CALIFORNIA | 50,878.17 | 102,555.88 | FEB. 2025 EMPLOYEE DENTAL HEALTH BENEFITS PREMIUM | VARIOUS |
| T1128 | HALL LETTER SHOP, INC | 47,949.16 | 114,216.37 | M-CAL RENEWALS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS & ENVELOPES | VARIOUS |
| T5742 | MICHAEL NGUYEN **** | 47,500.00 | 47,500.00 | 4TH QTR 2024 PROFESSIONAL SERVICES | QUALITY & HEALTH EQUITY |
| T2584 | UNITED STATES POSTAL SVC HASLER | 40,000.00 | 80,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T2941 | KERN PRINT SERVICES INC. **** | 39,772.14 | 54,665.39 | OFFICE SUPPLIES - ENVELOPES | CORPORATE SERVICES |
| T5467 | MOSS ADAMS LLP **** | 36,750.00 | 36,750.00 | AUDIT SERVICES | FINANCE |
| T5877 | TGN CONSULTING LLC | 36,000.00 | 159,008.95 | LEADERSHIP DEVELOPMENT CONSULTING | HUMAN RESOURCES |
| T6054 | WEBMD IGNITE **** | 35,059.36 | 35,059.36 | 2025 LICENSE FEES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T2413 | TREK IMAGING INC | 34,754.45 | 112,685.26 | MARKETING PROMOTIONAL SUPPLIES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS |
| T4484 | JACOBSON SOLUTIONS **** | 33,199.94 | 33,199.94 | DEC. 2024 & JAN. 2025 TEMPORARY HELP | CLAIMS |
| T3118 | AMERICAN ACADEMY HOLDINGS LLC dba AAPC **** | 32,730.32 | 34,440.17 | 2025 CPC TRAINING PACKAGE & AAPC MEMBERS | CLAIMS |
| T5435 | TEGRIA SERVICES GROUP - US, INC. **** | 31,150.00 | 42,875.00 | DEC. 2024 PROFESSIONAL SERVICES | BUSINESS INTELLIGENCE |

KERN•HEALTH SYSTEMS

February AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|---------------|--|---------------|--------------|---|---|
| T5012 | KERN MEDICAL CENTER FOUNDATION **** | 30,000.00 | 30,000.00 | PHYSICIAN'S MIXER CME SPONSORSHIP | ADMINISTRATION |
| T6116 | SIERRA SANDS UNIFIED SCHOOL DISTRICT **** | 28,000.00 | 29,000.00 | 2025-2026 ELEMENTARY SCHOOL GRANT - PIERCE & LAS FLORES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T2918 | STINSON'S **** | 27,483.31 | 37,598.54 | DEC. 2024 & JAN. 2025 OFFICE SUPPLIES | VARIOUS |
| T5882 | RELIABLE JANITORIAL SERVICES AND CARPET CLEANING INC | 26,290.00 | 79,645.00 | FEB. 2025 JANITORIAL SERVICES | CORPORATE SERVICES |
| T4514 | A.J. KLEIN, INC T. DENATALE, B. GOLDNER | 26,127.50 | 124,730.03 | JAN. 2025 LEGAL FEES | ADMINISTRATION |
| T5865 | HARTE-HANKS RESPONSE MANAGEMENT/AUSTIN, INC **** | 22,933.41 | 40,053.94 | JAN. 2025 PROFESSIONAL SERVICES | MEMBER SERVICES |
| T5757 | BITFOCUS, INC **** | 22,661.89 | 37,823.78 | FEB. 2025 HMIS LICENSES & HEALTH CHECK TRAINING | HMIS |
| T2167 | PG&E | 21,470.08 | 46,097.71 | JAN. 2025 UTILITIES | CORPORATE SERVICES |
| T5480 | PRESS GANEY ASSOCIATES LLC **** | 20,424.00 | 26,981.50 | INITIAL 75% 2025 ECM SURVEY | ENHANCED CARE MANAGEMENT |
| T5121 | TPX COMMUNICATIONS **** | 20,364.64 | 37,524.81 | JAN. 2025 LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES | HOMELESS MANAGEMENT INFORMATION SERVICES |
| T2135 | BAKERSFIELD CITY SCHOOL DISTRICT **** | 20,000.00 | 20,000.00 | 2025-2026 ELEMENTARY SCHOOL WELLNESS GRANT - RUTH E CLARK & HARDING | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5988 | WASCO UNION HIGH SCHOOL DISTRICT | 20,000.00 | 20,000.00 | SCHOOL WELLNESS GRANT 2025-2026 | HEALTH SERVICES - WELLNESS & PREVENTION |
| | | 3,904,100.03 | | | TREVERTION |
| | TOTAL VENDORS OVER \$20,000 | 3,904,100.03 | | | |
| | TOTAL VENDORS UNDER \$20,000 | 753,560.39 | | | |
| | TOTAL VENDOR EXPENSES- FEBRUARY | 4,657,660.42 | | | |

Note:

^{****}New vendors over \$20,000 for the month of February

KERN•HEALTH SYSTEMS

| Amount | s over \$20,000.00 | | | |
|---------------|--|--------------|--|---|
| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
| T1408 | DELL MARKETING LP. | 1,585,820.97 | ANNUAL VLA ENTERPRISE LICENSE/ EA RENEWAL & COMPUTER EQUIPMENT | MIS INFRASTRUCTURE |
| T3130 | OPTUMINSIGHT, INC. | 855,290.00 | ANNUAL CLAIMS EDIT SOFTWARE LICENSE - YR 3 OF 5 | MIS INFRASTRUCTURE |
| WT/ACH | BLACKHAWK ENGAGEMENT SOLUTIONS, INC | 850,000.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM | HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES -QI |
| WT/ACH | BCI HOLDINGS | 587,945.71 | EMPLOYEE HEALTH BENEFITS & RX CLAIMS PREMIUM | VARIOUS |
| T4350 | COMPUTER ENTERPRISE | 519,740.81 | PROFESSIONAL SERVICES/CONSULTING SERVICES | VARIOUS |
| T1180 | LANGUAGE LINE SERVICES INC. | 454,178.18 | INTERPRETATION SERVICES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5340 | GARTNER INC | 386,099.99 | EXECUTIVE PROGRAM LICENSE & 2025 ON SITE TRAINING | TECHNICAL ADMINISTRATIVE SERVICES/HUMAN RESOURCES |
| T5292 | ALL'S WELL HEALTH CARE SERVICES | 312,591.83 | TEMPORARY HELP | VARIOUS |
| T4737 | TEKSYSTEMS, INC. | 309,569.00 | PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T5684 | REBELLIS GROUP LLC | 252,125.69 | PROFESSIONAL SERVICES | MEDICARE |
| T5337 | CAZADOR CONSULTING GROUP INC | 228,246.49 | TEMPORARY HELP YTD | VARIOUS |
| T2469 | DST HEALTH SOLUTIONS, LLC | 218,725.00 | 2025 ACG LICENSE FEE & SUPPORT | BUSINESS INTELLIGENCE |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC | 203,247.66 | PROFESSIONAL SERVICES & EDI CLAIMS | MIS INFRASTRUCTURE/CLAIMS |
| T5111 | ENTISYS 360, E360 | 197,065.44 | LICENSE VMWARE VSPHERE ENTERPRISE PLUS 2025 | TECHNICAL ADMINISTRATIVE SERVICES |
| T5877 | TGN CONSULTING LLC | 159,008.95 | LEADERSHIP DEVELOPMENT CONSULTING | HUMAN RESOURCES |
| T4963 | LINKEDIN CORPORATION | 142,532.00 | 2025 LEARNING HUB YR 1 OF 2, RECRUITMENT JOB SLOTS YR 1 OF 3 | HUMAN RESOURCES |
| T4460 | PAYSPAN, INC | 142,156.20 | ELECTRONIC CLAIMS/PAYMENTS | FINANCE |
| T5509 | NGUYEN CAO LUU-TRONG | 139,125.00 | CONSULTING SERVICES | HEALTH SERVICES - UM |
| T3011 | OFFICE ALLY, INC | 136,538.64 | EDI CLAIMS | CLAIMS |

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|---------------|--|--------------|---|---|
| T5564 | CLARISHEALTH, INC | 134,171.84 | CONSULTING SERVICES | ADMINISTRATION |
| T5658 | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 127,978.49 | VOLUNTARY LIFE, AD&D INSURANCE PREMIUM YTD | VARIOUS |
| T4514 | A.J. KLEIN, INC T. DENATALE, B. GOLDNER | 124,730.03 | LEGAL FEES YTD | ADMINISTRATION |
| T1097 | NCQA | 122,349.00 | POPULATION HEALTH PROGRAM ACCREDIATION | HEALTH SERVICES - QI |
| T4733 | UNITED STAFFING ASSOCIATES | 117,000.20 | TEMPORARY HELP | VARIOUS |
| T1128 | HALL LETTER SHOP, INC | 114,216.37 | M-CAL RENEWALS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS & ENVELOPES | VARIOUS |
| T2413 | TREK IMAGING INC | 112,685.26 | MARKETING PROMOTIONAL SUPPLIES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS |
| WT/ACH | PAYPRO ACH | 108,951.95 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T5890 | DELTA DENTAL OF CALIFORNIA | 102,555.88 | EMPLOYEE DENTAL HEALTH BENEFITS PREMIUM | VARIOUS |
| T1272 | COFFEY COMMUNICATIONS INC. | 88,469.74 | WINTER ISSUE OF FAMILY HEALTH & WEBSITE ASSIST. MODULES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T4054 | ASSOCIATION FOR COMMUNITY AFFILIATED PLANS | 85,000.00 | 2025 MEMBER DUES | ADMINISTRATION |
| T5520 | BG HEALTHCARE CONSULTING, INC **** | 84,437.50 | CONSULTING SERVICES | HEALTH SERVICES - UM / QM |
| T5571 | GHA TECHNOLOGIES INC | 80,374.17 | FORTINET-FORTIGATE SECURITY APPLIANCES SUPPORT AND MAINTENANCE | MIS INFRASTRUCTURE |
| T2584 | UNITED STATES POSTAL SVC HASLER | 80,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T5882 | RELIABLE JANITORIAL SERVICES AND CARPET CLEANING INC | 79,645.00 | JANITORIAL SERVICES | CORPORATE SERVICES |
| T6218 | CLOUDERA, INC. | 77,940.10 | ANNUAL RENEWAL - METADATA PLATFORM | BUSINESS INTELLIGENCE |
| T4708 | WAKELY CONSULTING GROUP, LLC | 71,351.25 | PROFESSIONAL SERVICES | FINANCE |
| T5967 | SAI360 INC **** | 66,255.00 | PROFESSIONAL SERVICES & 2 YR POLICY MANAGEMENT SYSTEM 3.2024-3.2026 | AUDIT & INVESTIGATIVE SERVICES |
| T2458 | HEALTHCARE FINANCIAL, INC. **** | 66,000.00 | CONSULTING | ADMINISTRATION |

KERN•HEALTH SYSTEMS

| Amount | s over \$20,000.00 | | | |
|---------------|--|--------------|--|---|
| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
| T6246 | UNIVERSAL HEALTHCARE MSO, LLC **** | 61,250.00 | D-SNP PSA IMPLEMENTATION FEES | CAPITAL PROJECT |
| T5886 | US POSTAL SERVICE | 60,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| WT/ACH | USPS | 60,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T1404 | CALIFORNIA ASSOCIATION OF HEALTH PLANS | 56,856.00 | 2025 ANNUAL DUES ASSESSMENT | ADMINISTRATION |
| T2941 | KERN PRINT SERVICES INC. **** | 54,665.39 | OFFICE SUPPLIES | CORPORATE SERVICES |
| T5742 | MICHAEL NGUYEN **** | 47,500.00 | PROFESSIONAL SERVICES | QUALITY & HEALTH EQUITY |
| T2167 | PG&E | 46,097.71 | UTILITIES | CORPORATE SERVICES |
| T4501 | ALLIED UNIVERSAL SECURITY SERVICES | 46,063.93 | ONSITE SECURITY | CORPORATE SERVICES |
| T4237 | CITIUS HEALTHCARE CONSULTING, LLC | 45,262.50 | PROFESSIONAL SERVICES | VARIOUS |
| T5435 | TEGRIA SERVICES GROUP - US, INC. **** | 42,875.00 | PROFESSIONAL SERVICES | BUSINESS INTELLIGENCE / PROJECT MANAGEMENT |
| T6142 | GREAT PLACE TO WORK INSTUTUTE, INC | 41,995.00 | EMPLOYEE ENGAGEMENT SURVEY ACCELERATE PACKAGE | HUMAN RESOURCES |
| T6179 | BLPLLP | 40,578.21 | CONSULTING SERVICES - ERP SOFTWARE ADVISORY | CAPITAL PROJECT |
| T5865 | HARTE-HANKS RESPONSE MANAGEMENT/AUSTIN, INC **** | 40,053.94 | PROFESSIONAL SERVICES | MEMBER SERVICES |
| T5757 | BITFOCUS, INC **** | 37,823.78 | HMIS LICENSES & HEALTH CHECK TRAINING | HOMELESS MANAGEMENT INFORMATION SERVICES |
| T2918 | STINSON'S **** | 37,598.54 | OFFICE SUPPLIES | VARIOUS |
| T5121 | TPX COMMUNICATIONS **** | 37,524.81 | LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES | MIS INFRASTRUCTURE |
| T5467 | MOSS ADAMS LLP **** | 36,750.00 | AUDIT SERVICES | FINANCE |
| T6100 | SYMPLR | 35,515.73 | ANNUAL CREDENTIALING AND SOFTWARE LICENSE | HEALTH SERVICES - UM |

| Amoun | S over \$20,000.00 | | | |
|---------------|---|--------------|---|---|
| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
| T1022 | UNUM LIFE INSURANCE CO. **** | 35,138.06 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T6054 | WEBMD IGNITE **** | 35,059.36 | 2025 LICENSE FEES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T3118 | AMERICAN ACADEMY HOLDINGS LLC dba AAPC **** | 34,440.17 | 2025 CPC TRAINING PACKAGE & AAPC MEMBERS | CLAIMS |
| T5321 | TYK TECHNOLOGIES LTD | 34,000.00 | SELF MANAGED ARCHITECTURE PLAN 2024/2025 | MIS INFRASTRUCTURE |
| T5329 | RELAY NETWORK, LLC **** | 33,333.16 | TEXT MESSAGING SUBSCRIPTION | CAPITAL PROJECT |
| T4484 | JACOBSON SOLUTIONS **** | 33,199.94 | TEMPORARY HELP | CLAIMS |
| T3088 | GLEN BROWN CONSULTING | 31,387.50 | CONSULTING | CAPITAL PROJECT |
| T5988 | WASCO UNION HIGH SCHOOL DISTRICT | 30,200.00 | SCHOOL WELLNESS GRANT 2025-2026 | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5012 | KERN MEDICAL CENTER FOUNDATION **** | 30,000.00 | PHYSICIAN'S MIXER CME SPONSORSHIP | ADMINISTRATION |
| T5452 | BLACKHAWK ENGAGEMENT SOLUTIONS, INC | 30,000.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM | HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES -QI |
| T6116 | SIERRA SANDS UNIFIED SCHOOL DISTRICT **** | 29,000.00 | 2025-2026 ELEMENTARY SCHOOL GRANT | HEALTH SERVICES - WELLNESS & PREVENTION |
| T4785 | COMMGAP **** | 28,686.25 | INTERPRETATION SERVICES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5738 | INSURICA - WALTER MORTENSEN INSURANCE | 28,406.00 | 2023-2024 WORKERS COMPENSATION AUDIT | ADMINISTRATION |
| T5480 | PRESS GANEY ASSOCIATES LLC **** | 26,981.50 | ECM & CAHPS SURVEYS | ENHANCED CARE MANAGEMENT / MEMBER SERVICES |
| T1183 | MILLIMAN USA **** | 25,245.50 | ACTUARIAL SERVICES | VARIOUS |
| T1005 | COLONIAL LIFE & ACCIDENT **** | 24,624.40 | LIFE INSURANCE PREMIUM | VARIOUS |
| T4503 | VISION SERVICE PLAN **** | 23,865.25 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T5963 | ANTAGE INCORPORATED **** | 23,300.00 | PROFESSIONAL SERVICES | MIS |
| T4731 | GO TO TECHNOLOGIES, INC | 22,737.00 | LOGMEIN RESCUE SUBSCRIPTION 2.2025-1.2026 | MIS INFRASTRUCTURE |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|---------------|---|---------------|--|---|
| | | | | |
| T4934 | APPLE INC. | 22,229.90 | COMPUTER EQUIPMENT | CAPITAL PROJECT |
| T5076 | MERIDIAN HEALTH SYSTEMS, PC. **** | 21,450.00 | PROFESSIONAL SERVICES | HEALTH SERVICES - UM |
| T5319 | CITIUSTECH INC. | 21,250.00 | FAST + MAINTENANCE & SUBSCRIPTION Q3 2024 | MIS INFRASTRUCTURE |
| T5318 | CANONICAL GROUP LIMITED | 20,720.00 | UBUNTU PRO LICENSES 10.2024-9.2025 | MIS INFRASTRUCTURE |
| T2135 | BAKERSFIELD CITY SCHOOL DISTRICT **** | 20,000.00 | 2025-2026 ELEMENTARY SCHOOL WELLNESS GRANT | HEALTH SERVICES - WELLNESS & PREVENTION |
| T6223 | WASCO UNION ELEMENTARY SCHOOL DISTRICT **** | 20,000.00 | SCHOOL WELLNESS GRANT 2025-2026 | HEALTH SERVICES - WELLNESS & PREVENTION |
| | | 11,037,783.87 | | |
| | TOTAL VENDORS OVER \$20,000 | 11,037,783.87 | | |
| | TOTAL VENDORS UNDER \$20,000 | 1,097,156.60 | | |
| | TOTAL VENDOR EXPENSES- FEBRUARY | 12,134,940.47 | | |

Note

^{****}New vendors over \$20,000 for the month of February

Kern·Health Systems

March AP Vendor Report Amounts over \$20,000.00

| Amount | 3 0 0 0 1 1 1 2 1 3 1 2 1 3 1 3 1 3 1 3 1 3 1 3 | | | | |
|---------------|---|---------------|--------------|--|--|
| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
| WT/ACH | BCI HOLDINGS | 742,060.63 | 109,810.87 | MAR. 2025 EMPLOYEE HMO HEALTH BENEFITS & RX CLAIMS PREMIUM | VARIOUS |
| WT/ACH | BLACKHAWK ENGAGEMENT SOLUTIONS, INC | 580,000.00 | 1,460,000.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM | HEALTH SERVICES - ENHANCED CARE MANAGEMENT & QI |
| T1180 | LANGUAGE LINE SERVICES INC. | 493,756.97 | 947,935.15 | JAN. & FEB. 2025 INTERPRETATION SERVICES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5292 | ALL'S WELL HEALTH CARE SERVICES | 203,997.15 | 516,588.98 | FEB. 2025 TEMPORARY HELP - UM: (13) | VARIOUS |
| T5564 | CLARISHEALTH, INC | 166,336.01 | 300,507.85 | FEB. 2025 CONSULTING SERVICES | ADMINISTRATION |
| T6127 | MANIFEST MEDEX **** | 101,110.00 | 101,110.00 | 2025 HIE SUBSCRIPTION FEE - QTR 1 | MIS INFRASTRUCTURE |
| T4460 | PAYSPAN, INC **** | 73,732.69 | 215,888.89 | JAN. & FEB. 2025 ELECTRONIC CLAIMS/PAYMENTS | FINANCE |
| T3011 | OFFICE ALLY, INC | 70,079.73 | 206,618.37 | FEB. 2025 EDI CLAIMS | CLAIMS |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC | 65,948.77 | 269,196.43 | JAN. FEB. & MAR. 2025 PROFESSIONAL SERVICES & EDI CLAIMS | MIS INFRASTRUCTURE/CLAIMS |
| T5658 | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 64,418.87 | 192,397.36 | MAR. 2025 VOLUNTARY LIFE, AD&D INSURANCE PREMIUM | VARIOUS |
| T5877 | TGN CONSULTING LLC | 62,421.59 | 221,430.54 | LEADERSHIP DEVELOPMENT CONSULTING | HUMAN RESOURCES |
| T5886 | US POSTAL SERVICE **** | 60,000.00 | 120,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T5337 | CAZADOR CONSULTING GROUP INC | 56,309.50 | 284,555.99 | JAN. & FEB. 2025 TEMPORARY HELP - (1) PHM: (22) MS: (1) ME: (1) HE | VARIOUS |
| T5931 | SPROUT SOCIAL, INC **** | 54,000.00 | 54,000.00 | SOCIAL MEDIA VIGILANCE MANAGEMENT 2025-2026 | MIS INFRASTRUCTURE |
| T6192 | LANG SPECIALTY TRAILERS **** | 51,676.95 | 51,676.95 | MOBILE LAUNDRY TRAILER | MEMBER ENGAGEMENT |

KERN•HEALTH SYSTEMS

March AP Vendor Report Amounts over \$20,000.00

| | 3 0101 \$20,000.00 | | | | |
|---------------|--|---------------|--------------|--|---|
| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
| T5890 | DELTA DENTAL OF CALIFORNIA | 50,806.11 | 153,361.99 | MAR. 2025 EMPLOYEE DENTAL HEALTH BENEFITS PREMIUM | VARIOUS |
| T5520 | BG HEALTHCARE CONSULTING, INC | 49,962.50 | 134,400.00 | FEB. 2025 CONSULTING SERVICES | HEALTH SERVICES - UTIL. REVIEW/QUALITY MGMNT |
| T1408 | DELL MARKETING L.P. **** | 48,752.48 | 1,634,573.45 | MICROSOFT AI CYBER SECURITY ANALYST PRO SERVICES & (20) MONITORS | BUSINESS INTELLIGENCE & MIS INFASTRUCTURE |
| T6261 | RUSSELL REYNOLDS ASSOCIATES, INC **** | 41,800.00 | 41,800.00 | RECRUITMENT SERVICE FEE & ADMIN CHARGE FOR CIO ROLE | HUMAN RESOURCES |
| WT/ACH | PAYPRO ACH | 40,747.13 | 149,699.08 | MAR. 2025 EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T5111 | ENTISYS 360, E360 | 40,297.25 | 237,362.69 | (61) RUBRIK BACKUP & DATA RECOVERY HARDWARE SUPPORT | TECHNICAL ADMINISTRATIVE SERVICES |
| T5583 | THE MILHALIK GROUP, LLC **** | 35,020.00 | 54,130.00 | NOV. & DEC. 2024 CONSULTING SERVICES | HEALTH SERVICES - QUALITY MANAGEMENT |
| T4657 | DAPONDE SIMPSON ROWE PC **** | 32,787.00 | 47,972.00 | DEC. 2024 & JAN. 2025 LEGAL SERVICES | LEGAL |
| T5400 | CENTRO DE UNIDAD POPULAR BENITO JUAREZ, INC. **** | 31,500.55 | 31,500.55 | DEC. 2024 COMMUNITY HEALTH GRANT | GRANTS |
| T4733 | UNITED STAFFING ASSOCIATES | 30,702.73 | 147,702.93 | FEB. 2025 TEMPORARY HELP - (9) MS: (3) ME | VARIOUS |
| T5936 | AXIOS HQ INC **** | 30,240.00 | 30,240.00 | 2025/2026 COMMUNICATIONS SOFTWARE | MIS INFRASTRUCTURE |
| T4652 | BAKERSFIELD SYMPHONY ORCHESTRA **** | 30,000.00 | 30,000.00 | 2025 SPONSORSHIP | MARKETING & PUBLIC AFFAIRS |
| T4484 | JACOBSON SOLUTIONS | 28,379.22 | 61,579.16 | FEB. & MAR. 2025 TEMPORARY HELP | CLAIMS |
| T6179 | BPM LLP **** | 27,052.14 | 67,630.35 | CONSULTING SERVICES - ERP SOFTWARE ADVISORY | CAPITAL PROJECT |
| T5882 | RELIABLE JANITORIAL SERVICES AND CARPET CLEANING INC | 26,290.00 | 105,935.00 | MAR. 2025 JANITORIAL SERVICES | CORPORATE SERVICES |

Kern·Health Systems

March AP Vendor Report Amounts over \$20,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|---|----------------------------------|--------------|--|--|
| T6020 | ALLMED HEALTHCARE MANAGEMENT, LLC (92-2869152) **** | 23,496.00 | 23,496.00 | FEB. 2025 MEDICAL REVIEWS | HEALTH SERVICES - UTILIZATION MANAGEMENT |
| T5480 | PRESS GANEY ASSOCIATES LLC | 22,500.00 | 49,481.50 | INITIAL 75% 2025 MEMBER SATISFACTION SURVEY | HEALTH SERVICES - WELLNESS & PREVENTION |
| T2933 | SIERRA PRINTERS, INC **** | 22,165.54 | 26,972.22 | MEMBER HANDBOOKS & FLYERS | MEMBER SERVICES/COMMUNITY SUPPORT SERVICES |
| T4350 | COMPUTER ENTERPRISE | 21,840.00 | 541,580.81 | JAN. & FEB. 2025 PROFESSIONAL SERVICES/CONSULTING SERVICES | VARIOUS |
| T4501 | ALLIED UNIVERSAL SECURITY SERVICES **** | 21,010.59 | 67,074.52 | FEB. & MAR. 2025 SECURITY SERVICES | CORPORATE SERVICES |
| T4960 | ZELIS CLAIMS INTEGRITY, LLC **** | 20,440.91 3,521,639.01 | 20,440.91 | DEC. 2022 - FEB. 2025 CLAIMS EVALUATION SERVICES | CLAIMS |
| | TOTAL VENDORS OVER \$20,000 | 3,521,639.01 | | | |
| | TOTAL VENDORS UNDER \$20,000 | 766,949.71 | | | |
| | TOTAL VENDOR EXPENSES- MARCH | \$ 4,288,588.72 | | | |

Note:

^{****}New vendors over \$20,000 for the month of March



| | s over \$20,000.00 | | | |
|---------------|--|--------------|---|--|
| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
| T1408 | DELL MARKETING LP. | 1,634,573.45 | VLA ENTERPRISE LICENSE, EA RENEWAL & COMPUTER EQUIPMENT | MIS INFRASTRUCTURE |
| T1180 | LANGUAGE LINE SERVICES INC. | 947,935.15 | INTERPRETATION SERVICES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T3130 | OPTUMINSIGHT, INC. | 855,290.00 | CLAIMS EDIT SOFTWARE LICENSE YR 3/5 | MIS INFRASTRUCTURE |
| WT/ACH | BLACKHAWK ENGAGEMENT SOLUTIONS, INC | 1,350,000.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM | HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES - QI |
| WT/ACH | BCI HOLDINGS | 1,340,006.34 | 2025 EMPLOYEE HMO HEALTH BENEFITS PREMIUM & RX CLAIMS | VARIOUS |
| T4350 | COMPUTER ENTERPRISE | 541,580.81 | PROFESSIONAL SERVICES/CONSULTING SERVICES | VARIOUS |
| T5292 | ALL'S WELL HEALTH CARE SERVICES | 516,588.98 | TEMPORARY HELP - UM: (13) | VARIOUS |
| T5340 | GARTNER INC | 386,099.99 | EXECUTIVE PROGRAM LICENSE & 2025 ON SITE TRAINING | TECHNICAL ADMINISTRATIVE SERVICES/HUMAN RESOURCES |
| T4737 | TEKSYSTEMS, INC. | 309,569.00 | PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T5564 | CLARISHEALTH, INC | 300,507.85 | CONSULTING SERVICES | ADMINISTRATION |
| T5337 | CAZADOR CONSULTING GROUP INC | 284,555.99 | TEMPORARY HELP - (1) PHM: (22) MS: (1) ME: (1) HE | VARIOUS |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC | 269,196.43 | PROFESSIONAL SERVICES & EDI CLAIMS | MIS INFRASTRUCTURE/CLAIMS |
| T5684 | REBELLIS GROUP LLC | 252,125.69 | PROFESSIONAL SERVICES | MEDICARE |
| T5111 | ENTISYS 360, E360 | 237,362.69 | VMWARE VSPHERE ENTERPRISE PLUS 2025 | TECHNICAL ADMINISTRATIVE SERVICES |
| T5877 | TGN CONSULTING LLC | 221,430.54 | LEADERSHIP DEVELOPMENT CONSULTING | HUMAN RESOURCES |
| T2469 | DST HEALTH SOLUTIONS, LLC | 218,725.00 | 2025 ACG LICENSE FEE & SUPPORT | BUSINESS INTELLIGENCE |
| T4460 | PAYSPAN, INC | 215,888.89 | ELECTRONIC CLAIMS/PAYMENTS | FINANCE |
| T3011 | OFFICE ALLY, INC | 206,618.37 | EDI CLAIMS | CLAIMS |

| 7 | 5 5761 \$25,555.05 | | | |
|---------------|--|--------------|---|--|
| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
| T5658 | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 192,397.36 | VOLUNTARY LIFE, AD&D INSURANCE PREMIUM | VARIOUS |
| T5890 | DELTA DENTAL OF CALIFORNIA | 153,361.99 | EMPLOYEE DENTAL HEALTH BENEFITS PREMIUM | VARIOUS |
| WT/ACH | PAYPRO ACH | 149,699.08 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T5509 | NGUYEN CAO LUU-TRONG | 148,800.00 | CONSULTING SERVICES | HEALTH SERVICES - UM |
| T4733 | UNITED STAFFING ASSOCIATES | 147,702.93 | TEMPORARY HELP - (9) MS: (3) ME | VARIOUS |
| T4963 | LINKEDIN CORPORATION | 142,532.00 | 2025 LEARNING HUB YR 1/2, RECRUITMENT JOB SLOTS YR 1/3 | HUMAN RESOURCES |
| T5520 | BG HEALTHCARE CONSULTING, INC | 134,400.00 | CONSULTING SERVICES | HEALTH SERVICES - QI |
| T1128 | HALL LETTER SHOP, INC | 131,938.06 | M-CAL RENEWALS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS & ENVELOPES | VARIOUS |
| T4514 | A.J. KLEIN, INC T. DENATALE, B. GOLDNER | 128,416.03 | LEGAL FEES | ADMINISTRATION |
| T2413 | TREK IMAGING INC | 122,427.19 | MARKETING PROMOTIONAL SUPPLIES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS |
| T1097 | NCQA | 122,349.00 | POPULATION HEALTH PROGRAM ACCREDIATION | HEALTH SERVICES - QI |
| T5886 | US POSTAL SERVICE | 120,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T5452 | BLACKHAWK ENGAGEMENT SOLUTIONS, INC | 110,000.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM | HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES - QI |
| T5882 | RELIABLE JANITORIAL SERVICES AND CARPET CLEANING INC | 105,935.00 | JANITORIAL SERVICES | CORPORATE SERVICES |
| T6127 | MANIFEST MEDEX **** | 101,110.00 | HIE SUBSCRIPTION FEE QTR 1 2025 | MIS INFRASTRUCTURE |
| T1272 | COFFEY COMMUNICATIONS INC. | 93,380.67 | WINTER ISSUE OF FAMILY HEALTH & WEBSITE ASSIST. MODULES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T4054 | ASSOCIATION FOR COMMUNITY AFFILIATED PLANS | 85,000.00 | 2025 MEMBER DUES | ADMINISTRATION |
| T5571 | GHA TECHNOLOGIES INC | 80,374.17 | FORTINET SECURITY | MIS INFRASTRUCTURE |
| T2584 | UNITED STATES POSTAL SVC HASLER | 80,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |

KERN·HEALTH SYSTEMS

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|---------------|---|--------------|--|--------------------------------|
| T6218 | CLOUDERA, INC. | 77,940.10 | ANNUAL RENEWAL - METADATA PLATFORM | BUSINESS INTELLIGENCE |
| T4708 | WAKELY CONSULTING GROUP, LLC | 72,232.50 | PROFESSIONAL SERVICES | FINANCE |
| T5967 | SAI360 INC | 68,215.00 | PROFESSIONAL SERVICES & 2 YR POLICY MANAGEMENT SYSTEM | AUDIT & INVESTIGATIVE SERVICES |
| T6179 | BLPLLP | 67,630.35 | CONSULTING SERVICES - ERP SOFTWARE ADVISORY | CAPITAL PROJECT |
| T4501 | ALLIED UNIVERSAL SECURITY SERVICES | 67,074.52 | DEC. 2024-JAN. 2025 ONSITE SECURITY | CORPORATE SERVICES |
| T2458 | HEALTHCARE FINANCIAL, INC. | 66,000.00 | CONSULTING | ADMINISTRATION |
| T2941 | KERN PRINT SERVICES INC. | 63,336.22 | ENVELOPES | CORPORATE SERVICES |
| T2167 | PG&E | 62,002.50 | UTILITIES | CORPORATE SERVICES |
| T4484 | JACOBSON SOLUTIONS | 61,579.16 | TEMPORARY HELP | CLAIMS |
| T6246 | UNIVERSAL HEALTHCARE MSO, LLC | 61,250.00 | D-SNP PSA IMPLEMENTATION FEES | CAPITAL PROJECT |
| WT/ACH | USPS | 60,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T5865 | HARTE-HANKS RESPONSE MANAGEMENT/AUSTIN, INC | 59,977.75 | PROFESSIONAL SERVICES | MEMBER SERVICES |
| T1404 | CALIFORNIA ASSOCIATION OF HEALTH PLANS | 56,856.00 | 2025 ANNUAL DUES ASSESSMENT | ADMINISTRATION |
| T5121 | TPX COMMUNICATIONS | 56,840.42 | LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES | MIS INFRASTRUCTURE |
| T5583 | THE MILHALIK GROUP, LLC **** | 54,130.00 | CONSULTING SERVICES | HEALTH SERVICES - QI |
| T5931 | SPROUT SOCIAL, INC **** | 54,000.00 | SOCIAL MEDIA VIGILANCE MANAGEMENT 2025-2026 | MIS INFRASTRUCTURE |
| T1022 | UNUM LIFE INSURANCE CO. | 52,946.46 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|---------------|---------------------------------------|--------------|---|---|
| T2918 | STINSON'S | 52,730.38 | OFFICE SUPPLIES | VARIOUS |
| T6192 | LANG SPECIALTY TRAILERS **** | 51,676.95 | MOBILE LAUNDRY TRAILER | MEMBER ENGAGEMENT |
| T5329 | RELAY NETWORK, LLC | 49,999.74 | TEXT MESSAGING SUBSCRIPTION | CAPITAL PROJECT |
| T5480 | PRESS GANEY ASSOCIATES LLC | 49,481.50 | INITIAL 75% 2025 ECM SURVEY | ENHANCED CARE MANAGEMENT |
| T4657 | DAPONDE SIMPSON ROWE PC **** | 47,972.00 | 2025 LEGAL SERVICES | LEGAL |
| T5742 | MICHAEL NGUYEN | 47,500.00 | PROFESSIONAL SERVICES | QUALITY & HEALTH EQUITY |
| T4237 | CITIUS HEALTHCARE CONSULTING, LLC | 45,262.50 | PROFESSIONAL SERVICES | PROJECT MANAGEMENT/ENTERPRISE CONFIGURATION |
| T5435 | TEGRIA SERVICES GROUP - US, INC. | 42,875.00 | PROFESSIONAL SERVICES | BUSINESS INTELLIGENCE |
| T4785 | COMMGAP | 42,511.25 | INTERPRETATION SERVICES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T6142 | GREAT PLACE TO WORK INSTITUTE, INC | 41,995.00 | EMPLOYEE ENGAGEMENT SURVEY ACCELERATE PACKAGE | HUMAN RESOURCES |
| T6261 | RUSSELL REYNOLDS ASSOCIATES, INC **** | 41,800.00 | RECRUITMENT SERVICE FEE & ADMIN CHARGE FOR CIO ROLE | HUMAN RESOURCES |
| T5076 | MERIDIAN HEALTH SYSTEMS, PC. | 41,250.00 | PROFESSIONAL SERVICES | HEALTH SERVICES - UM |
| T1183 | MILLIMAN USA | 39,713.00 | ACTUARIAL | VARIOUS |
| T5757 | BITFOCUS, INC | 37,823.78 | HMIS LICENSES & HEALTH CHECK TRAINING | HOMELESS MANAGEMENT INFORMATION SERVICES |
| T1005 | COLONIAL LIFE & ACCIDENT | 37,415.18 | LIFE INSURANCE PREMIUM | VARIOUS |



| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|---------------|---|--------------|--|---|
| T5467 | MOSS ADAMS LLP | 36,750.00 | AUDIT SERVICES | FINANCE |
| T4503 | VISION SERVICE PLAN | 35,718.99 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T6100 | SYMPLR | 35,515.73 | SOFTWARE LICENSE 2026/2026 | HEALTH SERVICES - UTIL REVIEW |
| T6054 | WEBMD IGNITE | 35,059.36 | 2025 LICENSE FEES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5963 | ANTAGE INCORPORATED | 34,950.00 | PROFESSIONAL SERVICES | ENTERPRISE DEVELOPMENT |
| T3118 | AMERICAN ACADEMY HOLDINGS LLC dba AAPC | 34,440.17 | 2025 CPC TRAINING PACKAGE & AAPC MEMBERS | CLAIMS |
| T5321 | TYK TECHNOLOGIES LTD | 34,000.00 | SELF MANAGED ARCHITECTURE PLAN 2024/2025 | MIS INFRASTRUCTURE |
| T5400 | CENTRO DE UNIDAD POPULAR BENITO JUAREZ, INC. **** | 31,500.55 | COMMUNITY HEALTH GRANT | GRANTS |
| T3088 | GLEN BROWN CONSULTING | 31,387.50 | CONSULTING | CAPITAL PROJECT |
| T5936 | AXIOS HQ INC **** | 30,240.00 | 2024/2026 COMMUNICATIONS SOFTWARE | MIS INFRASTRUCTURE |
| T5988 | WASCO UNION HIGH SCHOOL DISTRICT | 30,200.00 | SCHOOL WELLNESS GRANT 2025-2026 | HEALTH SERVICES - WELLNESS & PREVENTION |
| T4652 | BAKERSFIELD SYMPHONY ORCHESTRA **** | 30,000.00 | 2025 SPONSORSHIP | MARKETING & PUBLIC AFFAIRS |
| T5012 | KERN MEDICAL CENTER FOUNDATION | 30,000.00 | PHYSICIAN'S MIXER CME SPONSORSHIP | ADMINISTRATION |
| T5562 | JDM SOLUTIONS INC. **** | 29,760.00 | PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T6116 | SIERRA SANDS UNIFIED SCHOOL DISTRICT | 29,000.00 | 2025-2026 ELEMENTARY SCHOOL GRANT | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5738 | INSURICA - WALTER MORTENSEN INSURANCE | 28,406.00 | WORKERS COMPENSATION AUDIT | ADMINISTRATION |
| T2446 | AT&T MOBILITY **** | 27,945.86 | CELLULAR PHONE/INTERNET USAGE | MIS INFRASTRUCTURE |

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|---------------|---|---------------|--|--|
| T2933 | SIERRA PRINTERS, INC. **** | 26,972.22 | MEMBER HANDBOOKS & FLYERS | MEMBER SERVICES/COMMUNITY SUPPORT SERVICES |
| T5275 | CREATIVE FINANCIAL STAFFING, LLC *** | 26,518.66 | TEMPORARY HELP | VARIOUS |
| T4934 | APPLE INC. | 23,585.90 | COMPUTER EQUIPMENT | CAPITAL PROJECT |
| T6020 | ALLMED HEALTHCARE MANAGEMENT, LLC (92-2869152) **** | 23,496.00 | 2025 SECURITY SERVICES | CORPORATE SERVICES |
| T4731 | GO TO TECHNOLOGIES, INC | 22,737.00 | LOGMEIN SUBSCRIPTION RENEWAL | INFRASTRUCTURE |
| T5319 | CITIUSTECH INC. | 21,250.00 | FAST + MAINTENANCE & SUBSCRIPTION Q3 2024 | INFRASTRUCTURE |
| T4228 | THE SSI GROUP, LLC **** | 20,952.20 | 2025 EDI CLAIMS | CLAIMS |
| T5318 | CANONICAL GROUP LIMITED | 20,720.00 | UBUNTU PRO LICENSE & SUPPORT | INFRASTRUCTURE |
| T4960 | ZELIS CLAIMS INTEGRITY, LLC **** | 20,440.91 | 2025 CLAIMS EVALUATION SERVICES | CLAIMS |
| T5398 | GOLDEN EMPIRE GLEANERS **** | 20,348.20 | FOOD BASKETS FOR MEMBERS | ENHANCED CARE MANAGEMENT |
| T5298 | TOTALMED, INC **** | 20,057.35 | TEMPORARY HELP | VARIOUS |
| T2135 | BAKERSFIELD CITY SCHOOL DISTRICT | 20,000.00 | 2025-2026 ELEMENTARY SCHOOL WELLNESS GRANT | HEALTH SERVICES - WELLNESS & PREVENTION |
| T6223 | WASCO UNION ELEMENTARY SCHOOL DISTRICT | 20,000.00 | SCHOOL WELLNESS GRANT 2025-2026 | HEALTH SERVICES - WELLNESS & PREVENTION |
| | | 15,001,848.51 | | |
| | TOTAL VENDORS OVER \$20,000 | 15,001,848.51 | | |
| | TOTAL VENDORS UNDER \$20,000 | 1,431,580.68 | | |
| | TOTAL VENDOR EXPENSES- MARCH | 16,433,429.19 | | |

Note:

^{****}New vendors over \$20,000 for the month of March

KERN•HEALTH SYSTEMS

April AP Vendor Report Amounts over \$20,000.00

| Amount | 5 OVEI \$20,000.00 | | | | |
|---------------|--|---------------|--------------|--|--|
| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
| T4350 | COMPUTER ENTERPRISE | 1,265,977.04 | 1,807,557.85 | JAN. & MAR. 2025 PROFESSIONAL SERVICES/CONSULTING SERVICES | VARIOUS |
| WT/ACH | BCI HOLDINGS | 972,344.45 | 2,312,350.79 | APR. 2025 EMPLOYEE HMO HEALTH BENEFITS & RX CLAIMS PREMIUM | VARIOUS |
| T4737 | TEKSYSTEMS, INC **** | 564,932.00 | 874,501.00 | JAN. & MAR. 2025 PROFESSIONAL SERVICES/CONSULTING SERVICES | VARIOUS |
| WT/ACH | BLACKHAWK ENGAGEMENT SOLUTIONS, INC | 290,000.00 | 1,640,000.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM | HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES - QI |
| T5684 | REBELLIS GROUP LLC **** | 237,987.50 | 490,113.19 | JAN. & MAR. 2025 PROFESSIONAL SERVICES | MEDICARE |
| T1180 | LANGUAGE LINE SERVICES INC. | 258,421.42 | 1,206,356.57 | MAR. 2025 INTERPRETATION SERVICES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5292 | ALL'S WELL HEALTH CARE SERVICES | 186,019.63 | 702,608.61 | MAR. 2025 TEMPORARY HELP - UM: (13) | VARIOUS |
| T5467 | MOSS ADAMS LLP **** | 158,912.00 | 195,662.00 | AUDIT SERVICES & CLAIMS AUDIT TOOL SUPPORT & RENEWAL | FINANCE/MIS INFRASTRUCTURE |
| T4237 | CITIUS HEALTHCARE CONSULTING, LLC **** | 102,090.00 | 147,352.50 | JAN - FEB 2025 PROFESSIONAL SERVICES | VARIOUS |
| T5564 | CLARISHEALTH, INC | 94,056.10 | 394,563.95 | FEB. 2025 CONSULTING SERVICES | ADMINISTRATION |
| T6246 | UNIVERSAL HEALTHCARE MSO, LLC **** | 87,125.00 | 148,375.00 | D-SNP PSA IMPLEMENTATION FEES | CAPITAL PROJECT |
| T3011 | OFFICE ALLY, INC | 84,034.02 | 290,652.39 | MAR. 2025 EDI CLAIMS | CLAIMS |
| T5298 | TOTALMED, INC **** | 81,106.32 | 101,163.67 | FEB. & MAR. 2025 TEMPORARY HELP | HEALTH SERVICES - UM |
| T5337 | CAZADOR CONSULTING GROUP INC | 74,288.33 | 358,844.32 | FEB. & MAR. 2025 TEMPORARY HELP - (1) PHM: (22) MS: (1) ME: (1) HE | VARIOUS |
| T6274 | PANDANAI, INC **** | 72,000.00 | 72,000.00 | AI SOFTWARE SUBSCRIPTION 2025/2026 | COMPLIANCE |

April AP Vendor Report Amounts over \$20,000.00

| | 3 5 VC1 \$20,000.00 | | | | |
|---------------|---|---------------|--------------|---|---|
| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC | 69,128.08 | 338,324.51 | MAR. 2025 PROFESSIONAL SERVICES & APR. 2025 EDI CLAIMS | MIS INFRASTRUCTURE/CLAIMS |
| T5658 | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 65,882.16 | 258,279.52 | APR. 2025 VOLUNTARY LIFE, AD&D INSURANCE PREMIUM | VARIOUS |
| T4733 | UNITED STAFFING ASSOCIATES | 65,440.45 | 213,143.38 | MAR. 2025 TEMPORARY HELP - (9) MS: (3) ME | VARIOUS |
| T5886 | US POSTAL SERVICE | 60,000.00 | 180,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T5877 | TGN CONSULTING LLC | 54,314.28 | 275,744.82 | LEADERSHIP DEVELOPMENT CONSULTING | HUMAN RESOURCES |
| T5111 | ENTISYS 360, E360 | 52,780.00 | 290,142.69 | CITRIX UNIVERSAL HYBRID MULTI CLOUD SOFTWARE YR 1 OF 3 | MIS INFRASTRUCTURE |
| T5890 | DELTA DENTAL OF CALIFORNIA | 50,302.61 | 203,664.60 | APR. 2025 EMPLOYEE DENTAL HEALTH BENEFITS PREMIUM | VARIOUS |
| T5520 | BG HEALTHCARE CONSULTING, INC | 47,425.00 | 181,825.00 | MAR. 2025 CONSULTING SERVICES | HEALTH SERVICES - QI |
| T6020 | ALLMED HEALTHCARE MANAGEMENT, LLC | 44,975.00 | 68,471.00 | MAR. 2025 MEDICAL REVIEWS | HEALTH SERVICES - UM |
| T2509 | UNITED STATES POSTAL SERVICE **** | 44,046.05 | 44,396.05 | PERMIT 162 SUMMER 2025 ISSUE OF FAMILY HEALTH | HEALTH SERVICES - WELLNESS & PREVENTION |
| T6261 | RUSSELL REYNOLDS ASSOCIATES, INC | 41,800.00 | 83,600.00 | RECRUITMENT SERVICE FEE & ADMIN CHARGE FOR CIO ROLE | HUMAN RESOURCES |
| T2584 | UNITED STATES POSTAL SVC HASLER **** | 40,000.00 | 120,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T4460 | PAYSPAN, INC | 39,338.43 | 255,227.32 | MAR. 2025 ELECTRONIC CLAIMS/PAYMENTS | FINANCE |
| T5850 | SERRANO ADVISORS LLC **** | 37,800.00 | 37,800.00 | 2025 -2027 BOARD OF DIRECTORS STRATEGIC PLANNING | ADMINISTRATION |
| T1183 | MILLIMAN USA **** | 36,994.25 | 76,707.25 | ACTUARIAL | VARIOUS |
| T5930 | DAYFORCE US, INC **** | 31,638.07 | 36,913.07 | 2025 SUBSCRIPTION FEES/PROFESSIONAL SERVICES/DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES |
| WT/ACH | PAYPRO ACH | 31,561.77 | 181,260.85 | MAR. 2025 EMPLOYEE PREMIUM | PAYROLL DEDUCTION |

KERN·HEALTH SYSTEMS

April AP Vendor Report Amounts over \$20,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|---------------|--|---------------|--------------|--|---|
| T5863 | MANNA HAGOS **** | 30,498.00 | 30,498.00 | DEC. 2024 - MAR. 2025 SERVICES | HEALTH SERVICES - UM |
| T4331 | COTIVITI, INC **** | 29,126.50 | 32,126.50 | MEDICAL RECORD RETRIEVAL/ HANDLING | QUALITY PERFORMANCE |
| T6215 | BPO USA, P.C. **** | 28,716.00 | 45,779.00 | FEB. & MAR. 2025 PROFESSIONAL SERVICES | BUSINESS INTELLIGENCE |
| T6022 | BAKERSFIELD AMERICAN INDIAN HEALTH PROJECT **** | 28,310.82 | 28,310.82 | SEPT DEC. 2024 GRANT | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5319 | CITIUSTECH INC. **** | 28,208.00 | 49,458.00 | FAST + SUBSCRIPTION Q1 2025 | MIS INFRASTRUCTURE |
| T6179 | BPM LLP | 27,052.14 | 94,682.49 | CONSULTING SERVICES - ERP SOFTWARE ADVISORY | CAPITAL PROJECT |
| T5076 | MERIDIAN HEALTH SYSTEMS, P.C. **** | 26,587.50 | 67,837.50 | MAR. 2025 PROFESSIONAL SERVICES | HEALTH SERVICES - UM |
| T5882 | RELIABLE JANITORIAL SERVICES AND CARPET CLEANING INC | 26,290.00 | 132,225.00 | APR. 2025 JANITORIAL SERVICES | CORPORATE SERVICES |
| T1097 | NATIONAL COMMITTEE FOR QUALITY ASSURANCE(NCQA)**** | 25,212.00 | 147,561.00 | ACCREDIATION SURVEY FEE- FINAL PAYMENT | HEALTH SERVICES - QI |
| T4484 | JACOBSON SOLUTIONS | 23,661.33 | 85,240.49 | MAR. & APR. 2025 TEMPORARY HELP | CLAIMS |
| T2458 | HEALTHCARE FINANCIAL, INC. **** | 22,000.00 | 88,000.00 | FEB. 2025 PROFESSIONAL SERVICES | ADMINISTRATION |
| T5121 | TPx COMMUNICATIONS **** | 20,548.00 | 77,388.42 | MAR. 2025 LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES | MIS INFRASTRUCTURE |
| | | 5,658,930.25 | | | |
| | TOTAL VENDORS OVER \$20,000 | 5,658,930.25 | | | |
| | TOTAL VENDORS UNDER \$20,000 | 643,320.13 | | | |
| | TOTAL VENDOR EXPENSES- APRIL \$ | 6,302,250.38 | | | |

Note

^{****}New vendors over \$20,000 for the month of April

Kern•Health Systems

Year to Date AP Vendor Report

| Amount | s over \$20,000.00 | | | |
|---------------|---|--------------|--|--|
| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
| <u> </u> | BCI HOLDINGS | 2,312,350.79 | 2025 EMPLOYEE HMO HEALTH BENEFITS & RX CLAIMS PREMIUM | VARIOUS |
| T4350 | COMPUTER ENTERPRISE | 1,807,557.85 | PROFESSIONAL SERVICES/CONSULTING SERVICES | VARIOUS |
| T1408 | DELL MARKETING LP. | 1,644,876.97 | VLA ENTERPRISE LICENSE, EA RENEWAL & COMPUTER EQUIPMENT | MIS INFRASTRUCTURE |
| WT/ACH | BLACKHAWK ENGAGEMENT SOLUTIONS, INC | 1,640,000.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM | HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES - QI |
| T1180 | LANGUAGE LINE SERVICES INC. | 1,206,356.57 | INTERPRETATION SERVICES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T4737 | TEKSYSTEMS, INC. | 874,501.00 | PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T3130 | OPTUMINSIGHT, INC. | 855,290.00 | CLAIMS EDIT SOFTWARE LICENSE YR 3/5 | MIS INFRASTRUCTURE |
| T5292 | ALL'S WELL HEALTH CARE SERVICES | 702,608.61 | TEMPORARY HELP | VARIOUS |
| T5684 | REBELLIS GROUP LLC | 490,113.19 | PROFESSIONAL SERVICES | MEDICARE |
| T5564 | CLARISHEALTH, INC | 394,563.95 | CONSULTING SERVICES | ADMINISTRATION |
| T5340 | GARTNER INC | 386,099.99 | EXECUTIVE PROGRAM LICENSE & 2025 ON SITE TRAINING | TECHNICAL ADMINISTRATIVE SERVICES/HUMAN RESOURCES |
| T5337 | CAZADOR CONSULTING GROUP INC | 358,844.32 | TEMPORARY HELP | VARIOUS |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC | 338,324.51 | PROFESSIONAL SERVICES & EDI CLAIMS | MIS INFRASTRUCTURE/CLAIMS |
| T3011 | OFFICE ALLY, INC | 290,652.39 | EDI CLAIMS | CLAIMS |
| T5111 | ENTISYS 360, E360 | 290,142.69 | VMWARE VSPHERE ENTERPRISE PLUS 2025 | TECHNICAL ADMINISTRATIVE SERVICES |
| T5877 | TGN CONSULTING LLC | 275,744.82 | LEADERSHIP DEVELOPMENT CONSULTING | HUMAN RESOURCES |
| T5658 | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 258,279.52 | VOLUNTARY LIFE, AD&D INSURANCE PREMIUM | VARIOUS |

KERN•HEALTH SYSTEMS

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|---------------|--|--------------|---|---|
| T4460 | PAYSPAN, INC | 255,227.32 | ELECTRONIC CLAIMS/PAYMENTS | FINANCE |
| T2469 | DST HEALTH SOLUTIONS, LLC | 218,725.00 | 2025 ACG LICENSE FEE & SUPPORT | BUSINESS INTELLIGENCE |
| T4733 | UNITED STAFFING ASSOCIATES | 213,143.38 | TEMPORARY HELP - (9) MS: (3) ME | VARIOUS |
| T5890 | DELTA DENTAL OF CALIFORNIA | 203,664.60 | EMPLOYEE DENTAL HEALTH BENEFITS PREMIUM | VARIOUS |
| T5467 | MOSS ADAMS LLP | 195,662.00 | AUDIT SERVICES | FINANCE |
| T5520 | BG HEALTHCARE CONSULTING, INC | 181,825.00 | CONSULTING SERVICES | HEALTH SERVICES - QI |
| WT/ACH | PAYPRO ACH | 181,260.85 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T5886 | US POSTAL SERVICE | 180,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T5509 | NGUYEN CAO LUU-TRONG | 148,800.00 | CONSULTING SERVICES | HEALTH SERVICES - UM |
| T6246 | UNIVERSAL HEALTHCARE MSO, LLC | 148,375.00 | D-SNP PSA IMPLEMENTATION FEES | CAPITAL PROJECT |
| T1097 | NCQA (NATIONAL COMMITTEE FOR QUALITY ASSURANCE) | 147,561.00 | POPULATION HEALTH PROGRAM ACCREDIATION | HEALTH SERVICES - QI |
| T4237 | CITIUS HEALTHCARE CONSULTING, LLC | 147,352.50 | PROFESSIONAL SERVICES | PROJECT MANAGEMENT/ENTERPRISE CONFIGURATION |
| T4963 | LINKEDIN CORPORATION | 142,532.00 | 2025 LEARNING HUB YR 1/2, RECRUITMENT JOB SLOTS YR 1/3 | HUMAN RESOURCES |
| T1128 | HALL LETTER SHOP, INC | 139,607.51 | M-CAL RENEWALS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS & ENVELOPES | VARIOUS |
| T2413 | TREK IMAGING INC | 138,526.49 | MARKETING PROMOTIONAL SUPPLIES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS |
| T5882 | RELIABLE JANITORIAL SERVICES AND CARPET CLEANING INC | 132,225.00 | JANITORIAL SERVICES | CORPORATE SERVICES |
| T4514 | A.J. KLEIN, INC T. DENATALE, B. GOLDNER | 130,298.53 | LEGAL FEES | ADMINISTRATION |
| T2584 | UNITED STATES POSTAL SVC HASLER | 120,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |

Vendor Name Year-to-Date Description Department T5452 BLACKHAWK ENGAGEMENT SOLUTIONS. INC 120.000.00 PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS **HEALTH SERVICES - WELLNESS & PROGRAM** PREVENTION & HEALTH SERVICES -ΩI T5298 TOTALMED, INC 101,163.67 TEMPORARY HELP **VARIOUS** MANIFEST MEDEX 2025 QTR. 1 - HIE SUBSCRIPTION FEE MIS INFRASTRUCTURE T6127 101,110.00 CONSULTING SERVICES - ERP SOFTWARE ADVISORY BPM LLP 94,682.49 CAPITAL PROJECT T6179 T1272 COFFEY COMMUNICATIONS INC. 93,380.67 WINTER ISSUE OF FAMILY HEALTH & WEBSITE ASSIST. MODULES **HEALTH SERVICES - WELLNESS & PREVENTION** HEALTHCARE FINANCIAL, INC. 88.000.00 CONSULTING **ADMINISTRATION** T2458 JACOBSON SOLUTIONS 85,240.49 TEMPORARY HELP CLAIMS T4484 T4054 ASSOCIATION FOR COMMUNITY AFFILIATED PLANS 85,000.00 2025 MEMBER DUES **ADMINISTRATION** T4501 ALLIED UNIVERSAL SECURITY SERVICES DEC. 2024-JAN. 2025 ONSITE SECURITY CORPORATE SERVICES 83,934.05 RECRUITMENT SERVICE FEE & ADMIN CHARGE FOR CIO ROLE T6261 RUSSELL REYNOLDS ASSOCIATES, INC 83,600.00 **HUMAN RESOURCES** T2941 KERN PRINT SERVICES INC. 83,293.03 OFFICE SUPPLIES CORPORATE SERVICES T5571 **GHA TECHNOLOGIES INC** 80,374.17 FORTINET SECURITY MIS INFRASTRUCTURE HARTE-HANKS RESPONSE MANAGEMENT/AUSTIN. INC PROFESSIONAL SERVICES MEMBER SERVICES T5865 78.411.23 T6218 CLOUDERA, INC. 77.940.10 ANNUAL RENEWAL - METADATA PLATFORM **BUSINESS INTELLIGENCE** T5121 TPX COMMUNICATIONS 77,388.42 LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET MIS INFRASTRUCTURE SERVICES; 800 LINES MILLIMAN USA **VARIOUS** T1183 76,707.25 ACTUARIAL WAKELY CONSULTING GROUP, LLC 76.463.75 PROFESSIONAL SERVICES FINANCE T4708 SAI360 INC PROFESSIONAL SERVICES & 2 YR POLICY MANAGEMENT SYSTEM **AUDIT & INVESTIGATIVE SERVICES** T5967 73,062.50 T6274 PANDANAI, INC **** 72.000.00 2025/2026 AI SOFTWARE SUBSCRIPTION COMPLIANCE



KERN•HEALTH SYSTEMS

| 7 | 3 OVET \$20,000.00 | | | |
|---------------|--|--------------|---|--|
| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
| T2167 | PG&E | 71,935.32 | UTILITIES | CORPORATE SERVICES |
| T1022 | UNUM LIFE INSURANCE CO. | 70,754.86 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T6020 | ALLMED HEALTHCARE MANAGEMENT, LLC | 68,471.00 | 2025 SECURITY SERVICES | CORPORATE SERVICES |
| T5076 | MERIDIAN HEALTH SYSTEMS, PC. | 67,837.50 | PROFESSIONAL SERVICES | HEALTH SERVICES - UM |
| T5329 | RELAY NETWORK, LLC | 66,666.32 | TEXT MESSAGING SUBSCRIPTION | CAPITAL PROJECT |
| T2918 | STINSON'S | 65,548.74 | OFFICE SUPPLIES | VARIOUS |
| T5480 | PRESS GANEY ASSOCIATES LLC | 65,254.00 | INITIAL 75% 2025 ECM SURVEY | ENHANCED CARE MANAGEMENT |
| WT/ACH | USPS | 60,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T1404 | CALIFORNIA ASSOCIATION OF HEALTH PLANS | 57,456.00 | 2025 ANNUAL DUES ASSESSMENT | ADMINISTRATION |
| T4785 | COMMGAP | 56,251.25 | INTERPRETATION SERVICES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5583 | THE MILHALIK GROUP, LLC | 54,130.00 | CONSULTING SERVICES | HEALTH SERVICES - QI |
| T5931 | SPROUT SOCIAL, INC | 54,000.00 | 2025-2026 SOCIAL MEDIA VIGILANCE MANAGEMENT | MIS INFRASTRUCTURE |
| T5757 | BITFOCUS, INC | 52,985.67 | HMIS LICENSES & HEALTH CHECK TRAINING | HOMELESS MANAGEMENT INFORMATION SERVICES |
| T6192 | LANG SPECIALTY TRAILERS | 51,676.95 | MOBILE LAUNDRY TRAILER | MEMBER ENGAGEMENT |
| T1005 | COLONIAL LIFE & ACCIDENT | 50,204.08 | LIFE INSURANCE PREMIUM | VARIOUS |
| T5319 | CITIUSTECH INC. | 49,458.00 | FAST + MAINTENANCE & SUBSCRIPTION Q3 2024 | INFRASTRUCTURE |
| T4657 | DAPONDE SIMPSON ROWE PC | 47,972.00 | 2025 LEGAL SERVICES | LEGAL |
| T4503 | VISION SERVICE PLAN | 47,598.40 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T5742 | MICHAEL NGUYEN | 47,500.00 | PROFESSIONAL SERVICES | QUALITY & HEALTH EQUITY |
| T6215 | BPO USA, P.C. **** | 45,779.00 | PROFESSIONAL SERVICES | BUSINESS INTELLIGENCE |

| Amount | ts over \$20,000.00 | | | |
|---------------|--|--------------|---|--|
| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
| T2509 | UNITED STATES POSTAL SERVICE **** | 44,396.05 | PERMIT 162 SUMMER 2025 ISSUE OF FAMILY HEALTH | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5435 | TEGRIA SERVICES GROUP - US, INC. | 42,875.00 | PROFESSIONAL SERVICES | BUSINESS INTELLIGENCE |
| T6142 | GREAT PLACE TO WORK INSTITUTE, INC | 41,995.00 | EMPLOYEE ENGAGEMENT SURVEY ACCELERATE PACKAGE | HUMAN RESOURCES |
| T5562 | JDM SOLUTIONS INC. | 39,680.00 | PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T5850 | SERRANO ADVISORS LLC **** | 37,800.00 | 2025 -2027 BOARD OF DIRECTORS STRATEGIC PLANNING | ADMINISTRATION |
| T2446 | AT&T MOBILITY | 37,337.96 | CELLULAR PHONE/INTERNET USAGE | MIS INFRASTRUCTURE |
| T5930 | DAYFORCE US, INC **** | 36,913.07 | 2025 SUBSCRIPTION FEES/PROFESSIONAL SERVICES/DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES |
| T6100 | SYMPLR | 35,515.73 | SOFTWARE LICENSE 2026/2026 | HEALTH SERVICES - UM |
| T6054 | WEBMD IGNITE | 35,059.36 | 2025 LICENSE FEES | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5963 | ANTAGE INCORPORATED | 34,950.00 | PROFESSIONAL SERVICES | ENTERPRISE DEVELOPMENT |
| T3118 | AMERICAN ACADEMY HOLDINGS LLC dba AAPC | 34,440.17 | 2025 CPC TRAINING PACKAGE & AAPC MEMBERS | CLAIMS |
| T5022 | SVAM INTERNATIONAL INC **** | 34,268.00 | PROFESSIONAL SERVICES | VARIOUS |
| T5321 | TYK TECHNOLOGIES LTD | 34,000.00 | SELF MANAGED ARCHITECTURE PLAN 2024/2025 | MIS INFRASTRUCTURE |
| T4331 | COTIVITI, INC **** | 32,126.50 | MEDICAL RECORD RETRIEVAL/ HANDLING | QUALITY PERFORMANCE |
| T5400 | CENTRO DE UNIDAD POPULAR BENITO JUAREZ, INC. | 31,500.55 | COMMUNITY HEALTH GRANT | GRANTS |
| T3088 | GLEN BROWN CONSULTING | 31,387.50 | CONSULTING | CAPITAL PROJECT |
| T5275 | CREATIVE FINANCIAL STAFFING, LLC | 30,601.80 | TEMPORARY HELP | VARIOUS |
| T5863 | MANNA HAGOS **** | 30,498.00 | PROFESSIONAL SERVICES | HEALTH SERVICES - UM |
| T2933 | SIERRA PRINTERS, INC. | 30,284.19 | MEMBER HANDBOOKS & FLYERS | MEMBER SERVICES/COMMUNITY SUPPORT SERVICES |
| T5936 | AXIOS HQ INC | 30,240.00 | 2024/2026 COMMUNICATIONS SOFTWARE | MIS INFRASTRUCTURE |



| Amount | S OVET \$20,000.00 | | | |
|---------------|---|--------------|--|---|
| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
| T5988 | WASCO UNION HIGH SCHOOL DISTRICT | 30,200.00 | SCHOOL WELLNESS GRANT 2025-2026 | HEALTH SERVICES - WELLNESS & PREVENTION |
| T4652 | BAKERSFIELD SYMPHONY ORCHESTRA | 30,000.00 | 2025 SPONSORSHIP | MARKETING & PUBLIC AFFAIRS |
| T5012 | KERN MEDICAL CENTER FOUNDATION | 30,000.00 | PHYSICIAN'S MIXER CME SPONSORSHIP | ADMINISTRATION |
| T6116 | SIERRA SANDS UNIFIED SCHOOL DISTRICT | 29,000.00 | 2025-2026 ELEMENTARY SCHOOL GRANT | HEALTH SERVICES - WELLNESS & PREVENTION |
| T5738 | INSURICA - WALTER MORTENSEN INSURANCE | 28,406.00 | WORKERS COMPENSATION AUDIT | ADMINISTRATION |
| T6022 | BAKERSFIELD AMERICAN INDIAN HEALTH PROJECT **** | 28,310.82 | CONTRACTOR SERVICES | HEALTH SERVICES - UM |
| T4228 | THE SSI GROUP, LLC | 26,709.80 | 2025 EDI CLAIMS | CLAIMS |
| T2938 | SAP AMERICA, INC **** | 26,584.72 | 2025/2026 ENTERPRISE SUPPORT & MAINTENANCE | MIS INFRASTRUCTURE |
| T5550 | CHARTER COMMUNICATIONS OPERATING, LLC **** | 24,868.94 | INTERNET SERVICES | MIS INFRASTRUCTURE |
| T4607 | AGILITY RECOVERY SOLUTIONS INC. **** | 23,747.70 | PROFESSIONAL SERVICES | CORPORATE SERVICES |
| T4934 | APPLE INC. | 23,585.90 | COMPUTER EQUIPMENT | CAPITAL PROJECT |
| T4731 | GO TO TECHNOLOGIES, INC | 22,737.00 | LOGMEIN SUBSCRIPTION RENEWAL | INFRASTRUCTURE |
| T4182 | THE LAMAR COMPANIES **** | 22,296.90 | OUTDOOR ADVERISEMENT - BILLBOARDS | MARKETING & PUBLIC AFFAIRS |
| T5318 | CANONICAL GROUP LIMITED | 20,720.00 | UBUNTU PRO LICENSE & SUPPORT | INFRASTRUCTURE |
| T5109 | RAND EMPLOYMENT SOLUTIONS **** | 20,555.69 | TEMPORARY HELP | VARIOUS |
| T4960 | ZELIS CLAIMS INTEGRITY, LLC | 20,440.91 | 2025 CLAIMS EVALUATION SERVICES | CLAIMS |
| T5398 | GOLDEN EMPIRE GLEANERS | 20,348.20 | FOOD BASKETS FOR MEMBERS | ENHANCED CARE MANAGEMENT |
| T2135 | BAKERSFIELD CITY SCHOOL DISTRICT | 20,000.00 | 2025-2026 ELEMENTARY SCHOOL WELLNESS GRANT | HEALTH SERVICES - WELLNESS & PREVENTION |

KERN•HEALTH SYSTEMS

Year to Date AP Vendor Report Amounts over \$20,000.00

| Amount | s over \$20,000.00 | | | |
|---------------|--|---------------|---------------------------------|---|
| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
| T2441 | LAURA J. BREZINSKI **** | 20,000.00 | MARKETING MATERIALS | MARKETING & PUBLIC AFFAIRS |
| T2580 | GOLDEN EMPIRE TRANSIT DISTRICT **** | 20,000.00 | MARKETING - BUS ADVERTISING | MARKETING & PUBLIC AFFAIRS |
| T5977 | IMAGENET, LLC **** | 20,000.00 | KIOSK SERVICES | CORPORATE SERVICES |
| T6223 | WASCO UNION ELEMENTARY SCHOOL DISTRICT | 20,000.00 | SCHOOL WELLNESS GRANT 2025-2026 | HEALTH SERVICES - WELLNESS & PREVENTION |
| | | 21,168,705.72 | | |
| | TOTAL VENDORS OVER \$20,000 | 21,168,705.72 | | |
| | TOTAL VENDORS UNDER \$20,000 | 1,566,973.85 | | |
| | TOTAL VENDOR EXPENSES- APRIL | 22,735,679.57 | | |

Note:

^{****}New vendors over \$20,000 for the month of April

| | | 1 | T T | | | | |
|------------------------------|--------------|----------|------------|-----------------|---|---------------------|-------------|
| | Contract | | | | | | Termination |
| Vendor Name | Amount | Budgeted | Department | Department Head | Services that this vendor will provide to KHS Eff | fective Date | Date |
| January 2025 | | | | | | | |
| LinkedIn | \$180,900.00 | Yes | HR | Devin Brown | Online Training Course Licenses | 1/1/2025 | 12/31/2026 |
| LinkedIn | \$188,659.83 | Yes | HR | Devin Brown | Hiring Enterprise Program | 1/1/2025 | 1/1/2028 |
| MetaStar | \$56,700.00 | Yes | QP | Kailey Collier | NCQA HEDIS Compliance Audit | 1/1/2025 | 12/31/2027 |
| Cloudera | \$77,940.10 | Yes | IT | Cesar Delgado | Data Lineage Software | 1/1/2025 | 12/31/2025 |
| Gartner | \$184,800.00 | Yes | HR | Devin Brown | HR licensing | 1/1/2025 | 12/31/2025 |
| Aobe | \$89,807.52 | Yes | IT | Cesar Delgado | Pro DC, Photoshop, Indesign, etc. | 1/27/2025 | 12/26/2026 |
| February 2025 | | | | | | | |
| Sprout Social | \$54,000.00 | Yes | IT | Cesar Delgado | Social Media Vigilance, social management and support | 2/26/2025 | 2/25/2026 |
| LifeSigns | \$120,000.00 | Yes | HE | Isabel Silva | ASL Interpreting Services 2 | 2/23/2025 | 2/22/2027 |
| Serrano | \$70,950.00 | Yes | EXEC | Emily Duran | Professional Resources 2 | 2/24/2025 | 5/31/2025 |
| The Granger Network | \$175,200.00 | Yes | HR | Devin Brown | 2026-2028 Strategic Plan | 2/3/2025 | 5/31/2025 |
| Quest Diagnostics | \$125,510.00 | Yes | QP | Jake Hall | Laboratory Data 2 | 2/21/2025 | 2/20/2026 |
| Serrano Advisors, LLC | \$70,950.00 | Yes | EXEC | Jermy McGuire | Strategic Planning Resource 2 | 2/24/2025 | 5/31/2025 |
| March 2025 | | | | | | | |
| Health Management Associate | \$199,000.00 | Yes | ACCT | Veronica Baker | Actuarial Services | 3/1/2025 | 2/28/2026 |
| Mersman Enterprise Inc. | \$100,000.00 | Yes | HEQ | Traco Matthews | Health Equity Program | 3/3/2025 | 12/31/2025 |
| CDW | \$113,327.83 | Yes | IT | Cesar Delgado | 2 Nutanix Nodes with support & Maint for 3 years 3 | 3/25/2025 | 3/24/2028 |
| April 2025 | | | | | | | |
| SHI | \$110,516.75 | Yes | IT | Cesar Delgado | Manage KHS inbound calls 4 | 4/15/2025 | 4/14/2025 |
| Citius Healthcare | \$160,888.00 | Yes | PNM | Amisha Pannu | Consulting Services -Transitional Rent Consultant | 4/15/2025 | 9/30/2025 |
| SHI | \$110,516.75 | Yes | IT | Cesar Delgado | Cisco UCCX License Renewal | 4/22/2025 | 4/23/2026 |
| E360 | \$158,488.00 | Yes | IT | Cesar Delgado | Citrix Licensing | 4/2/2025 | 4/2/2028 |
| Anthony C. Dike, dba Meridia | \$199,000.00 | Yes | UM | Christine Pence | UM Authorization Reviews 4 | 4/18/2025 | 4/17/2026 |
| Nguyen Luu-Trong (1099) | \$199,000.00 | Yes | UM | Christine Pence | UM Authorization Reviews 4 | 4/18/2025 | 4/17/2026 |
| Panda Ai | \$100,000.00 | Yes | COMP | Deb Murr | Ai Compliance Tool | 4/1/2025 | 1/31/2026 |
| Cognizant | \$64,500.00 | Yes | IT | Cesar Delgado | Zelis Payment Integrity Interface 4 | 4/21/2025 | 3/30/2028 |

| | Board of Directors |
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|) | 2025 PROJECT CONSULTING PROFESSIONAL SERVICES | | | | | | | | | | | | | | | | |
|------|---|---------------|---------------|------------|------------|------------|------|------|------|------|------|------|------|------|------|--------------|-------------------|
| ITEM | PROJECT | CAP/EXP | BUDGET | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | ОСТ | NOV | DEC | YTD TOTAL | REMAINING BALANCE |
| 1 | Behavioral Health 2025 | CAP | \$ 699,218 | \$ 22,150 | \$ 27,485 | \$ 14,962 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 64,597 | \$ 634,621 |
| 2 | Closed Loop Referral (CLR) Mgmnt | CAP | \$ 1,000,267 | \$ 1,937 | \$ 2,404 | \$ 17,638 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 21,978 | \$ 978,289 |
| 3 | Medicare Advantage DSNP Software Modules | CAP | \$ 4,122,638 | \$ 26,909 | \$ 24,241 | \$ 25,250 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 76,400 | \$ 4,046,238 |
| 4 | Accounting System Upgrade/Implementation | CAP | \$ 401,757 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 401,757 |
| 5 | Member & Provider Portal Implementation | CAP | \$ 1,116,483 | \$ - | \$ - | \$ 8,924 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,924 | \$ 1,107,560 |
| 6 | Member Engagement | CAP | \$ 713,511 | \$ 35,170 | \$ 40,554 | \$ 56,021 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 131,745 | \$ 581,766 |
| 7 | Text Messaging - Automate and Customize | CAP | \$ 415,138 | \$ 168 | \$ 209 | \$ 5,804 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,181 | \$ 408,957 |
| 8 | Webex Calling Migration | CAP | \$ 644,373 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 644,373 |
| | C | apital Totals | \$ 9,113,386 | \$ 86,335 | \$ 94,893 | \$ 128,598 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 309,826 | \$ 8,803,560 |
| | | | | | | | | | | | | | | | | | |
| 9 | IT Staff Augmentation | EXP | \$ 7,530,807 | \$ 450,288 | \$ 379,088 | \$ 463,064 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,292,439 | \$ 6,238,367 |
| 10 | PM Staff Augmentation | EXP | \$ 277,624 | \$ 114,683 | \$ 68,603 | \$ 107,342 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 290,628 | \$ (13,004) |
| 11 | NCQA (The Mihalik Group) | EXP | \$ 350,000 | \$ 17,800 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 17,800 | \$ 332,200 |
| 12 | DSNP (Rebellis) | EXP | \$ 3,000,000 | \$ 163,994 | \$ 73,994 | \$ 100,875 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 338,863 | \$ 2,661,138 |
| | Operatina Ex | pense Totals | \$ 11.158.431 | \$ 746,765 | \$ 521.685 | \$ 671.280 | Ś - | \$ - | Ś - | Ś - | Ś - | Ś - | \$ - | \$ - | Ś - | \$ 1,939,730 | \$ 9,218,701 |

KERN HEALTH SYSTEMS BOARD OF DIRECTORS NEW VENDOR CONTRACTS June 19, 2025

| Legal Name DBA | Specialty | Address | Comments | Contract Effective Date | |
|---|--|--|---|-------------------------------|--|
| PAC 05/07/2025 (6) | | | | | |
| Danesha Lashay Wallace dba: The Yoga & Birth Advocate | Doula | 3419 Kimmie Rachelle Ct Bakersfield CA | | 6/1/2025 | |
| 13333 Fenton Avenue, LLC dba: Mountain View Convalescent Hospital | SNF | 13333 Fenton Avenue Sylmar CA | | 6/1/2025 | |
| RC Limousines LLC dba: RC MedTrans | Transportation (NMT, NEMT, Gurney, Wheelchair) | 2845 80th St W Rosamond CA | | 6/1/2025 | |
| Lancaster Urgent Care Inc dba: Lancaster Urgert Care | Urgent Care | 1331 W Ave J. Suite 101 Lancaster CA | Existing Providers: L.Madhavan & J. Tabungar | 6/1/2025 | |
| JWCH Institute Inc dba: Wesley Health Centers | Primary Care/PCP | 45124 10th St E Lancaster CA 45104 10th St W Lancaster CA | | 6/1/2025 | |
| Peridot Health dba: Peridot Health Medical Clinic | Primary Care/PCP | 221 Elmo Hwy Ste 300 McFarland CA | Existing Provider: O. Oladimeji | 6/1/2025 | |
| PAC 06/04/2025 (17) | | | | | |
| HAWK Behavioral Health | Mental Health | 1412 17th Street Suite 559 Bakersfield CA | | Retro-Eff 6/1/2025 | |
| A-Z Hospice Care 366D 247 | Hospice/Palliative Care | 4800 Stockdale Hwy Bakersfield CA | | 7/1/2025 | |
| Campus Community Healthcare LLC dba: Arvin Post Acute | SNF | 323 Campus Drive Arvin CA | | 7/1/2025 | |
| Central California Asthma Collaborative | APS Program | 1939 N Gateway Blvd Ste. 102 Fresno CA | Existing Provider- CHW/APS Contract | 7/1/2025 | |
| Chaparral Medical Group Inc dba: Akido | CSS - Housing Trio | 4200 Truxtun Ave Ste. 101 Bakersfield CA | Existing Providers - New Service for CSS | 7/1/2025 | |
| Chris E Esguerra MD PC dba: Esteem Health PSC | ECM Case Management | 1631 30th St Bakersfield CA | Existing Provider-New Service for ECM | 7/1/2025 | |
| El Tejon Healthcare Inc dba: El Tejon Pharmacy 1 | Pharmacy | 2900 Brundage Lane Bakersfield CA | Change of Ownership | 7/1/2025 | |

KERN HEALTH SYSTEMS BOARD OF DIRECTORS NEW VENDOR CONTRACTS June 19, 2025

| Legal Name DBA | Specialty | Address | Comments | Contract Effective Date |
|--|---------------------------------|---|---|-------------------------------|
| Hunger Not Impossible Inc. dba: Bento | CHW Program | 628 California Avenue Venice CA | Existing Provider- CHW/APS Contract | 7/1/2025 |
| John DeRouen MD Inc | Anesthesiology / Facility Based | 3850 San Dimas Bakersfield CA | | 7/1/2025 |
| Lenus Care LLC | Hospice | 5060 California Ave Ste 415 Bakersfield | | 7/1/2025 |
| Melancentric LLC | Doula | 6113 Northern Light Way Rocklin CA | | 7/1/2025 |
| Modify Health Inc | CHW Program | 190 Bluegrass Valley Parkway Alpharetta GA | Existing Provider- CHW/APS Contract | 7/1/2025 |
| SABA Therapy Center LLC | ABA Provider | 5701 Young St #A400 Bakersfield CA | Existing Providers - Lily Shih BCBA | 7/1/2025 |
| SD Healthcare Consulting LLC | APS Program | 5701 Young St #A400 Bakersfield CA | Existing Provider- CHW/APS Contract | 7/1/2025 |
| SRS-Ridgecrest dba: Sanderling Dialysis of Ridgecrest | Dialysis Center | 212 S Richmond Rd. Ridgecrest CA | | 7/1/2025 |
| THV Consultant INC dba: TVH Lighthouse Home Health | Home Health | 622 34th Street Bakersfield CA | | 7/1/2025 |
| Community Action Partnership of Kern dba: CAPK | ECM Case Management | 1631 30th St Bakersfield CA | Existing Provider -New NPI for ECM | 8/1/2025 |

KERN HEALTH SYSTEMS BOARD OF DIRECTORS TERMED CONTRACTS June 19, 2025

| Legal Name DBA | Specialty | Address | Comments | Contract Term Date |
|--|----------------|--|----------------------------|-----------------------|
| San Joaquin Valley Surgery Center LLC | Surgery Center | 2620 Chester Avenue Ste. 400 Bakersfield CA | Change of Ownership | 4/2/2025 |
| Jason B. Miller dba: Chrysostom Mental Health Services | Psychology | 2000 270 24000 2000 0 | Revocation of Licensure | 4/20/2025 |
| Mini Pharmacy Enterprises, Inc. | Pharmacy | 2425 Porter Street Los Angeles CA | Change of Ownership | 4/30/2025 |
| Kern Surgery Center LLC | Surgery Center | 2323 16th Street Ste. 507 Bakersfield CA | Site Closed | 45781 |



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Alan Avery, Chief Operating Officer

SUBJECT: 1st Quarter 2025 Operations Report

DATE: June 19, 2025

I am pleased to once again be able to report that all KHS Operational Departments continue to meet all regulatory requirements and performance metrics during the 1st Quarter of 2025.

CLAIMS

Incoming claim volume continued to increase during the 1st quarter of 2025, reaching 1.6 million claims with an additional 130,814 claims received in the quarter over the 4th quarter of 2024. This continued increase follows the trend throughout 2024 and can be attributed to the significant increase in new KHS membership during the year, retention of members thru the redetermination process, and implementation of the new Community Support Service benefits.

Due to the significant increase in claims volume management is continually monitoring daily incoming claims inventory and making adjustments to resources as needed to ensure we meet our operational performance and regulatory metrics. We are confident that we have the processes and systems in place to manage the increased number of claim receipts as 99% of claims continue to be submitted electronically with only 1% of the claims received via paper. These paper claims are then converted into an electronic file format allowing them to load electronically into the KHS claims workflow. Once loaded into the claims workflow, the QNXT core system processes them automatically. The auto adjudication of the claims continued to remain consistently high at 88%, meaning claims were received and processed without any manual intervention but are heavily monitored with ongoing audits by claims staff members to ensure accuracy and quality metrics are met.

The Claims Department Provider Call Center continues to receive a high volume of provider calls seeking clarification regarding their check, claim payment and processing questions. This new service is greatly appreciated by providers and helps to reduce the number of provider claims payment disputes. During the 1st Quarter the provider call volume was greater than the previous quarter but slightly less than the average throughout the year. This decrease may be attributed to provider's billing services becoming familiar with the explanation codes on the remittance advices from previous educational calls and visits from the provider relations representatives. We estimate call volume into the Claims Department Provider Call Center will continue to remain strong going forward as a way for the provider to resolve their questions quickly and without the need to file an appeal.

MEMBER SERVICES

Similar to incoming claim volume during the 1st quarter, Member and Provider calls to the Member Services Department increased over previous quarters, following the trend we see every January. However, membership growth in the 1st quarter of 2025 was not as significant as the new member additions in 1st quarter 2024. Key indicators (abandonment rate, average speed to answer and average talk time) are all aligned with normal trends. The top five reasons members call Member Services continues to remain the same: (1) New Member questions (2) Making demographic changes (3) PCP changes (4) Requesting replacement ID Cards (5) Checking referral status.

Similar trends for outbound call volume followed incoming call volume with an increase over previous quarters with 69,357 calls. Member walk-in visits also increased slightly over the previous quarters with 1542 visitors coming to our office for assistance with redetermination processing, ID card replacements and other issues.

We continue to successfully manage incoming phone activity by managing our personnel resources along with encouraging members to obtain their own personal account on the KHS Member Portal. During the 1st quarter of 2025, 4277 members created new online accounts. Currently nearly 94,000 members have online accounts which allows them to perform all of the top five reasons and other service functions they would normally call Member Services.

PROVIDER RELATIONS

On a quarterly basis, the Provider Network Management (PNM) Department monitors provider network growth, capacity, and accessibility.

The Primary Care Provider (PCP) network again grew slightly from the previous quarter adding 66 new additional PCPs for a total of 571 PCP providers while the specialty provider network also had a minor increase of 15 specialists during the 1st Quarter. Our complete contracted provider network consists of 4,559 providers at the close of the Quarter, an increase of 150 providers overall. It is noteworthy that our overall provider network continued to grow during the past twelve months. At the end of the 1st Quarter 2024 our complete provider network consisted of 4023 providers compared to the current network of 4,559 providers, a 12% overall increase.

The Department monitors network capacity/adequacy using a Full-Time Equivalency (FTE) provider to member ratio, which is based on regulatory requirements. For PCPs, the regulatory standard is one FTE PCP for every 2,000 members. As of the 1st Quarter of 2025, the Plan maintained a network of one FTE PCP for every 1,483 members, thus meeting the requirement. The Plan is also required to maintain a network of one FTE physician for every 1,200 members. As of the 1st Quarter, the Plan maintained a network of one FTE Physician for every 180 members, meeting the requirement. Even as our membership continues to grow, the Plan's network continues to meet all regulatory capacity/adequacy requirements. PNM maintains ongoing recruitment and contracting efforts to promote network growth and ensure access to care for Plan members.

The last key provider network indicator that we continually monitor, and report is PCP and Specialty care appointment availability. Non-urgent PCP appointments must be available within 10 days. During the 1st Quarter, the PCPs provided visits on average within 3.6 days. Non-urgent appointments with a specialist must be available within 15 days. Our specialist appointment is currently at 7.1 days which has increased significantly. We are closely monitoring this variance to determine if this becomes a trend.

GRIEVANCE REPORT

Total grievances for the 1st quarter were slightly higher than the last two quarters of 2024. Several categories contributed to this overall increased. Access to care, Quality of Service and Other categories all experienced increases over previous quarters. We did not identify any obvious outliers or trends for the volume of these categories, but we are continuing to monitor going forward to identify any future trends. The volume of Exempt grievances decreased slightly from the 2024 average. We hope this trend continues in 2025 and we will continue to monitor and track exempt grievances, looking to identify any trends and will make any corrective action needed.

DHCS requires health plans to forward copies of all member discrimination grievances within 10 days to their office of Civil Rights when members allege discrimination based on any characteristic protected by federal or state nondiscrimination laws. Characteristics protected by federal, or state nondiscrimination laws include sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental ability, physical disability, medical condition, genetic information, marital status, gender, gender identity, sexual orientation, creed, or health status. The plan identified 81 grievances classified as discrimination during the 1st Quarter reporting period compared to 71 received during the 4th Quarter, but within the overall range during 2024. All discrimination grievances were reported timely to Office of Civil Rights.

Part two of my required regulatory Grievance Report is the disposition of the formal grievances. Following the review and investigation of the 535 Potential Inappropriate Care by the Quality Department, 450 of the decisions were upheld, 76 were overturned and ruled in favor of the member and 9 grievances were still under review by the Quality Department. The remaining 1,781 grievances were reviewed and managed by the Grievance Coordinators, 1,258 of the decisions were upheld by the Plan, 508 were overturned and ruled in favor of the member and 160 were still under review. The primary reason for overturning the original decision of the grievance occurs when we receive additional supporting documentation from the member or the provider.

To fully comprehend the dynamics and relativity of the grievance volume, the plan calculates the number of grievances received in relation to the number of medical visits and the enrollment. During the 1st Quarter of 2025, there was over 1.6 million medical encounters provided to our 405,000 members many of whom are new to managed care. In total, KHS received 2.47 grievances per 1,000 members per month, well within the range of the other LHPC Plan averages of 1–3.99 grievances per month.

REQUESTED ACTION

Receive and File.

1st Quarter 2025 Operational Report

Alan Avery
Chief Operating Officer



1st Quarter 2025 Claims Department Indicators

| Activity | Goal | 1 st Quarter 2025 | Status | 4 th Quarter 2024 | 3 rd Quarter 2024 | 2 nd Quarter 2024 | 1 st Quarter 2024 |
|---------------------------------|------|---------------------------------|--------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Claims Received | | 1,659,951 | | 1,529,137 | 1,475,200 | 1,490,017 | 1,384,539 |
| Electronic | 95% | 99% | | 99% | 99% | 99% | 99% |
| Paper | 5% | 1% | | 1% | 1% | 1% | 1% |
| Claims Processed Within 30 days | 90% | 99% | | 98% | 98% | 99% | 97% |
| Claims Processed within 45 days | 95% | 99% | | 99% | 99% | 99% | 99% |
| Claims Processed within 90 days | 99% | 99% | | 99% | 100% | 100% | 100% |
| Claims Inventory-Under 30 days | 96% | 99% | | 99% | 99% | 99% | 99% |
| 31-45 days | <3% | <1% | | <1% | <1% | <1% | <1% |
| Over 45 days | <1% | <1% | | <1% | <1% | <1% | <1% |
| Auto Adjudication | 85% | 88% | | 88% | 88% | 87% | 85% |
| Audited Claims with Errors | <3% | 2% | | 2% | 1% | <2% | <2% |
| Claims Disputes | <5% | <1% | | <1% | <1% | <1% | <1% |
| Provider Calls | | 8,736 | | 8,060 | 10,260 | 9,374 | 10,194 |

KERN HEALT SYSTEMS

1st Quarter 2025 Member Service Indicators

| Activity | Goal | 1 st Quarter 2024 | Status | 4 th Quarter 2024 | 3 rd Quarter 2024 | 2 nd Quarter 2024 | 1 st Quarter 2024 |
|-----------------------------------|-------|---|--------|---|---|---|---|
| Incoming Calls | | 77,449 | | 68,844 | 74,004 | 72,308 | 84,175 |
| Abandonment Rate | <5% | 1% | | 2% | 1% | 1% | 10% |
| Avg. Answer Speed | <2:00 | :11 | | :18 | :13 | :15 | 2:22 |
| Average Talk Time | <9:00 | 7:57 | | 8:02 | 8:20 | 9:10 | 10:20 |
| Top Reasons for Member Calls | Trend | New Member Demographic changes PCP Change ID Card Referrals | | New Member Demographic changes PCP Change ID Card Referrals | New Member PCP Change Demographic changes ID Card Referrals | New Member PCP Change Demographic Changes ID Card Referrals | New Member PCP Change Demographic Changes ID Card Referrals |
| Outbound Calls | Trend | 69,357 | | 61,622 | 67,046 | 68,943 | 71,842 |
| # of Walk Ins | Trend | 1542 | | 1343 | 1305 | 1228 | 1510 |
| Member Portal Accounts-Q/Total | 4% | 4277 94,074 (23.25%) | | 3677 89,798 (22.24%) | 4217 85,968 (21.44%) | 4466 81,752 (20.36%) | 6825* 78,462 (19.14%) |

KERN HEALTH SYSTEMS

1st Quarter 2025 Provider Network Indicators

| Activity | Goal | 1 st Quarter 2025 | Status | 4 th Quarter 2024 | 3 rd Quarter 2024 | 2 nd Quarter 2024 | 1 st Quarter 2024 |
|---------------------|-----------|------------------------------------|--------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | | | | | | |
| # of PCP | | 571 | | 505 | 491 | 476 | 465 |
| % Growth | | 2.38% | | 2.85 | 3.15% | 2.37% | [1.27%] |
| # of Specialist | | 574 | | 559 | 548 | 559 | 564 |
| % Growth | | 2.68% | | 2.01% | [1.97] | [.89%] | 3.30% |
| | | | | | | | |
| FTE PCP Ratio | 1:2000 | 1:1,483 | | 1:1,514 | 1:1544 | 1:1809 | 1:1889 |
| FTE Physician Ratio | 1:1200 | 1:180 | | 1:256 | 1:260 | 1:294 | 1:291 |
| | | | | | | | |
| PCP | < 10 days | 3.6 days | | 1.3 days | 2.5 days | 3.2 days | 2.7 days |
| Specialty | < 15 days | 7.1 days | | 3.5 days | 4.6 days | 6.8 days | 4.9 days |

SYSTEMS

1st Quarter 2025 Grievance Report

| Category2 | Q1 2025 | Status | Issue | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 |
|---------------------------------------|---------|--------|--|------------|------------|------------|------------|
| Access to Care | 713 | | Appointment Availability | 603 | 530 | 541 | 384 |
| Coverage Dispute | 0 | | Authorizations and Pharmacy | 0 | 0 | 0 | 0 |
| Medical Necessity | 192 | | Questioning denial of service | 241 | 275 | 357 | 385 |
| Other Issues | 141 | | Miscellaneous | 134 | 92 | 118 | 64 |
| Potential Inappropriate Care | 535 | | Questioning services provided. All PIC identified cases forwarded to Quality Dept. | | 438 | 538 | 572 |
| Quality of Service | 654 | | Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department | 509 | 467 | 417 | 338 |
| Discrimination (New Category) | 81 | | Alleging discrimination based on the protected characteristics | 71 | 52 | 81 | 60 |
| Total Formal Grievances | 2316 | | | 2034 | 1854 | 2052 | 1803 |
| Exempt | 683 | | Exempt Grievances- | 644 | 774 | 1177 | 1881 |
| Total Grievances (Formal & Exempt) | 2999 | | | 2678 | 2628 | 3229 | 3684 |

KHS Grievances per 1,000 members -2.47 LHPC Average 1.0-3.99/month



Additional Insights-Formal Grievance Detail

| Issue | 2025 1 st Quarter Grievances | Upheld Plan Decision | Further Review by Quality | Overturned Ruled for Member | Still Under Review | |
|------------------------------|--|-------------------------|------------------------------|--------------------------------|-----------------------|--|
| Access to Care | 317 | 198 | 0 | 116 | 3 | |
| Coverage Dispute | 0 | 0 | 0 | 0 | 0 | |
| Specialist Access | 396 | 226 | 0 | 165 | 5 | |
| Medical Necessity | 192 | 126 | 0 | 66 | 0 | |
| Other Issues | 141 | 119 | 0 | 22 | 0 | |
| Potential Inappropriate Care | 535 | 450 | 0 | 76 | 9 | |
| Quality of Service | 654 | 510 | 0 | 137 | 7 | |
| Discrimination | 81 | 79 | 0 | 2 | 0 | |
| Total | 2316 | 1708 | 0 | 584 | 24 | |



Questions

For additional information, please contact:

Alan Avery
Chief Operating Officer
(661) 664-5005





MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer

SUBJECT: Chief Compliance and Fraud Prevention Officer Report

DATE: June 19, 2025

BACKGROUND

Kern Health Systems (KHS) is required to implement an effective Compliance Program that meets the regulatory requirements set forth in both the Department of Health Care Services (DHCS) contract and the Department of Managed Health Care (DMHC) Knox-Keene license.

The principles outlined in the regulatory guidelines are applicable to all KHS relevant decisions, situations, communications, and developments that align with requirements defined by the Office of Inspector General (OIG). The Governing Board is required to exercise reasonable oversight with respect to the implementation and effectiveness of the Compliance program.

DISCUSSION

Regulatory filings, e.g., reports, financial data, quality performance, and surveys are filed in response to new services, programs, and oversight requirements that are mandated under our contract and license. Currently, KHS is on track to meet or exceed the number of filings completed in 2024.

Privacy Protections and Fraud Prevention remain a key focus for KHS's Compliance department. Suspected violations are promptly investigated and reported to DHCS for probable violations of policies, regulations, statutes, or program requirements.

To date in Q2 2025, the Compliance Department investigated 95 allegations of privacy concerns, with four (7) forwarded to DHCS for review, with one (1) determined to be a non-breach and three (6) remain under review with DHCS.

The Compliance department has investigated 189 suspected fraud, waste, and abuse allegations, which represents a 45% increase for the same time period in 2024. Services not rendered and excessive or unnecessary services represent the majority of provider cases reviewed, while transportation and identity theft represent the majority of the member cases reviewed.

The Compliance Department conducts internal audits and monitoring activities related to determine organizational alignment to all regulatory and contractual obligations and conducts risk analysis to prioritize remediation plans if warranted.

In the first quarter of 2025, Compliance conducted delegation audits of American Logistics, CareNet, and VSP are being finalized. Audits of Utilization Management Notice of Action (NOA) denials, Notice of Appeal Resolutions (NAR), and Concurrent Inpatient Reviews (DMHC audit finding). The reports are currently under review by the assigned department's leadership after which the internal audit reports will be finalized.

Department of Managed Health Care (DMHC)

The final report for the 2023 DMHC Medical Audit was received in October 2024. Compliance continues to meet with stakeholders regarding deficiencies to prepare for the DMHC follow up survey anticipated in November 2025 to validate corrective actions for the identified findings. KHS received a subpoena, and interrogatories notice from the DMHC Office of Enforcement in June related to the Utilization Management processes that were active from 1/1/2023 through 1/1/2024.

The DMHC concluded the Onsite (Virtual) financial audit in May 2025 and is waiting receipt of the audit results for financial reports for the quarter ended September 30, 2024.

Department of Health Care Services (DHCS)

The DHCS 2023 Limited Scope Medical Audit and Focused Audit for Transportation/Behavioral Health closed six of the seven findings with a Corrective Action Plan (CAP) update submitted to DHCS on 5/2/2025. KHS is currently awaiting final closure or if additional requests will be required for review to DHCS.

The DHCS 2024 Medical Survey completed on 12/20/2024. The Plan received the Preliminary Audit Reports, reporting **no findings for the audit period** for both our main DHCS contract and the state supported services contract.

This report provides an overview of the March 2025 through May 2025 KHS Compliance Program activities with the corresponding updates.

REQUESTED ACTION

Receive and File.

Chief Compliance and Fraud Prevention Officer Report

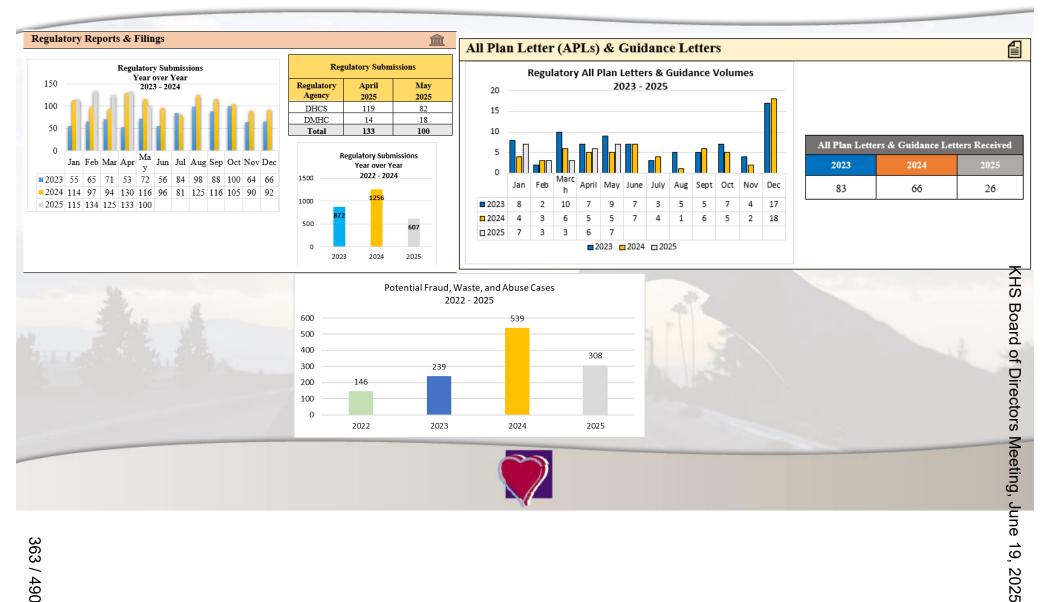


Agenda

- CCFPO Key Performance Indicators (KPI)
- Internal Audit Roadmap
- Department of Justice Focus
- Enterprise Risk Management
- Compliance Awareness Survey



Key Performance Indicators



Internal Audit Roadmap

Annual process to validate adherence to all applicable laws, regulations, guidelines, and standards in the health care industry. Assist with avoiding legal penalties, reputational damage, and financial losses.

Utilizing an industry standard approach to auditing helps to ensure the audits produce meaningful outcomes and direction for remediation.

This requires five questions to be addressed:

- Criteria
- Condition
- Consequence
- Cause
- Corrective Action

Types of Internal audit

Departmental=Operational

Compliance=Verification

Included but not limited to:

- Regulatory audits (Current/Past)
- All Plan Letters
- Website Content
- Policy Revisions



- Other law enforcement agencies
- DHCS
- Managed Care Plans
- Qui Tam actions
- Ground-up investigations
- Federal partners



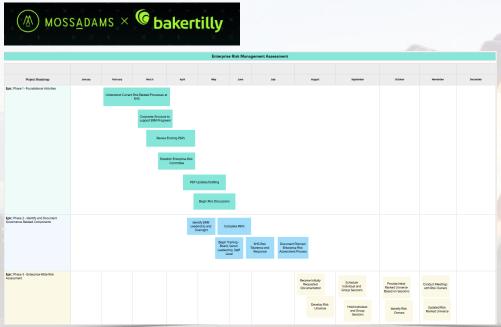
Investigative File (non-exhaustive list)

- Claims data
- Medical records
- Correspondence to/from provider and others
- Member interviews
- Member complaints
- Provider agreements
- Provider guidance documents



Enterprise Risk Management

"Aligned resources, geographic reach and market strength of the combined firm magnifies opportunities for growth, collaboration and innovation"-Chairman and CEO Moss Adams Eric Miles

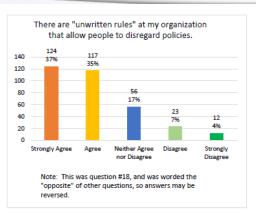


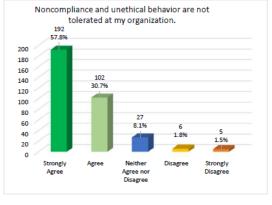
| January -April 2025 Planning and Management | May-August 2025 Field Work | September-December 2025 Reproting and Deliverables | |
|--|--|---|--|
| ERM Program | ERM Leadership/Oversight | Perform Enterprise Risk Shasessment | |
| ERM Committee Composition/Charter | Risk Training Plan (Board, senior leadership, staff level) | Monitoring Plan | |
| Policy/Document Review | Risk Governance Structure | Outcomes Roadmap | |
| Foundational Process Identification | Risk Tolerance/Response Framework | Deliverables/Action Items for 2026 Remediation | |
| | ERM Risk Assessment Process | | |

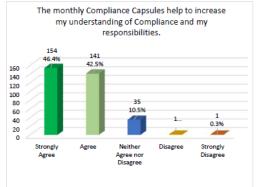


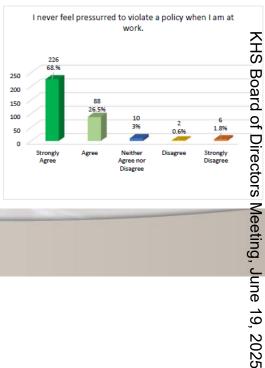
Compliance Awareness Survey









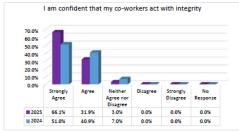




Compliance Awareness Survey



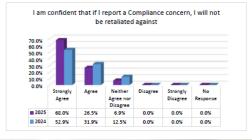






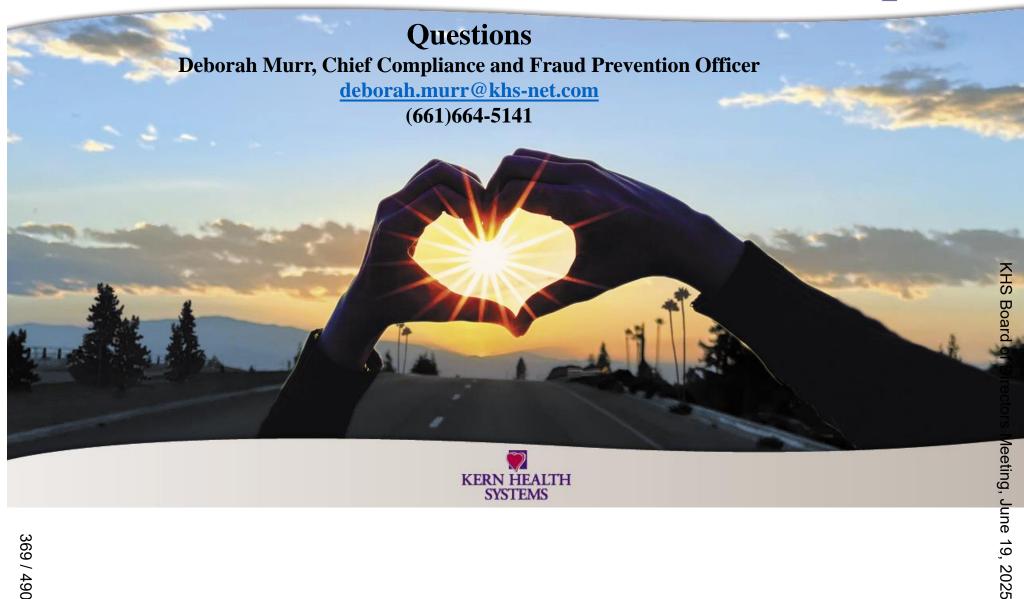








You + Us = a better day!



Compliance Key Performance Indicators June 2025



Compliance Communications



Department of Managed Health Care (DMHC)

- 2023 DMHC Medical Audit
 - o Awaiting further communication from DMHC with readiness activities for anticipated follow up audit in November 2025.
- 2024 DMHC Audit of Fiscal and Administrative Affairs
 - Virtual sessions conducted 04/07/2025 05/07/2025
 - o Awaiting receipt of Audit Results from DMHC

Department of Health Care Services (DHCS)

- 2023 Limited Scope Medical Audit and Focused Audit:
 - o Awaiting follow up or closure from DHCS on Corrective Action Plan.
 - o DHCS acknowledged receipt of additional CAP response submitted 05/02/2025.
- 2024 Medical Survey notification received from DHCS:
 - o Final Audit Reports received 04/16/2025, with no findings or deficiencies identified for the main or state supported services contracts.

DSNP:

- Received conditional approval from CMS on 05/14/2025 for the Part C, Part D, and D-SNP applications submitted in February.
 - o KHS received a score of 100/100 on the required Model of Care submission.
 - o Final CMS approval and contracting will occur following CMS' review of the subsequent required submissions:
 - ✓ Bid Submission successfully completed on 06/02/2025.
 - ✓ Formulary Submissions successfully completed on 06/02/2025.
 - ✓ Medication Therapy Management Program successfully submitted on 06/04/2025.
 - o Implementation activities ongoing.

Enterprise Risk Assessment Project:

- o Moss Adams continues to review documentation, policy, and operational report submissions. Moss Adams will become part of Baker Tilly as part of a merger in Q2 2025. No change in operations or contractual agreement.
- o Project will continue throughout 2025 with gap analysis, training, and remediation plan.

Compliance Awareness Survey:

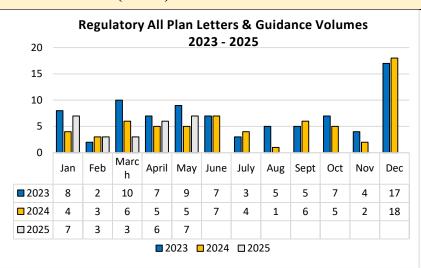
- 2025 Compliance Awareness Survey conducted 04/08/2025 04/18/2025.
 - o 332 responses received; increase of 25% more participation over 2024
 - o Responses overall extremely positive, with awareness and/or agreement increases in each of the common questions posed in 2024 and 2025.
 - o Compliance continues to incorporate insights from survey in ongoing activities and communications.

Compliance Capsules:

- April: Policies & Procedures
- May: 2025 Compliance Awareness Survey

All Plan Letter (APLs) & Guidance Letters

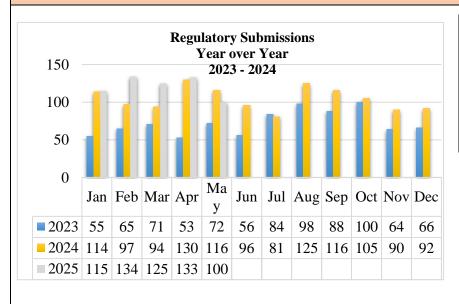




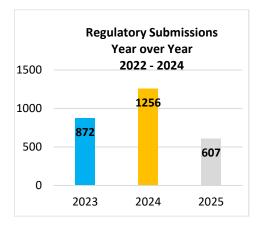
| All Plan Letters & Guidance Letters Received | | | | | |
|--|----|----|--|--|--|
| 2023 2024 2025 | | | | | |
| 83 | 66 | 26 | | | |

Regulatory Reports & Filings





| Regulatory Submissions | | | | | |
|--|-----|-----|--|--|--|
| Regulatory April May Agency 2025 2025 | | | | | |
| DHCS | 119 | 82 | | | |
| DMHC | 14 | 18 | | | |
| Total | 133 | 100 | | | |



DMHC Consumer Complaints & Independent Medical Reviews (IMR)



| 2025 DMHC Independent Medical Revi Consumer Complaints | |
|--|------------------------------------|
| IMR 5 24% | Consumer Complaint 16 76% |

| Decision | KHS Response | DMHC Response |
|--|-----------------|------------------|
| Upheld | 12 | 16 |
| Overturned | 3 | 1 |
| Return to Plan (Grievance Process not completed prior to DMHC complaint) | 3 | 0 |
| Duplicate | 1 | 0 |
| Misdirected | 2 | 2 |
| In Process | 0 | 2 |
| Grand Total | 21 | 21 |

HIPPA Breach Activity



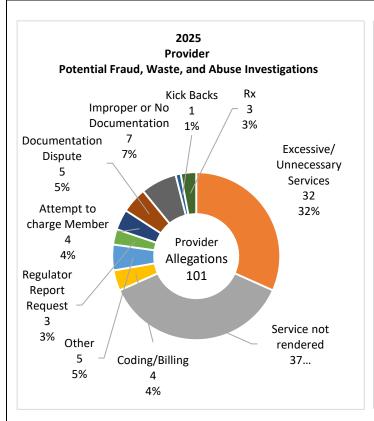
Summary of potential Protected Health Information (PHI) disclosures for March 16th through May 31, 2025:

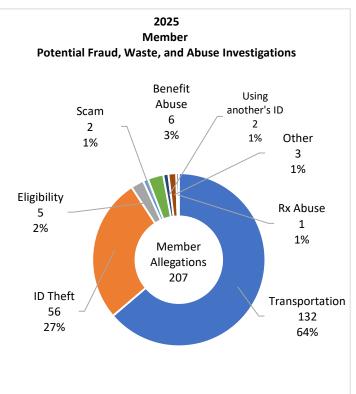
The Plan is dedicated to ensuring the privacy and security of the PHI and personally identifiable information (PII) that may be created, received, maintained, transmitted, used, or disclosed in relation to the Plan's members. The Plan strictly complies with the standards and requirements of Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH).

During the time from March 16th to May 31st, 2025, the Compliance Department investigated and reviewed ninety-five (**95**) **allegations of privacy concerns** and seven (7) of the cases were sent to the State for their review. The DHCS closed one (1) of the cases and determined these to be a non-breach incident. There are six (6) cases that are still under review by the State.

Fraud, Waste, and Abuse (FWA)







45% increase in cases to date in 2025 compared to same time period in 2024:



| All Plan Letters (APLs) & Guidance Letters | | | |
|---|---|--|--|
| Department of Health Care Services (DHCS | 04/01/2025 - 05/31/2025 | | |
| APL 25-006 Timely Access Requirements (Issued 4/25/2025) | This APL provides the Plan guidance regarding the ongoing requirement to meet timely access standards as outlined in the Health and Safety Code. The Plan is required to comply with these requirements. Additionally, this APL outlines the required minimum performance levels as set by the DHCS which go into effect Measurement Year (MY) 2025 for the Timely Access Survey. | | |
| APL 25-007 Enforcement Actions: Corrective Action Plans, Administrative and Monetary Sanctions (Issued: 4/25/2025) | This APL is to provide clarification to the Plan of the DHCS' policy regarding the imposition of enforcement actions, including corrective action plans, and administrative and monetary sanctions, which are among the enforcement actions DHCS may take to enforce compliance with the Plan contractual provisions and applicable state and federal laws. This APL supersedes APL 23-012. | | |
| APL 25-008 Hospice Services and Medi-Cal Managed Care (Issued 5/5/2025) | This APL highlights contractual, regulatory, and statutory requirements applicable to the Plan with respect to their responsibilities to provide Medically Necessary hospice services to the Plan's members. | | |
| APL 25-009 Community Advisory Committee (Issued 5/12/2025) | This APL is to summarize the Community Advisory Committee (CAC) requirements and provide the Plan with information and guidance regarding the responsibility to implement, maintain, and maximize Member, family, and community engagement through the CAC. | | |
| APL 25-010 Adult and Youth Screening and Transition of Care Tools for Medi-Cal Mental Health Services (Supersedes APL 22-028) (Issued 6/3/2025) | This APL provides guidance to the Plan on standardized, statewide Adult and Youth Screening and Transition of Care Tools to guide referrals of adult and youth Members to the appropriate Medi-Cal mental health delivery system and guide timely care coordination for Members requiring transition between delivery systems. | | |
| Department of Managed Health Care (DMH | · · · · · · · · · · · · · · · · · · · | | |
| APL 25-008 Provider Directory Annual Filing Requirements (Issued 4/8/2025) | This APL reminds the Plan of California Health and Safety Code section 1367.27, subdivision (m)'s requirement to annually submit provider directory policies and procedures to the Department. In addition, the Department reminds plans to submit the changes to their provider directory policies and procedures as instructed in APL 24-018 – Compliance with Senate Bill 923 | | |
| APL 25-009 2025 Health Plan Annual Assessment (Issued 4/15/2025) | This APL provides information to the Plan pertaining to the DMHC's fiscal year (FY) 2025-26 annual assessment. | | |
| APL 25-010 Sections 1357.503 and 1357.505 MEWA Registration and Annual Compliance Requirements (Issued 5/20/2025) | This APL provides information to the Plan and is defined as multiple employer welfare arrangements (MEWAs) of the requirements of AB 2072 and AB 2434. This APL discusses the requirements on the Plan and MEWAs for the initial MEWA registration pursuant to Section 1357.505 and Section 1357.503. The Plan is asked to disseminate this information to the contracted MEWAs. | | |
| APL 25-011 Health Plan Coverage of HIV Preexposure Prophylaxis (PrEP) (Issued 5/23/2025) | This APL supplements APL 20-026 and APL 21-018. This APL gives further guidance to ensure the Plan meets the obligations to cover PrEP with no prior authorization or cost-sharing. | | |

Internal Audit and Monitoring Activity

The Compliance Department conducts internal audits and monitoring activities related to regulatory All Plan Letters, guidance, previous regulatory audit findings, and contractual obligations. From the published requirements, the Compliance Department conducts a risk analysis and identifies those that pose a higher degree of risk to the Plan.

In the first quarter of 2025, Compliance conducted internal audits of Exempt, Expedited, and Standard Grievances (previous audit findings), and the Provider Manual; reports have been reviewed with the Business Owners, additional documentation was received, and the reports are currently being updated/finalized following those discussions. In addition, delegation audits of American Logistics, Carenet, and VSP are being finalized. Audits of Utilization Management Notice of Action (NOA) denials, Notice of Appeal Resolutions (NAR), and Concurrent Inpatient Reviews (DMHC audit finding) have also begun in the second quarter.

The 2025 Auditing & Monitoring Plan has been finalized and outlines the anticipated audit and monitoring activities to be conducted. This plan is fluid in nature, based on new risks identified, capacity, business needs, and other factors, but serves as the guide for scheduled activities.

Regulatory Reports & Filings



Regulatory Reports & Filings Submission to Government Agencies

KHS is required to submit various types of information to both DHCS and DMHC with cadences ranging from daily, weekly, monthly, quarterly, or annually. In some cases, KHS is required under statute or regulation to submit reports or documentation to establish initial or ongoing compliance with the law (e.g., timely access reporting, financial reporting). In other cases, plans are required to submit reports or documentation when they are planning to make an operational, business, product, or other change that affects the scope or applicability of their license. Additionally, key personnel and Board member filings are required to allow the regulatory agencies to review and advise on the individuals who provide leadership at KHS as well as the makeup of our Board of Directors.

These submissions often reflect an amendment or material modification to the plan's license and, in some cases, are subject to Department approval prior to making the requested change to plan operations.

Regulatory Submission Volume

Regulatory submissions to both DHCS and DMHC continue to increase annually. As demonstrated in the graphs above, submissions to date continue to increase steadily year over year. Volumes are anticipated to significantly increase further due to the introduction of the Dual Special Needs Plan (D-SNP) and required submissions to the Centers for Medicare and Medicaid Services (CMS).

DMHC Consumer Complaints & Independent Medical Reviews



KHS addresses and tracks enrollee complaints and requests for independent medical review (IMR) received from the DMHC. For April through May 2025, a total of ten (10) Consumer Complaints/IMRs were received, of which five (5) were closed following KHS' response; three (3) was sent on for Independent Medical Review; and two (2) are pending DMHC review.

Fraud, Waste, and Abuse (FWA)



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. For 2025, the volumes continue to trend up, with 45% more cases received through May when compared to the same time period in 2024.

DHCS Medical Audits

Limited Scope Medical Audit and Focused Transportation/Behavioral Health Audit – 2023:

DHCS conducted a routine limited scope medical survey and a focused Transportation/Behavioral Health audit of KHS in November/December 2023. The survey period covered 11/01/2022 – 10/31/2023:

- For the Focused Audit on Behavioral Health and Transportation, the final audit report was received on 08/30/2024.
 - o The findings included four (4) items under Behavioral Health, and three (3) under Transportation.
 - The Behavioral Health findings are related to the coordination with the specialty mental health and substance use disorder benefits, which are carved out from KHS Medi-Cal benefits. During the audit period, KHS had already created a separate Behavioral Health Department and implemented corrective actions; however, since some of these actions were implemented during the audit period, DHCS still documented findings.
 - The Transportation preliminary findings were focused on our oversight and monitoring to ensure members receive door-to-door service, we are monitoring no show rates, and monitoring level of service modifications.
 - o Corrective Action Plan (CAP) submitted to DHCS 10/07/2024, with thirty (33) actions taken across the seven (7) findings
 - DHCS accepted twenty-three (23) of the proposed corrective actions; and requested additional information for ten (10).
 - o DHCS advised they did not have any further requests, and an additional submission was not required following the CAP update submission on 01/25/2025.
 - o DHCS reached out with one additional request, which was responded to on 05/02/2025.
 - o KHS is currently awaiting closure or additional requests from DHCS.

DHCS Routine Medical Audit – 2024:

DHCS received the official notification of the Routine Medical Audit on 10/03/2024.

- Pre-Audit deliverables were submitted to DHCS on 10/31/2024.
- Numerous subsequent requests were received and submitted to DHCS timely.
- The "on site" interview portions of the audit were conducted virtually from 12/09/2024 12/20/2024.
- A preliminary exit conference was held on 12/20/2024, with DHCS verbally reporting potential findings (approximately 9), primarily related to Utilization Management and Grievance processing and notifications.
- The Plan received the Preliminary Audit Reports, reporting no findings for the audit period for both our main DHCS contract and the state supported services contract.
- An Exit Conference was held on 04/02/2025 and KHS is awaiting receipt of the final audit reports.
- Final Audit Reports were received from DHCS on 04/16/2025. No corrective action plan is required, as no deficiencies were found in any area reviewed.

DMHC Routine Medical Audits

DMHC Routine Medical Audit –2023:

DMHC conducted a routine audit of KHS in January 2023. The audit period covered 09/01/2020 - 08/31/2022. The Audit Report was received on 03/07/2024.

- DMHC issued the final audit report on 10/08/2024
 - o Four (4) of the twenty-four (24) findings from the preliminary report were removed from the final report.
 - Any supporting documentation KHS submitted after 04/21/2024 was not considered in issuance of the final report.
 - Of the twenty (20) findings in the final report:
 - Four (4) were considered 'corrected'.
 - Sixteen (16) were determined to be "not corrected". Although DMHC recognized steps were taken to correct the deficiencies, the effectiveness of the corrective actions will be re-assessed in a follow up survey, which will be conducted in November 2025.

Four (4) findings are being referred to the Office of Enforcement:

- The Plan fails to consistently ensure its delegate complies with required utilization management notification standards.
- ➤ The Plan failed to consistently demonstrate that for concurrent review denials, care was not discontinued until the enrollee's treating provider had been notified and agreed to an appropriate care plan. Section 1367.01(h)(3).
- ➤ The Plan inappropriately denies post-stabilization care and is operating at variance with policies filed with the Department.
- > The Plan improperly denied payment for emergency services and treatment. Section 1371.4(b) and (c).
- o Two (2) not able to remediate as these were pharmacy-related and Pharmacy is now carved out
- Compliance continues to meet with stakeholders regarding deficiencies related to post-stabilization.
- KHS received subpoena and interrogatories notice from the Office of Enforcement in June related to the Utilization Management processes that were in place from 1/1/2023 through 1/1/2024.
- Compliance finalized the 2025 auditing and monitoring plan, which will include audits of the DMHC deficiencies to ensure compliance prior to the follow up survey, currently targeted for 11/10/2025.

DMHC Audit of Fiscal and Administrative Affairs (Financial Audit) – 2024:

- Entrance letter received 10/30/2024
- Deliverables submitted timely on 01/27/2025
- Onsite (Virtual) audit began 04/07/2025, with numerous subsequent documents provided during the onsite audit through mid-May.
- KHS is awaiting receipt of the audit results.



Compliance Capsule – May 2025

2025 Compliance Awareness Survey

This month's Compliance Capsule highlights the results of our recent 2025 Compliance Awareness Survey, providing a high-level overview of the insights gathered. The survey helps us understand how well compliance principles are understood across the organization and identifies areas where we can continue to grow and strengthen our compliance culture. This year, we had a total of 332 participants, up 25% from the previous year's survey. We sincerely appreciate everyone who participated in the survey. Thank you for your commitment to integrity and accountability!

The results of our Compliance Awareness Survey were positive overall, and we have included some charts related to the results for your review:



We want to reaffirm several key principles:

- The Compliance Department is here to help and provide guidance to our organization.
- If you report a concern to Compliance, it will be addressed.
 - Compliance may not be able to share the results of the investigation with you due to confidentiality, but all reports are thoroughly investigated, with appropriate corrective actions taken, as needed.
- It is KHS Leadership's responsibility to act with integrity.
- If you report a compliance concern, you will <u>not</u> be retaliated against.
- Policies & Procedures apply to everyone—there are no exceptions based on role or seniority.
- Fully complying with policies is a critical part of how we conduct ourselves at KHS.
- Noncompliance and unethical behavior is not tolerated at KHS.

We Value Your Input

Our Compliance Capsules serve to help increase your understanding of compliance & our responsibilities as an organization. If you have any suggestions for future topics, please let us know!

Please reference previous Compliance Capsules for a refresher on how to locate policies, the code of conduct, the Compliance Program description, the 7 elements of a Compliance Program and other helpful information. All monthly Compliance Capsules can be located here: \\valinor.khs-net.com\\group\Public\\ Compliance\Compliance\Compliance Capsules

For more information or any questions, please reach out to Deborah Murr, Chief Compliance & Fraud Prevention Officer, or Jane MacAdam, Director of Compliance & Regulatory Affairs.

Chief Compliance & Fraud Prevention Officer Deborah Murr, MHA, BS-HCM, RN 661.664.5141

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Director of Compliance & Regulatory Affairs

Jane MacAdam, CHC

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Compliance Capsule – April 2025

Policies and Procedures

A. P&P FAQ's:

- 1. **Q**: Who manages the policies and procedures at Kern Health Systems?
 - **A.** The Compliance department.
- 2. Q: Who is responsible for the development and review/revisions of policies and procedures?
 - **A.** Department leaders are responsible for the development and review of the policies and procedures for their respective department. It is important to ensure the appropriate desktop level procedures and processes are in place to support what is outlined within the policy, and staff is trained on any updates.
- 3. **Q:** Why is it important to maintain polices and procedures current?
 - **A.** Policies provide a framework for Departments, programs, leadership, and employees on their roles and responsibilities within the organization. Per the HHS Office of Inspector General (OIG), "Policies and procedures demonstrate to stakeholders and other interested parties, including government regulators, how the entity strived to comply with applicable laws, regulations, and requirements."

B. P&P Reviews can be Broken Down into The Following Categories:

New P&P Created

- During this process, the department leader (and/or their designee) will review the policy against
 the regulations, including the DHCS contract, APLs, Knox Keene Act requirements, and
 DHCS/DMHC review tools (if available) to ensure it meets all the requirements.
- Upon completion, the policy will be returned to Compliance for review and regulatory submission.
- Concurrently, Compliance will facilitate the signature approval process.

Existing P&P Updated

- An Existing policy may require updates related to a regulatory requirement, law, and/or a business need. The department leader will review the business operations, regulations, and regulatory review tool (if available) against the policy and make revisions as needed.
- During this process, it is important for the reviewer to capture all revisions with tracked changes turned on "redlined." The redline version allows the regulator to easily identify what changes were made to the policy that align with the requirement, regulation, or operational update.
- Once a new redline or a series of redlines are added to a policy, a new version of the policy is created.

Annual P&P Review

- As contractually required, all policies and procedures are to be reviewed annually by the department leaders in order to ensure the policy aligns with regulations, laws, and organizational operational procedures.
- In addition, annual policy reviews allow department leaders to potentially identify gaps and potential risks.
- As above, any updates are required to be redlined. If no updates are made, the reviewer should still specify the annual review was completed and the date reviewed.
- Compliance will then recirculate the policy for updated signature approvals, as needed.

Signatories are required to return the P&P within ten (10) days; this ensures the policy is implemented in a timely manner and in accordance with the regulatory requirements.

As policies are revised for various reasons, it is important to note that Compliance does not delete policies or policy versions; all are saved and maintained in accordance with record/documentation regulations and requirements. The Policy Team within Compliance (policyteam@khs-net.com) is your resource to assist with policy and status updates.



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Martha Tasinga, MD, MPH, MBA

SUBJECT: Chief Medical Officer Report

DATE: June 19, 2025

BACKGROUND

The Chief Medical Officer's presentation highlights key utilization trends and clinical priorities from 2023 through the first quarter of 2025. Utilization of physician services, outpatient procedures, and emergency room care continues to exceed initial projections, with sustained activity largely driven by members managing chronic and complex medical conditions. The clinical strategy moving forward continues to emphasize integrated care management and early intervention for members with high-risk or chronic health conditions to optimize health outcomes and reduce unnecessary utilization.

REQUESTED ACTION

Receive and File.

Chief Medical Officer Report



AGENDA

Physician Services Utilization

- Outpatient
- Inpatient
- Post-Acute
- Emergency Room (ER)

Utilization Management (UM)

- Referral Volume
- Timeliness of Decision



Outpatient

Visits per 1000 per member/month (includes PCPs, Specialists, Urgent Care)

| | 2023 | 2024 | % INCREASE (year over year) |
|---------------|------|------|--------------------------------|
| Aid Group | | | |
| SPD | 2082 | 2290 | 10 |
| Expansion | 729 | 1041 | 42 |
| Family/Others | 696 | 714 | 3 |

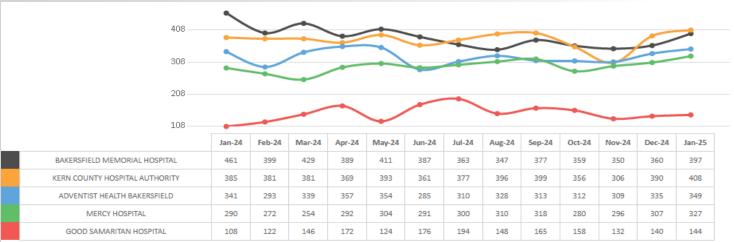
Top Diagnoses

- 1. Wellness visits
- 2. Hypertension
- 3. Diabetes
- 4. Chronic kidney disease



Inpatient

Inpatient Admits by Hospital



| INPATIENT METRICS | 2023 | 2024 | Q1 2025 | % Change From 2024 YTD |
|----------------------|-------|--------|---------|------------------------|
| Acute Beddays/1000 | 224.0 | 187.25 | 162.0 | 13% |
| Acute Admits/1000 | 54.0 | 55.0 | 54.0 | 2% |
| Acute Average LOS | 4.15 | 3.40 | 3.0 | 12% |
| Acute Readmits | 17.39 | 14.94 | 15.54 | -4% |

- * Data from HICE (Health Industry Collaborative Effort)
- Downward trend in inpatient metrics for 2024 compared to 2023
- The trend is continuing as we see in first quarter of 2025
- Top inpatient diagnoses remains consistent:
 - 1. Maternity related 1.1/1000 admissions (0.8/1000 admissions in 2023)
 - 2. Sequelae of cerebrovascular disease, Alzheimer's disease, disorders of muscle wasting and metabolic encephalopathy account for 1.26/1000 admissions
 - a) these are chronic conditions with major care giving implications.
- Focus for 2025 continues to be implementing programs to manage chronic conditions
- (heart failure, chronic kidney disease and #2 above) to prevent decompensation and hospital admission

This downward trend is also noted in the post acute utilization



Post-Acute

| INPATIENT METRICS | 2023 | 2024 | Q1 2025 | % Change From 2024 YTD |
|----------------------|-------|-------|---------|------------------------|
| SNF Beddays/1000 | 83.0 | 54.8 | 32.0 | 42 |
| SNF Admits/1000 | 3.0 | 6.0 | 2.0 | 67 |
| SNF Average LOS | 27.67 | 17.33 | 16.0 | 8 |
| Rehab Beddays/1000 | 6.0 | 9 | 4.0 | 56 |
| Rehab Average LOS | 9 | 4.5 | 4.0 | 11 |

^{*} Data from HICE (Health Industry Collaborative Effort)



Hospital Outpatient

Visits per 1000 per member/month (includes members admitted to the hospital under "observation" status (often less than 2 days LOS))

| | 2023 | 2024 | % INCREASE (year over year) |
|---------------|------|------|--------------------------------|
| Aid Group | | | |
| SPD | 93 | 101 | 9 |
| Expansion | 47 | 49 | 4.2 |
| Family/Others | 28 | 31 | 3 |

Top Diagnoses

- 1. Sepsis
- 2. Urinary tract infection
- 3. Chronic kidney disease/ESRD
- 4. Hypertension



Emergency Room (ER)

Visits per 1000 per member/month

| | 2023 | 2024 | % INCREASE (year over year) |
|---------------|------|------|--------------------------------|
| Aid Group | | | |
| SPD | 64 | 66 | 3 |
| Expansion | 33 | 35 | 6 |
| Family/Others | 23 | 25 | 9 |

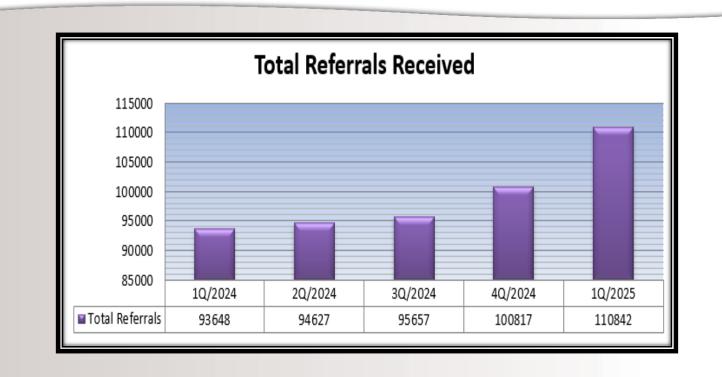
Emergency Room (ER)

Emergency Visits by Hospital



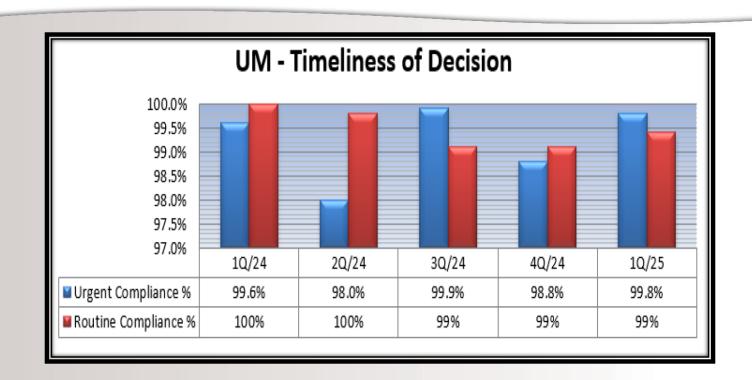


UTILIZATION MANAGEMENT (UM)



SYSTEMS

UTILIZATION MANAGEMENT (UM)









Chief Executive Officer's Report

Emily Duran

June 19, 2025



KHS CORPORATE STRATEGIC PLAN

The KHS strategic plan identifies the key priority areas and serves as a roadmap for 2023 - 2025 for the organization. KHS remains on track in accomplishing the strategic goals. Due to timing the Q2 2025 updates will be provided in August of 2024.

DHCS Report on KHS Performance:

ECM Spotlight

Kern Health Systems (KHS) continues to perform well in the statewide Enhanced Care Management (ECM) program, according to the latest quarterly report from the California Department of Health Care Services (DHCS), covering data through September 30, 2024.

Key highlights:

- Kern County ranks 3rd overall in ECM county penetration at 3.05%, maintaining its previous position. For members under age 21, Kern ranks 5th at 1.64%.
- Kern Health Systems (MCP-specific) ranks 4th overall at 3.52% ECM penetration, improving one position. For members under 21, KHS is now ranked 2nd at 2.16%, up from 3rd.
- The rankings remained largely consistent compared to the previous report period, with small improvements in KHS performance for the under-21 population.
- Statewide, ECM enrollment and Community Supports utilization continue to grow. In Q3 2024 alone, over 143,000 unique Medi-Cal members accessed ECM (13% increase from Q2), and 28,000+ youth under 21 received services (also a 13% increase).

KHS's standing reflects strong ongoing engagement in CalAIM initiatives, especially in expanding access to ECM services for youth and high-risk populations.

LEGISLSTIVE SUMMARY

Federal – In May 2025, the House of Representatives passed the One Big Beautiful Bill Act, H.R. 1, by a narrow margin of 215-214. This close vote highlighted the differing opinions among representatives, with some advocating for more significant changes to the bill. After extensive discussions, those seeking substantial alterations received several "manager's amendments" to facilitate their support for the legislation. The bill includes major policies impacting Medicaid including:

Work Requirements: Beginning January 1, 2029, the legislation would require many Medicaid enrollees to demonstrate 80 hours of monthly community engagement/work-related activities. State must verify eligibility every six months. Exemptions exist, but this policy will likely increase administrative burden and could result in significant coverage loss for our members.

6-Month Eligibility Redetermination for Expansion Population: The bill mandates eligibility redeterminations every six months for the Medicaid expansion population. This accelerated cycle will likely increase administrative costs for counties and lead to higher member churn as members may lose coverage due to procedural issues.

FMAP Penalty for Undocumented Population: Starting October 1, 2027, states that provide financial assistance or health coverage to undocumented immigrants face a 10% reduction in their Federal Medical Assistance Percentage (FMAP). For California, this could mean a loss of billions of dollars annually in federal matching funds.



Freeze on New/Increase Provider Taxes and Uniform Requirements: The legislative freezes current states' provider taxes and prohibits states from establishing new provider taxes. Furthermore, it tightens the requirements for what qualifies as a broad-based and uniform provider tax. This significantly diminishes the potential renewal of California's MCO tax, as it is heavily weighted on Medicaid.

During this time, KHS leadership has continued to meet with our congressional delegation to advocate for the protection of Medicaid, working through our federal trade association to ensure our voices are heard in Washington, D.C. Additionally, KHS leadership has facilitated two Op-Ed pieces from our board members, published in the local newspaper concerning Medicaid impacts. Lastly, KHS leadership developed a coalition letter from healthcare leaders that was sent to our local congressional delegation and congressional and senate leadership regarding changes to Medicaid.

The Senate will now review this legislation and suggest its own amendments before sending a final version back to the House. This process will be critical to reach a compromise that satisfies both chambers. The timeline shows that both the House and Senate aim to present a final bill to the President by July 4th. During this period, we will actively collaborate with our local representatives and trade associations to bolster our advocacy efforts, ensuring our voices are heard and essential community services are safeguarded.

State – In May 2025, Governor Newsom presented his May Revise, an update to his proposed state budget that reflects the latest economic forecasts and revenue projections. The overall budget proposal totals \$322 billion, with a projected \$12 billion shortfall for the upcoming budget year. This year's plan includes significant reductions to ongoing programs, which will address the deficit for 2025-26 and yield greater savings in future years. Key highlights of the proposed changes include increased funding for Medi-Cal, driven by enrollment growth; alongside a freeze on full-scope benefits for undocumented individuals starting on January 1, 2026. Additionally, certain benefits for this population will be eliminated, including full scope dental and long-term care benefits. The administration is also proposing the implementation of \$100 monthly premiums for the undocumented population effective January 1, 2027, as well as an increased in the minimum medical loss ratio for managed care plans to 90%, starting January 1, 2026. Furthermore, proposed changes to the MCO tax aim to offset current budget deficits in the general fund, elimination of prospective payment system rates to clinics serving the undocumented population, and reinstatement of the Medi-Cal asset test limit for seniors and disabled adults. The proposal will now proceed to the Legislature for their review and feedback. Once the Governor and the Legislature reach a consensus, the budget bill will be passed before July 1, 2025. We are currently analyzing the trailer bill language from the Governor's office to better understand its impacts. In the meantime, we will continue to collaborate with our local legislators and trade associations to ensure our voices are heard regarding the effects of the current budget on our population.

The 2025 bill tracking document can be found under Attachment A: Bill Tracking.



MEDICARE D-SNP

Background

The CalAIM initiative focuses on transforming Medi-Cal to reduce health disparities, improve health outcomes, and enhance care delivery, particularly for the most vulnerable populations. Dual-eligible members, who qualify for both Medicare and Medi-Cal, often face complex healthcare needs and coordination challenges, which led to the creation of Dual Special Needs Plans (D-SNPs). These Medicare Advantage plans provide tailored care coordination and wrap-around services for this population. In alignment with CalAIM's January 1, 2026, timeline, KHS will implement a D-SNP line of business to integrate care across both programs, requiring significant regulatory compliance, new internal infrastructure, and process development.

Update

KHS successfully submitted our bid and our plan benefit package (PBP) to CMS on June 2nd. The bid and PBP submissions required close coordination with our actuaries, Milliman, and our selected pharmacy benefit manager (PBM), MedImpact. Any comments or questions received from CMS will be addressed as they are received.

KHS has chosen the supplemental benefits and vendors who will provide the benefits and are in the contractual phase. Implementation with each chosen vendor will begin in June. Regular implementation meetings with Universal Health Care MSO and MedImpact are occurring to implement the contractual delegated functions.

MEDICARE ADVANTAGE AND SNP APPLICATION STATUS – H4057

Kern Health Systems received conditional approval from the Centers for Medicare & Medicaid Services (CMS) for the Contract Year (CY) 2026 Medicare Advantage (MA), Medicare Advantage – Prescription Drug (MA-PD), and Special Needs Plan (SNP) applications under contract number H4057. Highlights include:

- April 14, 2025: CMS issued notification of no deficiencies identified in our initial Part C Medicare Advantage and SNP applications.
- May 14, 2025: CMS granted conditional approval for both the MA/MA-PD application and the SNP application.
- Our SNP Model of Care (MOC) received a perfect score of 100, confirming strong program design and readiness.
- Final application status will be provided prior to the June 2, 2025 bid submission deadline.
- CMS emphasized that final approval is contingent upon successful completion of all preimplementation activities, including bid and formulary approval, system and data testing, and, for Dual Eligible SNPs, an approved MIPPA-compliant State Medicaid Agency Contract.

This conditional approval marks a critical step forward in our efforts to expand and strengthen our Medicare offerings in alignment with Kern Health Systems' strategic growth and community service objectives.



GRANTS AND STRATEGIC INITIATIVES 2023 – 2025

Community-Based Initiative:

All 15 Community Based Organizations (CBO's) have initiated projects aligned with their scope of work. Four (4) of the 16 organizations have completed their deliverables. Program implementation remains on track across all CBOs, but a few notable updates include Bakersfield Recovery Services, Building Healthy Communities, and Community Interventions.

- Bakersfield Recovery Services continues to show strong performance through its Pathway to Recovery program which incentivizes sobriety through a structured gift card system. The program has a success rate of over 90%.
- Community Interventions initially faced challenges with attendance at their in-person healing circles, but adapted by offering flexible participation options such as Zoom sessions and rotating physical meeting locations to better meet community needs. This pivot in their strategy has increased engagement and accessibility.
- Building Healthy Communities maintains consistent outreach efforts focused on promoting Medi-Cal enrollment and educating community members on healthcare access. Their ongoing engagement strategies continue to raise awareness and improve coverage to our underserved populations.

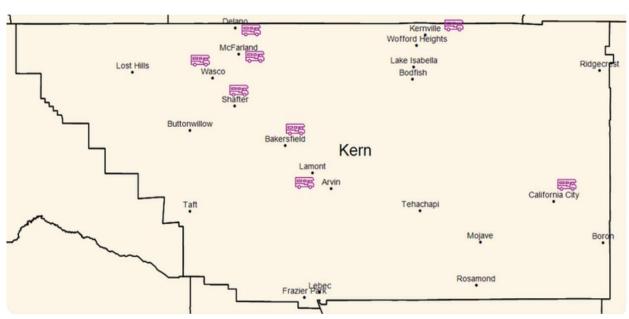




Quality Grant:

All 10 providers have initiated projects using the grant funding and remain on track to finish by November 2025. KHS would like to highlight our mobile unit providers who have been providing services throughout Kern County and meeting members where they are. Mobile units are a critical tool in expanding access to care, especially for underserved and rural communities. By bringing services directly to where people live, work, and gather, mobile units help overcome barriers such as transportation, stigma, and provider shortages. They play a key role in delivering preventative care, screenings, and follow-up services, ultimately improving health equity and population outcomes.

Map of Mobile Units throughout Kern County



| Provider | Total Number of Clinics Anticipated to be completed by 11/17/2025 | Location of Clinics |
|--|---|--|
| Clinica Sierra Vista | 94 | Tejon Communities, 7th Standard, Greenfield, Panama Buena Vista, McFarland, Kernville, Lamont, Olivier, Greenfield, and Mckee Middle Schools District. |
| Kern Medical Center | 200 | Vineland, Delano, Street Medicine Bakersfield, Boys and Girls Club Bakersfield, Lamont, Bakersfield (Health Clinics), Fairfax School, Bakersfield Police Activities League, Wasco, and. Shafter High School |
| Komoto Pharmacy | 10 | Wasco Union Elementary School, Lamont Elementary School, Earlimart, Delano, and Bakersfield |
| Omni Family Health | 96 | Greenfield Unified School District. Bakersfield Adult School, Mercado Latino, and Wasco Union School District. |
| Premier Valley Medical Group (PVMG) | 440* | Street Medicine, St. Vincents De Paul, The Mission, Kern County Street Medicine, and California City. |

^{*}PVMG milestones are <u>not</u> clinic driven, but by patient volume. This number is the total number of patients that PVMG has committed to serve through this grant via mobile unit clinics.



Recruitment and Retention (R&R) Grant:

KHS has successfully recruited 29 new providers and retained 31. See below breakdown of recruitment and retention numbers by provider type. In the April 2025 Board Report, KHS reported out the successes and the challenges with the R&R Grant alongside the healthcare workforce pathway to sustain local providers. In addition to this, KHS would like to highlight the recruitment specialist integration. To further strengthen these efforts, KHS welcomed a recruitment specialist in May 2024 whose role is instrumental in advancing access to care by identifying specialty shortages and strategically aligning future recruitment with the most critical provider needs across our network.

| | Contract Obligation | | Actual Numbers | |
|-----------------------------|---------------------|-----------------|-------------------|-----------------|
| | Total Recruitment | Total Retention | Total Recruitment | Total Retention |
| MD (PCP) | 17 | 30 | 7 | 10 |
| MD (Specialist) | 27 | 1 | 14 | 0 |
| Mid-Level (PCP) | 10 | 26 | 2 | 12 |
| Mid-Level (Specialist) | 8 | 5 | 1 | 2 |
| Behavioral Health Therapist | 7 | 17 | 2 | 7 |
| ВСВА | 1 | 0 | 1 | 0 |
| Physical Therapist | 2 | 0 | 2 | 0 |
| Totals | 72 | 79 | 29 | 31 |

Healthcare Workforce Initiative:

All nine (9) organizations have successfully executed their contracts and initiated projects. KHS is excited to highlight the Allied Health Pre-Nursing Internship through Taft College. Taft college received funding through the healthcare workforce initiative to help with the nursing application process as well as funding to support building improvements for the future nursing program. As the nursing degree logistics are in process, Taft college has launched an internship program, the college plans to welcome 40 students selected from a competitive pool of applicants. The program is hands-on and designed to provide aspiring nurses with invaluable clinical experience, mentorship opportunities, and a deepened understanding of the nursing profession before continuing their career. Kern Health Systems recently conducted a site visit to Taft college, see below.





KHS APRIL 2025 ENROLLMENT:

| 0-5 | 12% |
|--------|-----|
| 18-Jun | 30% |
| 19-44 | 35% |
| 45-64 | 17% |
| 65+ | 6% |

| Hispanic | 64% |
|--------------|-----|
| Caucasian | 15% |
| Unknown | 12% |
| African | |
| American | 5% |
| Asian Indian | 2% |
| Filipino | 1% |
| Other | 1% |

| Language | |
|----------|-----|
| English | 66% |
| Spanish | 33% |
| Other | 1% |

Percentage Increase in Membership from previous month

| | | | Er | rollment Type | 0.0 | | |
|----------|--------------|--------------|----------------|---|-----------------|----------------|---|
| | FAMILY-ADULT | FAMILY-CHILD | FAMILY-OTHERS' | Seniors & Persons with Disabilities (SPDs) | Adult Expansion | Long Term Care | Total KHS Medi-Cal Man- aged Care Enrollment |
| 2025-05 | 74,830 | 167,898 | 25,618 | 20,487 | 116,400 | 506 | 405,739 |
| 2025-06 | 74,575 | 167,401 | 25,580 | 20,378 | 116,863 | 500 | 405,297 |
| % Change | -0.3% | -0.3% | -0.1% | -0.5% | 0.4% | -1.2% | -0.1% |

Enrollment Update: The Kern County Department of Human Services continues their "automated discontinuance process" for Medi-Cal Redeterminations when beneficiaries do not complete the Annual Eligibility Redetermination process

COMMUNITY EVENTS

| Organization Name | Event Name | Purpose | Donated Amount |
|---|---|--|-------------------|
| Kern Community Foundation | 3rd Annual Kern Alliance of Nonprofits (KAN) Leadership Awards | Strengthening community benefit organizations for a healthy, prosperous and vibrant Kern County. | \$1,000 |
| Community Action Partnership of Kern Foundation | Gourmet for Good | Dedicated to addressing the immediate funding needs of CAPK and to serve as a catalyst by supporting the essential tools and resources it provides to the community. | \$10,000 |
| Friends of Mercy Foundation | 35th Annual Mercy Charity Golf Classic | Benefiting the Mercy Hospital Southwest Patient Care Tower Expansion. | \$1,500 |
| North of the River Chamber of Commerce | 2025 Community Awards | Event honors the individuals, businesses, and organizations whose dedication and leadership have made a lasting impact. | \$1,000 |
| ADAKC | 7th Annual Senior Prom | All proceeds benefit the ADAKC in supporting individuals and families affected by Alzheimer's disease, dementia, and related disorders. | \$1,000 |
| Greater Bakersfield Chamber of Commerce | Beautiful Bakersfield 2025 Awards | Recognizing individuals, businesses, and organizations for accomplishments completed during the prior year to improve quality of life and help make Bakersfield better. | \$3,500 |



| Organization Name | Event Name | Purpose | Donated |
|---------------------|-------------------|--|---------|
| | | | Amount |
| Kern County Cancer | Media Music Jam | Support qualified Kern County cancer patients in need | \$3,000 |
| Foundation | | of financial assistance for screening, diagnosis, and | |
| | | treatment for cancer and related diseases. | |
| Greater Bakersfield | State of the City | The annual State of the City Forum is one of the | \$2,000 |
| Chamber of | | community's marquee business events, providing | |
| Commerce | | insight on top issues facing Bakersfield, progress that | |
| | | has been made over the past year and where the city is | |
| | | heading in the future. | |
| Independent Living | 2025 Kern County | ILCKC empowers people with disabilities to grow | \$3,500 |
| Center of Kern | ADA Conference | creatively, personally, and professionally; and educates | |
| County | | the community about disability-related issues. | |

KHS will also participate in the following events in June and July:

| Organization Name | Event Name | Location | Date | Time | |
|---|---|---|---------------------------------------|-----------------|--|
| Kern County Public Health | Know Your Numbers | 2070 Veneto Street Delano, CA 93215 | 06/03/25 | 5:00pm-6:00pm | |
| NAMI Kern County Multicultural Symposium | | 5917 Knudsen Dr. 06/03/25 Bakersfield, CA 93308 | | 10:00am-2:00pm | |
| La Campesina Radio Cuadrilla de la Semana | | TBD | Every Thursday in June and July | 10:00am-2:00pm | |
| Mountain Communities Family Resource Center | 5th Annual Park Day | 3801 Park Dr. Frazier Park, CA | 06/07/25 | 11:00am-2:00pm | |
| California Department of Corrections and Rehabilitation | 2025 Parole and Community Team (PACT) Meeting | 3201 F St. Bakersfield, CA 93301 | 06/11/25 | 10:00am-12:00pm | |
| Vision y Compromiso | Mujer Completa - Salud Financiera | 4550 California Ave. Suite 310 Bakersfield, CA 93309 | 06/12/25 | 8:30am-1:30pm | |
| Kern County Library Ridgecrest Branch | Lunch at the Library | 131 E. Las Flores Ave., Ridgecrest, CA 93555 | 06/18/25 | 11:30am-12:30pm | |
| First Presbyterian Church | FACE | 1705 17th St. Bakersfield, CA 93301 | 06/19/25 | 7:30am-9:00am | |
| Bakersfield American Indian Health Project and The Center | 2nd Annual Sexuality & Gender Identity Healthcare Symposium | Bakersfield College - 1801 Panorama Dr, Bakersfield, CA 93305 | 06/20/25 | 9:00am-3:00pm | |
| Free Will Baptist Church | Wasco Resource Fair | 938 7th Street Wasco, CA 93280 | 06/21/25 | 9:00am-1:00pm | |
| California Karen Youth Connection 12th Annual Summer Leadership Conference | | 7320 Wible Rd Bakersfield, CA 93313 | 06/21/25 | 12:00pm-2:00pm | |



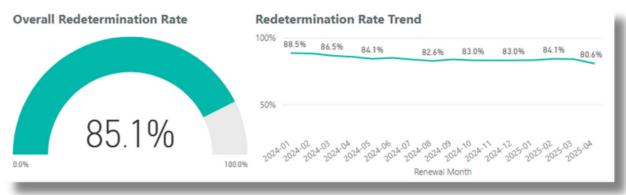
| Organization Name | Event Name | Location | Date | Time |
|----------------------------|---------------------|--------------------------|----------|-----------------|
| Bakersfield Museum of | 2025 Art After | 1930 R St. | 06/26/25 | 6:30pm-9:30pm |
| Art | Dark/LGBTQIA+ event | Bakersfield, CA 93301 | | |
| Kern Valley Hospital | Spring Health and | Lake Isabella | 06/28/25 | 9:30am-1:00pm |
| Foundation | Resource Fair | Senior Center 6401 | | |
| | | Lake Isabella Blvd, | | |
| | | Lake Isabella, CA | | |
| | | 93240 | | |
| California Department of | 2025 Parole and | 3201 F St. | 07/09/25 | 10:00am-12:00pm |
| Corrections and | Community Team | Bakersfield, CA | | |
| Rehabilitation | (PACT) Meeting | 93301 | | |
| Lost Hills Recreation Park | Back to School | Lost Hills | 07/31/25 | TBD |
| District | | Wonderful Park | | |
| | | 4688 Lost Hills Rd, | | |
| | | Lost Hills, CA | | |
| | | 93249 | | |

Medi-Cal Renewal Updates

KFHC continues direct outreach activities to members who must complete the Medi-Cal renewal process or those in a hold status who have 90 days (from disenrollment date) to complete their renewal to be retroactively enrolled to their disenrollment date. The data Kern County Human Services provides to KFHC power these activities. Member communications include: text messages, mail, phone calls, in person, and the KFHC member portal.

KFHC also shares the data with member facing staff (screen pop) and providers (KFHC provider portal) and works with local Medi-Cal enrollment entities and community-based organizations to support Medi-Cal renewal efforts.

Below are Medi-Cal Redetermination Trending Rates.



Most of the Public Health Emergency (PHE) eligibility flexibilities will expire (unwind) by June 30, 2025. Many fewer Medi-Cal eligibles will go through the ex parte process – or "happy path" – for Medi-Cal renewals. Rather, they will need to complete the manual Medi-Cal redetermination process.



Thus, we will see an impact on enrollment numbers beginning in August 2025 where we expect to see more members lose coverage each month for not completing the required Medi-Cal renewal process.

DHCS already removed these flexibilities from the eligibility system for the July redetermination month, leading to a significant decrease of the auto-renewal rate of 80% to less than 40% in Kern County. This means more members (60%+ in Kern) will go through the manual redetermination process (i.e., receiving a renewal application in the mail).

Member education about the importance of completing and returning the packet is even more critical as many of these members haven't had to complete the manual Medi-Cal renewal process in over 5 years

KFHC SCHOLARHIP PROGRAM UPDATE

Through our annual scholarship donations, dreams are being realized at California State University Bakersfield, Bakersfield College, Cerro Coso Community College and Taft College. Our support of scholarships opens doors, builds confidence, and changes lives to eight students at each of our 4 local higher education institutions.

Below is a summary of the \$50,000 we contributed to students throughout Kern County.

- CSUB \$20,000
- Bakersfield \$10,000
- Cerro Coso Community \$10,000
- Taft Colleges \$10,000

Bakersfield College shared this video with us filled with student stories, gratitude, and the kind of inspiration that reminds us why this work matters.

supportbc.org/wp -content/uploads/2025/06/BC_ScholarshipHL-Captions-1.mp4

KFHC Media Clips

We compiled local media coverage that KHS received in October 2024 – November 2024. Please see **Attachment B: Public Relations and Publicity Media Clips.**



KHS MEMBER ENGAGEMENT | COMMUNITY HIGHLIGHTS

CSUB Expungement Clinics: Advancing Community Justice Through Partnership

Kern Family Health Care is proud to support and co-sponsor a groundbreaking expungement clinic initiative in collaboration with California State University, Bakersfield (CSUB), legal professionals, county entities, and our IPP funded justice involved provider partner Kern Psychiatric Wellness Center. These clinics provide transformative legal assistance to individuals seeking to clear eligible criminal records, paving the way for greater access to employment, housing, education, and healthcare.

The first phase of the initiative began with a pre-clinic held on April 4, 2025, which drew 77 participants. This early engagement allowed for thorough case screenings by the Probation Department and District Attorney's Office, efficient document preparation, and effective data collection with the help of court staff and the law library. The pre-clinic helped maintain service quality during the main event and allowed for timely follow-up with attendees.

The full expungement clinic was held on May 9, 2025, and served 57 community members. A total of 237 cases were filed during the clinic, which was staffed by 12 attorneys, 12 student interns, four CSUB administrators, and seven resource fair partners. Attendees received individualized legal assistance and access to community resources, all within a supportive, collaborative environment. The clinic also introduced digital enhancements such as fillable expungement petitions, sample packet templates for attorney use, and an organized intake system using alphabetized tracking sheets. Feedback from attendees and partners was overwhelmingly positive, reinforcing the impact and value of this community justice effort.

This initiative is a clear example of how cross-sector partnerships can break down barriers and advance equity. Kern Family Health Care remains committed to supporting this vital program as part of its broader mission to improve community health and opportunity.





Provider Relations - Celebrating our Partners in Care

Kern Health Systems recently hosted an educational dinner to honor our Enhanced Care Management (ECM) and Community Supports Services (CSS) partners for their exceptional commitment to whole-person care. This special evening brought together clinics, community-based organizations, and providers who are at the forefront of transforming how care is delivered to our most vulnerable members. During the event, our team highlighted best practices on care delivery models that demonstrate the extraordinary efforts these partners have made in building a more collaborative, compassionate, and community-rooted model of care. Today, Kern Family Health Care proudly serves over 11,500 members through ECM—ranking 4th statewide in overall ECM enrollment and 2nd for children and youth under 21. CSS continues to grow with 64 services delivered by 26 partner organizations across 14 service lines. The evening also featured powerful member success stories reflecting the real-world impact of this critical work.





School Wellness Grant Program - Vision Care in Ridgecrest

D = 3.33

Thanks to the support from Kern Family Health Care's School Wellness Grant Program, students at Pierce Elementary in Ridgecrest are now seeing the world a little more clearly—literally.

Pierce Elementary was one of this year's grantee, and their application spotlighted a long-standing challenge in the Ridgecrest area: access to vision care for children with Medi-Cal. Local providers don't accept Medi-Cal, forcing families to travel nearly two hours to Bakersfield for appointments—often facing long wait times, missed work, and delays in receiving glasses. In response, the school requested help securing a mobile vision clinic that could serve children across the Sierra Sands Unified School District. Thanks to the grant, that request became a reality, and students in need were finally able to receive eye exams and the glasses they needed—right at school. This is exactly what the School Wellness Grant Program is about—removing barriers and helping schools create healthier, more equitable learning environments for every child



Page | 14



CSS Powers Community Impact

Kern Family Health Care is proud to share a recent milestone achieved by our community partners at Community Action Partnership of Kern (CAPK). On May 2nd, CAPK celebrated the expansion of services at the East Kern Family Resource Center in Mojave—an achievement made possible through funding from our Incentive Payment Program (IPP) under Community Support Services (CSS).

The expansion introduced vital Housing Trio services for individuals and families experiencing homelessness or housing instability. This investment supported the addition of staff, lease and operational costs, new equipment, vehicles, and enhanced service capacity for the center.

One particularly meaningful enhancement was the addition of laundry services for families in need. After the town's only laundromat was destroyed in a fire, access to this basic necessity was lost. Through our support, CAPK installed two commercial washers and dryers—providing families, especially those with children, a reliable and dignified solution to meet this everyday need.

This ribbon cutting represented more than just a ceremonial event—it was a celebration of what's possible when community collaboration and targeted investment come together. Kern Family Health Care remains committed to supporting programs that not only improve access to services, but also advance dignity, stability, and whole-person wellness across our communities.





COMMUNITY HEALTH - YOUTH PARTNERSHIPS

2025 Summer Externship Program

On June 2nd, Kern Health Systems proudly launched its 2025 Summer Externship Program, welcoming 30 high school and college students—all of whom are members of our health plan. This dynamic program offers participants a unique opportunity to explore a wide range of career pathways within the healthcare industry.

Throughout the summer, our externs will gain valuable hands-on experience, build essential professional skills, and take meaningful steps toward their future careers. We're excited to support these bright and motivated individuals as they embark on this journey.

We wish all our externs the very best as they begin their exploration into the healthcare workforce!









KHS ORGANIZATIONAL HIGHLIGHTS

Cultural and Linguistic Services

As part of our ongoing commitment to cultural and linguistic accessibility, Kern Health Systems continues to invest in employee development through a series of Spanish communication and interpreter training opportunities. Since launching in Q3 2024, our KHS Spanish Communication Classes have welcomed 110 staff members, offering bi-monthly sessions designed to improve the quality and consistency of Spanish-language interactions. Upcoming sessions include modules on phone etiquette, Spanglish, and grammar fundamentals. Additionally, our Interpreter Basics Training Program—tentatively scheduled for October 25—will support 20–25 provider office staff in developing the foundational skills needed to become qualified interpreters, with incentives such as reimbursement for Tier 1 test fees. Several KHS team members are also advancing toward national certification through the Certification Commission for Healthcare Interpreters (CCHI) and the American Translators Association (ATA), with one staff member already certified and eight others actively pursuing credentialing.









KHS Leadership - 2025 Kern County Economic Summit

Kern Health Systems was proudly represented by CEO Emily Duran at the 2025 Kern County Economic Summit, held in person for the first time since the pandemic at CSU Bakersfield. The summit convened economists, business leaders, and innovators from across the region to explore key topics shaping Kern County's future, including workforce development, innovation, education, and health care.

During the Health Care Panel, Emily shared insights on how competition in the local health care landscape can drive innovation and serve as a valuable moment to assess community needs and resources. She emphasized the importance of aligning innovation with collaboration—bringing together health systems, providers, and community partners to improve healthcare access and outcomes.

The discussion also highlighted KHS's ongoing efforts to promote early wellness through in-school programs that educate children on nutrition, physical activity, and screen-time awareness. Looking ahead, KHS will continue supporting providers in returning to the core principles of care—prioritizing prevention, wellness, and whole-person health.





ATTACHMENT A Bill Tracking:

| | Bill Tracking: | |
|-------|---|--|
| Title | Description | Status |
| | | |
| AB 37 | Existing law establishes the California Workforce Development Board as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system and the alignment of the education and workforce investment systems to the needs of the 21st century economy and workforce. Existing law requires the board to assist the Governor in certain activities, including the review and technical assistance of statewide policies, programs, and recommendations to support workforce development systems in the state, as specified. This bill would require the board to study how to expand the workforce of mental health service providers who provide services to homeless persons. | 03/17/25 - Re- referred to Com. on L. & E. |
| | https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB37 | |
| AB 45 | This bill would, subject to specified exceptions, prohibit geofencing, or selling or sharing personal information with a third party to geofence, as defined, an entity that provides in-person health care services in California for specified purposes, and would prohibit the use of personal information obtained in violation of this provision. The bill would provide that violators are subject to an injunction and liable for a civil penalty assessed and recovered in a civil action brought by the Attorney General and deposited in the California Reproductive Justice and Freedom Fund. The bill would also provide that a statement signed under penalty of perjury, as specified, that the personal information will not be used for selling or sharing personal information in violation of these geofencing provisions is prima facie evidence that the personal information was not sold or shared in violation of these geofencing provisions. By expanding the crime of perjury, this bill would impose a state-mandated local program. This bill would, similar to the provisions of the CMIA, prohibit the release of research records, in a personally identifying form, developed or acquired by a person in the course of conducting research relating to anyone seeking or obtaining health care services, or relating to personal information, in response to a subpoena or a request or to law enforcement if that subpoena, request, or the purpose of law enforcement for the medical information is based on, or for the purpose of enforcement of, either another state's laws that interfere with a person's rights to choose or obtain an abortion or a foreign penal civil action. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2_02520260AB45 | 06/03/25 - Read third time. Passed. Ordered to the Senate. |

Existing law, the Pharmacy Law, establishes in the Department of Consumer Affairs the California State Board of Pharmacy to license and regulate the practice of pharmacy. Exiting law requires a pharmacist, when furnishing self-administered hormonal contraceptives, to follow specified standardized procedures or protocols developed and approved by both the board and the Medical Board of California in consultation with the American Congress of Obstetricians and Gynecologists, the California Pharmacists Association, and other appropriate entities. Existing law requires those standardized procedures or protocols to require that the patient use a self-screening tool that will identify related patient risk factors and that require the pharmacist to refer the patient for appropriate follow-up care, as specified. Existing law requires the pharmacist to provide the recipient of the drug with a standardized factsheet that includes the indications and contraindications for use of the drug, the appropriate method for using the drug, the need for medical followup, and other appropriate information. Existing law authorizes a pharmacist furnishing an FDA-approved, self-administered hormonal contraceptive pursuant to the above-described protocols to furnish, at

05/07/25 - Referred to Com. on B. P. & E.D.

This bill would limit the application of those requirements to self-administered hormonal contraceptives that are prescription-only, and would authorize a pharmacist to furnish over-the-counter contraceptives without following those standardized procedures or protocols. The bill would additionally authorize a pharmacist to furnish up to a 12-month supply at one time of over-the-counter contraceptives at the patient's request. The bill would make related conforming changes.

the patient's request, up to a 12-month supply at one time.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB50

AB 55

AB 50

Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law sets forth certain criteria for Medi-Cal reimbursement to alternative birth centers for facility-related delivery costs.

Under existing law, as a criterion under both the licensing provisions and the Medi-Cal reimbursement provisions described above, the facility is required to be a provider of comprehensive perinatal services as defined in the Medi-Cal provisions.

This bill would remove, under both sets of criteria, the certification condition of being a provider of comprehensive perinatal services as defined in the Medi-Cal provisions. The bill would require the facility to provide pregnancy and postpartum services, consistent with certain standards. The bill would remove the above-described proximity requirement and would instead require a written plan policy for hospital transfer. The bill would require the plan policy to include certain requirements with regard to providing the hospital with specified medical records, speaking with the receiving provider, and providing the patient patients and clients with the estimated transfer time, including a clear explanation of the facility's overall emergency transfer plan, as specified.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB55

From committe e chair, with author's amendme nts: Amend, and rerefer to committe e. Read second time, amended, and rereferred to Com. HEALTH.

05/29/25 -

AB 220

The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law requires the department to establish a subacute care program in health facilities, as specified, to be available to patients in health facilities who meet subacute care criteria. Existing law requires that medical necessity for pediatric subacute care be substantiated by specified conditions. Existing regulations require a treatment authorization request for each admission to a subacute unit.

05/29/25 - In Senate. Read first time. To Com. on RLS. for assignment.

This bill would require a health facility that provides pediatric subacute or adult subacute care services pursuant to these provisions to submit with a treatment authorization request, including an electronic treatment authorization request, a specified form when requesting authorization for subacute care services. The bill would prohibit a Medi-Cal managed care plan from developing or using its own criteria to substantiate medical necessity for pediatric subacute or adult subacute care services with a condition or standard not enumerated in those forms. The bill would require the department to develop and implement procedures, and authorize the department to impose sanctions, to ensure that a Medi-Cal managed care plan complies with these provisions.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB220

AB 260

This bill would authorize the State Department of Public Health to adopt regulations to include or exclude mifepristone and other medication abortion drugs from the requirements of the Sherman Food, Drug, and Cosmetic Law, but would exclude the drugs from those requirements if the drugs are no longer approved by the United States Food and Drug Administration (FDA). The bill would authorize a pharmacist to dispense mifepristone or other drug used for medication abortion without the name of the patient, the name of the prescriber, or the name and address of the pharmacy, subject to specified requirements. The bill would require the pharmacist to maintain a log, as specified, that is not open to inspection by law enforcement without a subpoena and would prohibit the disclosure of the information to an individual or entity from another state. The bill would prohibit criminal, civil, professional discipline, or licensing action against a pharmacist for manufacturing, transporting, or engaging in specified other acts relating to mifepristone or other medication abortion drugs, and would prohibit the California State Board of Pharmacy from denying an application for licensure or taking disciplinary action against an applicant or licensee for engaging in certain acts relating to mifepristone or other medical abortion drugs. By expanding the scope of a crime under the Pharmacy Law, the bill would impose a state-mandated local program.

This bill would prohibit criminal, civil, professional discipline, or licensing action against a licensed clinic or health facility for manufacturing, transporting, or engaging in certain other acts relating to mifepristone or other medication abortion drugs that are lawful in California. The bill would prohibit the department from denying an application for licensure or taking disciplinary action against an applicant or licensee for engaging in certain acts relating to mifepristone or other medical abortion drugs.

This bill would require the department to update the Medi-Cal provider enrollment requirement and procedures for remote service providers who offer reproductive health care services exclusively 06/02/25 -From committe e chair, with author's amendme nts: Amend, and rerefer to committe e. Read second time, amended, and rereferred to Com. on HEALTH. through telehealth modalities, as specified, and to permit the use of a cellular telephone as the primary business phone for reproductive health care providers. The bill would authorize a health care provider to establish a new patient relationship using asynchronous store and forward if the visit is related to reproductive health care services and meets specified requirements.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB260

AB 280

This bill would require a plan or insurer to annually verify and delete inaccurate listings from its provider directories and would require a provider directory to be 60% accurate on July 1, 2026, with increasing required percentage accuracy benchmarks to be met each year until the directories are 95% accurate on or before July 1, 2029. The bill would subject a plan or insurer to administrative penalties for failure to meet the prescribed benchmarks. The bill would require a plan or insurer to provide coverage for all covered health care services provided to an enrollee or insured who reasonably relied on inaccurate, incomplete, or misleading information contained in a health plan or policy's provider directory or directories and to reimburse the provider the out-of-network amount for those services. The bill would prohibit a provider from collecting an additional amount from an enrollee or insured other than the applicable innetwork cost sharing. The bill would require a plan or insurer to provide information about in-network providers to enrollees and insureds upon request and would limit the cost-sharing amounts an enrollee or insured is required to pay for services from those providers under specified circumstances. The bill would require the health care service plan or the insurer, as applicable, to ensure the accuracy of a request to add back a provider who was previously removed from a directory and approve the request within 10 business days of receipt, if accurate. Because a violation of the bill's requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program.

On or before January 1, 2026, this bill would authorize the Department of Managed Health Care and the Department of Insurance to develop uniform formats for plans and insurers to use to request directory information from providers and to establish a methodology and processes to ensure accuracy of provider directories and consistency with other laws, regulations, or standards.

 $\frac{https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2}{02520260AB280}$

06/03/25 - In Senate. Read first time. To Com. on RLS. for assignme nt.

| This bill would revise the disclosure requirement relating to a court |
|---|
| order to instead require disclosure if compelled by a court order |
| issued by a California state. court, including California state court |
| orders relating to foreign subpoenas, as defined. The bill would revise |
| the disclosure requirement relating to a search warrant to require |
| disclosure if compelled by a warrant from another state based on |
| another state's law so long as that law does not interfere with |
| California law, and execution of the search warrant would not violate |
| specified prohibitions against enforcement actions regarding lawful |
| |

abortions. By narrowing the exceptions for disclosing medical

bill would impose a state-mandated local program.

information, and thereby expanding the crime of violating the act, this

06/04/25 -Referred to Coms. on HEALTH and JUD.

This bill would prohibit a provider of health care, health care service plan, or contractor from complying with a court order that constitutes a foreign subpoena, absent a court order issued pursuant to the Interstate and International Depositions and Discovery Act, as specified. Because a violation of this prohibition that results in economic loss or personal injury would be a misdemeanor under the Confidentiality of Medical Information Act, this bill would impose a state-mandated local program.

This bill would delete the above-described exception allowing disclosure pursuant to an express authorization by a patient, enrollee, or subscriber, and would instead prohibit a provider of health care, health care service plan, contractor, or corporation and its subsidiaries and affiliates from intentionally selling medical information or using medical information for marketing. By expanding prohibitions against disclosing medical information, and thereby expanding the crime of violating the act, this bill would impose a state-mandated local program.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB302

AB 322

Existing law establishes the State Department of Education in state government and vests the department with specified powers and duties relating to the state's public school system, including encouraging and assisting school districts to improve and monitor the health of their pupils. Existing law requires the department, as part of that assistance, to provide information and guidance to schools that request the information and guidance to establish "Health Days" to provide screenings for common health problems among pupils.

05/07/25 - Referred to Com. on ED.

This bill would require the department to include county offices of education and charter schools in the above-described provisions. The bill would require the department to encourage school districts, county offices of education, and charter schools to participate in programs that offer reimbursement for school-based health services and school-based mental health services, as provided.

 $\underline{https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2\\02520260AB322$

AB 346

Existing law provides for the county-administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with specified services in order to permit them to remain in their own homes and avoid institutionalization. Existing law defines supportive services for purposes of the IHSS program to include those necessary paramedical services that are ordered by a licensed health care professional, which persons could provide for themselves, but for their functional limitations. Existing law requires an applicant for, or recipient of, inhome supportive services, as a condition of receiving these services, to obtain a certification from a licensed health care professional declaring that the applicant or recipient is unable to perform some activities of daily living independently, and that without services to assist the applicant or recipient with activities of daily living, the applicant or recipient is at risk of placement in out-of-home care, and defines a licensed health care professional for this purpose to mean an individual licensed in California by the appropriate California regulatory agency, acting within the scope of their license or certificate as defined in the Business and Professions Code.

06/04/25 - In Senate. Read first time. To Com. on RLS. for assignme nt.

This bill would add to the definition of "licensed health care professional" that the licensed individual has primary responsibilities to diagnose or provide treatment and care for physical or mental impairments that cause or contribute to an individual's functional limitations, and would use the same definition of "licensed health care professional" for purposes of the provisions relating to paramedical services.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB346

AB 348

Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by the voters as Proposition 63 at the November 2, 2004, statewide general election, funds a system of county mental health plans for the provision of mental health services, as specified. The MHSA establishes the Mental Health Services Fund, a continuously appropriated fund, which is administered by the State Department of Health Care Services (department), to fund specified county mental health programs. Existing law, the Behavioral Health Services Act (BHSA), a legislative act amending the MHSA that was approved by the voters as Proposition 1 at the March 5, 2024, statewide primary election, recast the MHSA by, among other things, renaming the fund to the Behavioral Health Services Fund and reallocating how moneys from that fund may be spent. The BHSA requires each county to establish and administer a full-service partnership program that includes, among other things, outpatient behavioral health services, as specified, and housing interventions.

05/21/25 - Referred to Com. on HEALTH.

This bill would establish criteria for an individual with a serious mental illness to be presumptively eligible for a full-service partnership, including, among other things, the person is transitioning to the community after 6 months or more in the state prison or county jail. The bill would specify that a county is not required to enroll an individual who meets that presumptive eligibility criteria if doing so would conflict with contractual Medi-Cal obligations or court orders, or exceed full-service partnership. capacity or funding, as specified. The bill would make enrollment of a presumptively eligible individual contingent upon the individual meeting specified criteria and receiving a recommendation for enrollment by a licensed behavioral health clinician, as specified. The bill would prohibit deeming an individual with a serious mental illness ineligible for

| | enrollment in a full-service partnership solely because their primary diagnosis is a substance use disorder. | |
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| | https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB348 | |
| AB 350 | The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law establishes a schedule of benefits under the Medi-Cal program and provides for various services, including certain dental services, that are rendered by Medi-Cal enrolled providers. Under existing law, silver diamine fluoride treatments are a covered benefit for eligible children 0 to 6 years of age, inclusive, as specified, and application of fluoride or other appropriate fluoride treatment is covered for children 17 years of age and under. | 06/03/25 - In Senate. Read first time. To Com. on RLS. for assignme nt. |
| | This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2026, to provide coverage for the application of fluoride varnish in the primary care setting for children under 21 years of age. Because a willful violation of this provision by a health care service plan would be a crime, the bill would impose a state-mandated local program. | |
| | This bill would make the application of fluoride or other appropriate fluoride treatment, including fluoride varnish, a covered benefit under the Medi-Cal program for children under 21 years of age. The bill would require the State Department of Health Care Services to establish and promulgate a policy governing billing and reimbursement for the application of fluoride varnish, as specified. | |
| AB 432 | https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB350 This bill would instead require the board, in determining its continuing education requirements, to include a course in menopausal mental or physical health. The bill would require physicians who have a patient population composed of 25% or more of women to complete a mandatory continuing medical education course in | 06/04/25 - In Senate. Read first time. To Com. on |
| | perimenopause, menopause, and postmenopausal care. (2) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law sets forth specified coverage requirements for health care service plan contracts and health insurance policies. | RLS. for assignme nt. |
| | This bill would require a health care service plan contract or health insurance policy, except as specified, that is issued, amended, or renewed on or after January 1, 2026, to include coverage for evaluation and treatment options for perimenopause and menopause. | |
| | The bill would require a health care service plan or health insurer to annually provide clinical care recommendations, as specified, for hormone therapy to all contracted primary care providers who treat individuals with perimenopause and menopause. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. | |
| | https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB432 | |

| AB -489 | Existing law establishes various healing arts boards within the | 06/03/25 - |
|------------------|---|-----------------------|
| 7 1D -407 | Department of Consumer Affairs that license and regulate various | In Senate. |
| | healing arts licensees. Existing laws, including, among others, the | Read first |
| | Medical Practice Act and the Dental Practice Act, make it a crime for | time. To |
| | a person who is not licensed as a specified health care professional to | Com. on |
| | use certain words, letters, and phrases or any other terms that imply that they are authorized to practice that profession. | RLS. for assignme |
| | that they are authorized to practice that profession. | nt. |
| | This bill would make provisions of law that prohibit the use of | |
| | specified terms, letters, or phrases to falsely indicate or imply | |
| | possession of a license or certificate to practice a health care | |
| | profession, as defined, enforceable against an entity who develops or | |
| | deploys artificial intelligence (AI) or generative artificial intelligence | |
| | (GenAI) technology that uses one or more of those terms, letters, or phrases in its advertising or functionality. The bill would prohibit the | |
| | use by AI or GenAI technology of certain terms, letters, or phrases | |
| | that indicate or imply that the advice, care, reports, or assessments | |
| | being provided through AI or GenAI is being provided by a natural | |
| | person with the appropriated health care license or certificate. | |
| | | |
| | https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB489 | |
| AB 512 | Existing law provides for the regulation of disability insurers by the | 06/03/25 - |
| | Department of Insurance. Existing law generally authorizes a health care service plan or disability insurer to use utilization review, under | In Senate. Read first |
| | which a licensed physician or a licensed health care professional who | time. To |
| | is competent to evaluate specific clinical issues may approve, modify, | Com. on |
| | delay, or deny requests for health care services based on medical | RLS. for |
| | necessity. For a request prior to or concurrent with the provision of | assignme |
| | health care services, existing law requires utilization review decisions | nt. |
| | to be made within 5 business days from the plan's or insurer's receipt | |
| | of the information reasonably necessary and requested by the plan or | |
| | insurer to make the determination, or within 72 hours if the enrollee or insured faces an imminent and serious threat to their health or the | |
| | normal timeframe would be detrimental to their life or health, as | |
| | specified. | |
| | This bill would shorten the timeline for prior authorization or | |
| | concurrent requests to no more than 48 hours for standard requests or | |
| | 24 hours for urgent requests from the plan's or insurer's receipt of the | |
| | information reasonably necessary and requested by the plan or insurer to make the determination. Because a willful violation of this | |
| | provision by a health care service plan would be a crime, the bill | |
| | would impose a state-mandated local program. | |
| | | |
| | https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id =202520260AB512 | |
| AB 539 | Existing law provides that a health care service plan or a health | 05/21/25 - |
| | insurer that authorizes a specific type of treatment by a health care | Referred |
| | provider shall not rescind or modify this authorization after the | to Com. |
| | provider renders the health care service in good faith and pursuant to the authorization. | on HEALTH. |
| | uic audionzadon. | IILALIA. |
| | This bill would require a prior authorization for a health care service | |
| | by a health care service plan or a health insurer to remain valid for a | |
| | period of at least one year from the date of approval, or throughout | |
| | the course of prescribed treatment, if less than one year. | |
| | https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id | |
| | =202520260AB539 | |
| | | |

AB 543 This bill would set forth provisions regarding street medicine, as defined, under the Medi-Cal program for persons experiencing homelessness, as defined. The bill would state the intent of the Legislature that the street medicine-related provisions coexist with, and not duplicate, other Medi-Cal provisions, including, but not limited to, those regarding community health worker services, enhanced care management, and community supports. The bill would require the department to implement a program of presumptive eligibility for persons experiencing homelessness for purposes of full-scope Medi-Cal benefits without a share of cost. The bill would authorize an enrolled Medi-Cal provider to make a presumptive eligibility determination for those persons. The bill would bill would authorize a managed care plan to establish if protocols and network participation requirements are consistent

reasonable requirements governing participation in the plan network, with the goal of authorizing services to Medi-Cal beneficiaries who are experiencing homelessness.

The bill would require a managed care plan to provide a beneficiary with the ability to inform the managed care plan online, in person, or via telephone that the beneficiary is experiencing homelessness. The bill would require the department to inform a managed care plan if a beneficiary has indicated that they are experiencing homelessness based on information furnished on the Medi-Cal application.

The bill would require the department to ensure that the Medi-Cal program and the California Statewide Automated Welfare System (CalSAWS) mutually share data on the status of Medi-Cal applicants or beneficiaries experiencing homelessness, including through codes relating to unsheltered status, to the extent not in conflict with privacy laws. The bill would require the coordination to enable a person applying for the Medi-Cal program to identify that they are experiencing homelessness.

The bill would condition implementation of the above-described provisions on receipt of any necessary federal approvals and the availability of federal financial participation.

In the case of a Medi-Cal beneficiary who is experiencing homelessness and who receives services within the fee-for-service delivery system, the bill would require the department to reimburse a street medicine provider enrolled in Medi-Cal for providing Medi-Cal covered services.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB543

AB 546

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act's requirements a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law sets forth specified coverage requirements for plan contracts and insurance policies, and limits the copayment, coinsurance, deductible, and other cost sharing that may be imposed for specified health care services.

In Senate. Read first time. To Com. on RLS. for assignme nt.

06/03/25 -

06/04/25 -Referred to Com. on HEALTH.

This bill would require a large group health care service plan contract or group health insurance policy, except a specialized health care service plan contract or health insurance policy, that is issued, amended, or renewed on or after January 1, 2026, to include coverage for portable high-efficiency particulate air (HEPA) purifiers for enrollees or insureds who are pregnant or diagnosed with asthma or chronic obstructive pulmonary. disease if the enrollee or insured is in a county where a local or state emergency has been declared due to wildfires. The bill would prohibit the cost of the HEPA purifier from exceeding \$500, adjusted for inflation.

https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id =202520260AB546

AB 618

Under existing Medi-Cal provisions, behavioral health services, including specialty mental health services and substance use disorder treatment, are provided under the Medi-Cal Specialty Mental Health Services Program, the Drug Medi-Cal Treatment Program, and the Drug Medi-Cal organized delivery system (DMC-ODS) program, as specified.

This bill would require each Medi-Cal managed care plan, county specialty mental health plan, Drug Medi-Cal certified program, and DMC-ODS program to electronically provide data for members of the respective entities to support member care. The bill would require the California Health and Human Services Agency to determine minimum data elements and the frequency and format of data sharing through a stakeholder process and guidance, with final guidance to be published by the State Department of Health Care Services by January 1, 2027, in compliance with privacy laws.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB618

AB 669

On and after January 1, 2027, this bill would prohibit concurrent or retrospective review of medical necessity of in-network health care services and benefits (1) for the first 28 days of an inpatient substance use disorder stay during each plan or policy year or (2) for outpatient substance use disorder visits, except as specified. The bill would authorize, after the 29th day, in-network health care services and benefits for inpatient substance use disorder care to be subject to concurrent review. On and after January 1, 2027, the bill would prohibit retrospective review of medical necessity for the first 28 days of intensive outpatient or partial hospitalization services for substance use disorder but would require specified review for day 29 and days thereafter of that stay or service. On and after January 1, 2027, the bill would prohibit the imposition of prior authorization or other prospective utilization management requirements for in-network coverage of outpatient prescription drugs to treat substance use disorder that are determined medically necessary by the enrollee's or insured's physician or psychiatrist. Because a willful violation of the bill's requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB669

06/03/25 - In Senate. Read first time. To Com. on RLS. for assignme nt.

06/04/25 - In Senate. Read first time. To Com. on RLS. for assignme nt.

| AB 682 | Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law requires a plan to submit financial statements to the Director of Managed Health Care at specified times. Existing law provides for the regulation of health insurers by the Department of Insurance and requires a health insurer or multiple employer welfare arrangement to annually report specified information to the department. This bill would require the above-described reports to include specified information for each month, including the total number of claims processed, adjudicated, denied, or partially denied. Because a violation of this requirement by a health care service plan would be a crime, the bill would create a state-mandated local program. The bill would require each department to publish on its internet website monthly claims denial information for each plan or insurer. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 | 06/04/25 - Referred to Com. on HEALTH. |
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| | 02520260AB682 | |
| AB 688 | This bill, the Telehealth for All Act of 2025, would require the | 06/03/25 - |
| | department, commencing in 2028 and every 2 years thereafter, to use Medi-Cal data and other data sources available to the department to produce analyses in a publicly available Medi-Cal telehealth utilization report. The bill would authorize the department to include those analyses in each of the department's Biennial Telehealth Utilization Reports, as specified. | In Senate. Read first time. To Com. on RLS. for assignme nt. |
| | The bill would require the analyses to address telehealth access and utilization data, including various metrics on telehealth visits and claims, disaggregated by geographic, demographic, and social determinants of health categories to identify disparities. The bill would require the department to identify additional data elements for inclusion in future reports to help to identify and address access-to-care issues or provide greater insight into utilization of telehealth modalities. | |
| | https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB688 | |
| AB 787 | This bill would require a full service health care service plan, specialized mental health plan, health insurer, or specialized mental health insurer to include in its provider directory or directories a statement at the top of the directory advising an enrollee or insured to contact the plan or insurer for assistance in finding an in-network provider. The bill would require the plan or insurer to respond within one business day if contacted for that assistance, and to provide a list of in-network providers confirmed to be accepting new patients within 2 business days. Because a violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. | 05/14/25 - Referred to Com. on HEALTH. |
| | The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. | |
| | https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260AB787 | |

AB 843 This bill would require a health care service plan or health insurer to take reasonable steps to provide meaningful access to each individual with limited English proficiency, including companions with limited English proficiency, eligible to receive services or likely to be directly affected by its programs and activities. The bill would require a health care service plan or health insurer to offer a qualified interpreter or to utilize a qualified translator when interpretation or translation services are required, as specified. The bill would prohibit a health care service plan or health insurer from requiring an individual with limited English proficiency to provide or pay for the costs of their own interpreter. The bill would require a health care service plan or health insurer to comply with specified requirements when providing remote interpreting services. The bill would make a health care service plan or health insurer that violates these provisions liable for civil penalties, as specified. This bill would authorize a health care service plan or health insurer to satisfy the notice requirement by taking reasonable steps to inform the enrollee or insured of any required actions, including by providing a sight translation of a document.

06/03/25 - In Senate. Read first time. To Com. on RLS. for assignme nt.

This bill would require a health care service plan or health insurer to also provide the information regarding the availability of language assistance services, as described above, (A) when specified forms are provided, (B) in clear and prominent physical locations, as specified, and (C) upon request.

This bill would require a health care service plan or health insurer to additionally report to the applicable department on internal policies and procedures relating to language access, as specified.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB843

AB 877

This bill would require the Department of Managed Health Care, the Department of Insurance, and the State Department of Health Care Services to prepare and send one letter to each chief financial officer of a health care service plan, health insurer, or Medi-Cal managed care plan that provides coverage, including out-of-network benefits, in California for substance use disorder in residential facilities, as defined.

04/22/25 - Re-referred to Com. on HEALTH.

This bill would require the Department of Managed Health Care, the Department of Insurance, and the State Department of Health Care Services to prepare and send one letter to each chief financial officer of a health care service plan, health insurer, or Medi-Cal managed care plan that provides coverage, including out-of-network benefits, in California for substance use disorder in residential facilities, as defined. The bill would require the letter to include, among other things, a statement informing the plan or insurer that substance use disorder treatment in licensed or unlicensed residential facilities is almost exclusively nonmedical, with rare exceptions. The bill would authorize the Department of Managed Health Care, the Department of Insurance, and the State Department of Health Care Services to consult with each other and would require those departments to consult with the State Department of Social Services, when preparing the contents of the letter. The bill would require the letters to be sent on or before October 1, 2026.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB877

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| AB 951 | Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract or health insurance policy to provide coverage for behavioral health treatment for pervasive developmental disorder or autism. This bill would prohibit a health care service plan contract or health | 05/07/25 - Referred to Com. on HEALTH. |
| | insurance policy issued, amended, or renewed on or after January 1, 2026, from requiring an enrollee or insured previously diagnosed with pervasive developmental disorder or autism to receive a rediagnosis to maintain coverage for behavioral health treatment for their condition. The bill would require a treatment plan to be made available to the plan or insurer upon request. Because a willful violation of this provision by a health care service plan would be a crime, the bill would impose a state-mandated local program. | |
| | https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260AB951 | |
| AB 980 | This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2026, to provide coverage for medically necessary treatment of physical conditions and diseases under the same terms and conditions applied to other medical conditions, as specified. The bill would require the delivery of medically necessary services out of network if those services are not available within geographic and timely access standards. The bill would require a plan or insurer to apply specified clinical criteria and guidelines in conducting utilization review of the covered health care services and benefits for physical conditions and diseases. The bill would authorize the Director of the Department of Managed Health Care or the Insurance Commissioner, as applicable, to assess administrative or civil penalties, as specified, for violation of the requirements relating to utilization review. Because a willful violation of these requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program. | 04/22/25 - Re- referred to Com. on HEALTH. |
| | Under existing law, a health care service plan or managed care entity has a duty of ordinary care to arrange for the provision of medically necessary health care services to its subscribers or enrollees and is liable for all harm legally caused by its failure to exercise that ordinary care when the failure resulted in the denial, delay, or modification of the health care service recommended for, or furnished to, a subscriber or enrollee and the subscriber or enrollee suffers substantial harm, as defined. This bill would define "medically necessary health care service" for purposes of the above-described provision to mean legally prescribed | |
| | medical care that is reasonable and comports with the medical community standard. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260AB980 | |

AB 1018

This bill would generally regulate the development and deployment of an automated decision system (ADS) used to make consequential decisions, as defined. The bill would define "automated decision system" to mean a computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decision-making and materially impacts natural persons.

06/03/25 - In Senate. Read first time. To Com. on RLS. for assignme nt.

This bill would require a developer of a covered ADS, as defined, to take certain actions, including conduct performance evaluations of the covered ADS and provide deployers to whom the developer transfers the covered ADS with certain information, including the results of those performance evaluations.

This bill would, beginning January 1, 2027, require a deployer of a covered ADS to take certain actions, including provide certain disclosures to a subject of a consequential decision made or facilitated by the covered ADS, provide the subject an opportunity to opt out of the use of the covered ADS, provide the subject with an opportunity to appeal the outcome of the consequential decision, and submit the covered ADS to third-party audits, as prescribed.

This bill would prescribe requirements for a third party to audit a covered ADS, as prescribed.

This bill would require a developer, deployer, or auditor to, within 30 days of receiving a request from the Attorney General, provide an unredacted copy of the performance evaluation or disparate impact assessment prepared pursuant to the bill to the Attorney General and would exempt those records from the California Public Records Act.

 $\frac{https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2}{02520260AB1018}$

AB 1041

This bill would require those departments to adopt specified credentialing requirements and adopt regulations to establish minimum standards or policies and processes that can streamline and reduce redundancy and delay in provider credentialing. The bill would also require those departments to adopt regulations to, adopt, on or before January 1, 2028, the National Committee for Quality Assurance standardized credentialing form to be used by full-service health care service plans and health insurers and their designees for credentialing and recredentialing purposes. The bill would require every full-service health care service plan or health insurer or their designees to use the standardized credentialing form on and after, January 1, 2028, or six months after the form is, adopted, whichever is later. The bill would require those departments to update the form every three years, or as necessary to comply with changes in laws, regulations, and guidelines, as specified.

This bill would, except as provided above, require every health care service plan or health insurer or their designees that credential health care providers for their networks to approve the credentials of a provider within 90 days after receiving a completed provider credentialing application. The bill would require every health care service plan or health insurer or their designees to activate the provider upon successful approval and notify the applicant of the activation, as specified. If the health care service plan or health insurer or their designees do not meet the 90-day requirement, the bill would require the applicant's credentials to be conditionally approved for 120 days unless specified circumstances apply, including that the

06/04/25 - In Senate. Read first time. To Com. on RLS. for assignment.

| | applicant is subject to discipline by the licensing entity for that | |
|---------|--|---|
| | applicant. | |
| | https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260AB1041 | |
| AB 1328 | Under this bill, commencing on January 1, 2026, and subject to an appropriation, Medi-Cal fee-for-service reimbursement for nonemergency ambulance transportation services, as defined, would be in an amount equal to 80% of the amount set forth in the federal Medicare ambulance fee schedule for the corresponding level of service, adjusted by the Geographic Practice Cost Index, as specified. The bill would require the department to establish a directed payment program for Medi-Cal managed care in order to follow a similar treatment to reimbursement rates for nonemergency ambulance transportation services. | 06/03/25 - In Senate. Read first time. To Com. on RLS. for assignme nt. |
| | participation in implementing the above-described provisions to the extent allowable. To the extent that federal financial participation is unavailable, the bill would require the department to implement the provisions using state funds, as specified. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 | |
| AB 1415 | <u>02520260AB1328</u> This bill would update the definitions applying to these provisions, | 05/28/25 - |
| AD 1413 | including defining a provider to mean specified private or public health care providers and would include a health system, as defined, in the existing definition. The bill would include additional definitions, including, but not limited to, a health system to mean specified entities under common ownership or control and a hedge fund to mean a pool of funds managed by investors for the purpose of earning a return on those funds, regardless of strategies used to manage the funds, subject to certain exceptions. The bill would require the office to conduct ongoing research and evaluation on management services organizations, as specified, and to establish requirements for management services organizations to submit data as necessary to carry out the functions of the office. Existing law requires a health care entity to provide the Office of Health Care Affordability with written notice of agreements or | Referred to Com. on HEALTH. |
| | transactions that do specified actions, including sell or transfer, among other things, a material amount of its assets to one or more entities. The bill would similarly require a noticing entity, as defined, to provide the office written notice of agreements or transactions | |
| | between the noticing entity and a health care entity, or an entity that owns, or controls the health care entity, that perform the same specified actions described above. | |
| | https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260AB1415 | |

AB 1474 Existing law requires the board to establish statewide health care cost targets for health care entities that meet specified requirements, including promoting the goal of improved affordability for consumers and purchasers of health care, while maintaining quality and equitable care. Existing law also requires the office to develop a methodology, for approval by the board, to set health care costs. Existing law requires the methodology to review historical trends and projects and requires the methodology to allow the board to adjust target costs

downward when warranted, among other things.

04/01/25 -Rereferred to Com. HEALTH.

This bill would require the cost targets to be adjusted for a provider or fully integrated delivery system, as appropriate, upon a showing that prescription drug costs are projected to grow faster than the rate of any applicable cost targets. The bill would require the methodology to require the board to adjust cost targets for a provider or fully integrated delivery system, as appropriate, to account for increased expenditures related to prescriptions drugs.

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2

02520260AB1474 **SB 7**

correct errors in data, as specified.

This bill would require an employer, or a vendor engaged by the employer, to provide a written notice that an ADS, for the purpose of making employment-related decisions, not including hiring, is in use at the workplace to all workers that will be directly or indirectly affected by the ADS, as specified. The bill would require the employer or vendor to maintain a list of all ADS currently in use and would require the notice to include the updated list. The bill would require an employer or vendor to notify, as provided, a job applicant that the employer utilizes an ADS in hiring decisions. The bill would prohibit an employer or vendor from using an ADS that does certain functions and would limit the purposes and manner in which an ADS may be used to make decisions. The bill would require an employer to allow a worker to access data collected or used by an ADS and to

06/03/25 -In Assembly . Read first time. Held at Desk.

This bill would require an employer or vendor to provide a written notice to a worker that has been affected by a nonhiring employmentrelated decision made by an ADS, and provide that worker with a form or a link to an electronic form to appeal the decision within 30 days of the notification. The bill would require an employer or vendor to respond to an appeal within 14 business days, designate a human reviewer who meets specified criteria to objectively evaluate all evidence, and rectify the decision within 21 business days if the human reviewer determines that the employment-related decision should be overturned.

This bill would prohibit an employer from discharging, threatening to discharge, demoting, suspending, or in any manner discriminating or retaliating against any worker for taking certain actions asserting their rights under the bill. The bill would require the Labor Commissioner to enforce the bill's provisions, as specified, and would authorize a public prosecutor or any worker who has suffered a violation or their representative to bring a civil action. The bill would set forth specified types of relief that a plaintiff may seek and that an employer that violates these provisions is subject to, including a \$500 civil penalty per violation.

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260SB7

SB 32

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan or health insurer that provides or arranges for the provision of hospital or physician services to comply with specified timely access to care requirements, including ensuring that its network has adequate capacity and availability of licensed health care providers to offer enrollees and insureds appointments that meet specified timeframes. Existing law authorizes the department director to take enforcement action against health care plans that fail to comply with these provisions, including assessing administrative penalties.

06/03/25 - In
Assembly
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first time.
Held at
Desk.

This bill would require, on or before July 1, 2027, the Department of Managed Health Care, the Department of Insurance, and the State Department of Health Care Services to consult together and with stakeholders develop and adopt standards for the geographic accessibility of perinatal units to ensure timely access for enrollees and insureds, as specified. The bill's provisions would become inoperative on July 1, 2033, and would be repealed on January 1, 2034.

https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id =202520260SB32

SB 228

This bill would specify that the State Department of Health Care Services is responsible for implementing comprehensive communitybased perinatal services for purposes of the Medi-Cal program. By July 1, 2027, the bill would require the State Department of Health Care Services, in consultation with the State Department of Public Health, to clarify each department's roles and responsibilities in the Comprehensive Perinatal Services Program by regulation. The bill would, among other things, require the State Department of Health Care Services to develop a training on administering the program, require all perinatal providers in the program to attend the training, and require all Medi-Cal managed care plans to ensure providers receive the training. The bill would require the State Department of Health Care Services, no later than July 15, 2026, to submit to the Assembly Health Committee and the Senate Health Committee, and post on its internet website, reports that identify the number of pregnant and postpartum individuals that received and were offered Comprehensive Perinatal Services Program services from January 1, 2022, to January 1, 2025, inclusive. The bill would also require the State Department of Health Care Services, commencing January 1, 2028, and every 3 years thereafter, to submit to those committees, and post on its internet website, reports that identify the number of pregnant and postpartum individuals that received and were offered Comprehensive Perinatal Services Program services during the previous 3 years. The bill would also state the intent of the Legislature to enact additional legislation relating to the program in order to implement several legislative recommendations made in a specified report issued by the California State Auditor's office including by, among other things, requiring the State Department of Health Care Services to create and use a perinatal services data form to engage in additional data collection duties, as specified.

06/04/25 - Read third time. Passed. (Ayes 39. Noes 0.) Ordered to the Assembly

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260SB228

| GD 515 | | 0.5/20/2 |
|--------|--|--------------------|
| SB 246 | This bill would require the department, subject to any necessary | 05/29/25 - |
| | federal approvals and the availability of federal financial | In |
| | participation, to make additional Medi-Cal payments to district and | Assembly |
| | municipal public hospitals (DMPHs), defined as nondesignated | . Read |
| | public hospitals, and to their affiliated government entities, in | first time. |
| | recognition of the Medi-Cal managed care share of GME costs. | Held at |
| | Under the bill, these payments would be made in a manner consistent with the methodology for GME payments to DPHs and their affiliated government entities and would consist of the above-described direct | Desk. |
| | and indirect GME payment components. The bill would authorize the | |
| | department to seek federal approval for other forms of GME | |
| | payments to DMPHs and their affiliated government entities, as specified. | |
| | Under the bill, the nonfederal share of payments under these provisions would consist of voluntary IGTs of funds provided by | |
| | DMPHs or their affiliated government entities, or other eligible public entities, to the extent permitted under certain federal regulations and | |
| | other applicable federal Medicaid laws, and with no state General | |
| | Fund moneys being used to fund the nonfederal share of payments. | |
| | The bill would establish the DMPH GME Special Fund, with moneys | |
| | deposited being continuously appropriated to the department for | |
| | purposes of these provisions. | |
| | The bill would require the department to seek any necessary federal | |
| | approvals for GME payments, effective no sooner than January 1, | |
| | 2026. The bill would authorize the Director of Health Care Services | |
| | to modify the requirements set forth in these provisions to the extent | |
| | necessary to meet federal requirements or to maximize federal | |
| | financial participation, as specified. | |
| | https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 | |
| CD 250 | 02520260SB246 | 05/00/05 |
| SB 250 | This bill would require, as part of the health care options information | 05/29/25 - |
| | posted by the department, in the provider directory that lists accepted | In |
| | Medi-Cal managed care plans, through the Medi-Cal Managed Care | Assembly |
| | Health Care Options internet website and any other applicable | . Read first time. |
| | mechanisms, that the directory include skilled nursing facilities as one of the available searchable provider types. The bill would require that | Held at |
| | of the available searchable provider types. The bill would require that this provision be implemented in conjunction with implementation of | Desk. |
| | the above-described provisions. | Desk. |
| | https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260SB250 | |

SB 278

This bill would additionally authorize state public health agency HIV surveillance staff to disclose the information to State Department of Health Care Services staff, followed by authorized disclosures to the Medi-call managed care plan if applicable, the HIV-positive person who is the subject of the record, and the designated health care provider, for the purpose of proactively offering and coordinating care and treatment services to the person or for the purpose of administering quality improvement programs, as specified, designed to improve HIV care for Medi-Cal beneficiaries.

05/29/25 - In
Assembly
. Read
first time.
Held at
Desk.

The bill would require the State Department of Health Care Services, in consultation with the State Department of Public Health, to develop a mechanism by which a Medi-Cal beneficiary would be authorized to opt out of the disclosure of personally identifying information in public health records relating to HIV or AIDS to State Department of Health Care Services staff or the Medi-Cal managed care plan for the above-described purposes.

The bill would make a conforming change to a related provision regarding authorized disclosure of HIV test results for the purpose of administering quality improvement programs under Medi-Cal as described above.

The bill would make certain clarifying or declaratory statements in relation to those provisions.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260SB278

SB-306

Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law generally authorizes a health care service plan or health insurer to use prior authorization and other utilization review or utilization management functions, under which a licensed physician or a licensed health care professional who is competent to evaluate specific clinical issues may approve, modify, delay, or deny requests for health care services based on medical necessity. Existing law requires a health care service plan or health insurer, including those plans or insurers that delegate utilization review or utilization management functions to medical groups, independent practice associations, or to other contracting providers, to comply with specified requirements and limitations on their utilization review or utilization management functions. Existing law requires the criteria or guidelines used to determine whether or not to authorize, modify, or deny health care services to be developed with involvement from actively practicing health care providers.

In Assembly . Read first time. Held at Desk.

This bill would prohibit a health care service plan or health insurer from imposing prior authorizations, as defined, on a covered health care service for a period of one year beginning on April first of the current calendar year, if specified conditions exist, including that the health care service plan approved 90% or more of the requests for a covered service in the prior calendar year. The bill would also require a health care service plan or health insurer to list any covered services exempted from prior authorization on their internet website by March 15 of each calendar year. The bill would also clarify how to calculate a plan or insurer's approval rate for purposes of determining whether a service may be exempted from prior authorization. Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2025 20260SB306

| SB-324 | This bill would require a Medi-Cal managed care plan, for purposes of covering the ECM benefit, or if it elects to cover a community | 05/28/25 - In |
|--------|---|--|
| | support, to give preference to contracting with community providers, as defined, whenever those providers are available in the respective county and have experience in providing the applicable ECM or community support. | Assembly . Read first time. Held at Desk. |
| | Existing law requires the department to develop, in consultation with Medi-Cal managed care plans and other appropriate stakeholders, a monitoring plan and reporting template for the implementation of ECM or community supports. | Besk. |
| | This bill would expressly include providers of ECM or community supports within the consultation process and would additionally require the department to develop standardized and streamlined templates to be used by managed care plans, as specified, and to develop guidance to allow community providers to subcontract with other community providers. | |
| | https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260SB324 | |
| SB-338 | This bill would establish the Mobile Health for Rural Communities Pilot Program and require the State Department of Health Care Services to administer the program to expand access to health services for farmworkers in rural communities. The bill would require the department, among other things, to deploy mobile units, as defined, in 2 rural counties based on farmworker population and access to health care. Under the bill, the mobile units would include, at a minimum, computers, Wi-Fi, cubicles for virtual visits, and exam rooms for telemedicine. The bill would require the department, on or before January 1, 2027, to report the outcomes of the program to the Legislature. | 05/29/25 - In Assembly Read first time. Held at Desk. |
| | https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260SB338 | |
| SB-339 | Existing law prohibits Medi-Cal reimbursement to providers for clinical laboratory or laboratory services from exceeding the lowest of the following: (1) the amount billed; (2) the charge to the general public; (3) 100% of the lowest maximum allowance established by the federal Medicare Program; or (4) a reimbursement rate based on an average of the lowest amount that other payers and other state Medicaid programs are paying. This bill would carve out, from the above-described provision, Medi-Cal reimbursement to providers for clinical laboratory or laboratory services related to the diagnosis and treatment of sexually transmitted infections, and would apply the above-described threshold but excluding the reimbursement rate described in paragraph (4). The bill would exempt data on those services from certain data-reporting requirements that are | 05/23/25 - May 23 hearing: Held in committe e and under submissio n. |
| | applicable to the reimbursement rate described in paragraph (4). This bill would require the department to make available to the public a dataset, as specified, of the deidentified raw data reported pursuant to the above-described data-reporting requirements by any applicable laboratory service providers that reported a volume greater than 10 tests for the data-collection period. The bill would require the department to publish the associated dataset coincident with publishing updated reimbursement rates. | |
| | https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2025 20260SB339 | |

SB 363 This bill would require a health care service plan or health insurer to annually report to the appropriate department the total number of claims processed by the health care service plan or health insurer for the prior year. The bill would require a health care service plan or health insurer to annually report its number of treatment denials or modifications, separated by type of care into general and specific categories and disaggregated by age, as specified, to the appropriate department, commencing on or before June 1, 2026. The bill would require the departments to compare the number of a health care service plan's or health insurer's treatment denials and modifications to (1) the number of successful independent medical review overturns of the plan's or insurer's treatment denials or modifications and (2) the number of treatment denials or modifications reversed by a plan or insurer after an independent medical review for the denial or modification is requested, filed, or applied for. The bill would make a health care service plan or health insurer liable for an administrative penalty, as specified, if more than half 40% of the independent medical reviews filed with a health care service plan or health insurer result in an overturning or reversal of a treatment denial or modification in any one individual category of the specified general types of care. The bill would make a health care service plan or health insurer liable for additional administrative penalties for each independent medical review resulting in an additional overturned or reversed denial or modification in excess of that threshold. The bill would require the departments to annually include data, analysis, and

05/28/25 - In
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https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260SB363

conclusions relating to these provisions in specified reports.

SB 373

This bill would require pupils to also be given a copy of their rights and procedural safeguards and would require both parents and pupils to be given information on how to contact the State Department of Education's Equitable Services Ombudsman. By imposing additional duties on local educational agencies, the bill would impose a statemandated local program.

05/29/25 - In
Assembly
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first time.
Held at
Desk.

(2) Existing law permits, under certain circumstances, contracts to be entered into for the provision of special education and related services by nonpublic, nonsectarian schools or agencies, as defined. Existing law authorizes a master contract for special education and related services provided by a nonpublic, nonsectarian school or agency only if the school or agency has been certified by the Superintendent of Public Instruction as meeting specified standards. Existing law requires, before certification, the Superintendent to conduct an onsite review of the facility and program for which the applicant seeks certification, as specified.

This bill would require, before certifying a nonpublic, nonsectarian school or agency, the Superintendent to take additional actions, including, among other things, to review policies on restraint to evaluate consistency with California laws.

This bill would require the monitoring visit to include an in-person, private meeting with the pupil to evaluate their health and safety. The bill would require the local educational agency to report the findings resulting from the monitoring visit to the department using a specified form developed and published by the department on its internet website. The bill would require, on or before July 1, 2026, the department to update the form to require additional findings to be reported to the department. The bill would also require the local

| | educational agency to conduct a quarterly check-in with a pupil | |
|--------|--|-------------|
| | attending the nonpublic, nonsectarian school through an unmonitored | |
| | telephone call. | |
| | telephone can. | |
| | https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 | |
| | 02520260SB373 | |
| | <u>023202003D373</u> | |
| CD 402 | | 06/04/25 |
| SB 402 | Existing law also provides for the regulation of health insurers by the | 06/04/25 - |
| | Department of Insurance. Existing law requires a health care service | In |
| | plan contract or a health insurance policy to provide coverage for | Assembly |
| | behavioral health treatment for pervasive developmental disorder or | . Read |
| | autism and defines "behavioral health treatment" to mean specified | first time. |
| | services and treatment programs, including treatment provided | Held at |
| | pursuant to a treatment plan that is prescribed by a qualified autism | Desk. |
| | service provider and administered either by a qualified autism service | |
| | provider or by a qualified autism service professional or qualified | |
| | autism service paraprofessional. Existing law defines "qualified | |
| | autism service provider," "qualified autism service professional," and | |
| | "qualified autism service paraprofessional" for those purposes. Those | |
| | | |
| | definitions are contained in the Health and Safety Code and the | |
| | Insurance Code. | |
| | | |
| | This bill would move those definitions to the Business and | |
| | Professions Code. The bill would also make technical and conforming | |
| | changes. | |
| | | |
| | https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 | |
| | <u>02520260SB402</u> | |
| SB 418 | This bill would prohibit a subscriber, enrollee, policyholder, or | 05/28/25 - |
| | insured from being excluded from enrollment or participation in, | In |
| | being denied the benefits of, or being subjected to discrimination by, | Assembly |
| | any health care service plan or health insurer licensed in this state, on | . Read |
| | the basis of race, color, national origin, age, disability, or sex. The bill | first time. |
| | would define discrimination on the basis of sex for those purposes to | Held at |
| | include, among other things, sex characteristics, including intersex | Desk. |
| | traits, pregnancy, and gender identity. The bill would prohibit a health | |
| | care service plan or health insurer from taking specified actions | |
| | relating to providing access to health programs and activities, | |
| | including, but not limited to, denying or limiting health care services | |
| | to an individual based upon the individual's sex assigned at birth, | |
| | gender identity, or gender otherwise recorded. The bill would prohibit | |
| | | |
| | a health care service plan or health insurer,, specified circumstances, | |
| | from taking various actions, including, but not limited to, denying, | |
| | canceling, limiting, or refusing to issue or renew health care service | |
| | plan enrollment, health insurance coverage, or other health-related | |
| | coverage, or denying or limiting coverage of a claim, or imposing | |
| | additional cost sharing or other limitations or restrictions on coverage, | |
| | on the basis of race, color, national origin, sex, age, disability, as | |
| | specified. Because a violation of the bill's requirements by a health | |
| | care service plan would be a crime, the bill would impose a state- | |
| | mandated local program. | |
| | | |
| | https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 | |
| | 02520260SB418 | |

Existing law establishes the Health Care Benefits Fund to support the University of California's implementation of the California Health Benefit Review Program. Under the program, the University of California assesses legislation proposing to repeal or mandate a benefit or service requirement on health care insurance plans or health insurers. Under the program, the University of California provides a written analysis that includes, among other data, financial impacts of legislation on publicly funded state health insurance programs, including the Medi-Cal program and the Healthy Families Program. Existing law imposes an annual charge on health care service plans and health insurers for the 2022–23 to 2026–27 fiscal years, inclusive, as specified, to be deposited into the fund. Existing law

repealed as of January 1, 2028.

06/03/25 - In
Assembly
. Read
first time.
Held at
Desk.

This bill would extend the operation of the California Health Benefit Review Program and the Health Care Benefits Fund through July 1, 2032, and would authorize the continued assessment of the annual charge on health care service plans and health insurers for that purpose for the 2026–27 to 2032–33 fiscal years, inclusive. The bill would increase the allowable total annual assessment on health care service plans and health insurers to \$3,200,000. The bill would remove the Healthy Families Program as an example of the publicly funded state health insurance programs within an analysis of financial impacts of legislation.

prohibits the total annual assessment on health care service plans and health insurers from exceeding \$2,200,000. Under existing law, the fund and the program become inoperative on July 1, 2027, and are

This bill would make these provisions inoperative on July 1, 2032, and would repeal it as of January 1, 2033.

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260SB439

SB-497

This bill would additionally prohibit a provider of health care, a health care service plan, or a contractor from releasing medical information related to a person seeking or obtaining gender-affirming health care or gender-affirming mental health care in response to a criminal or civil action, including a foreign subpoena, based on another state's law that interferes with an individual's right to seek or obtain gender-affirming health care or gender-affirming mental health care. The bill would also prohibit a provider of health care, health care service plan, contractor, or employer from cooperating with or providing medical information to an individual, agency, or department from another state or, to the extent permitted by federal law, to a federal law enforcement agency that would identify an individual and that is related to an individual seeking or obtaining gender-affirming health care, as specified. The bill would prohibit these entities from releasing medical information related to sensitive services, as defined, in response to a foreign subpoena that is based on a violation of another state's laws authorizing a criminal action against a person or entity for provision or receipt of legally protected health care activity, as defined. The bill would also generally prohibit the issuance of a subpoena based on a violation of another state's law that interferes with a person's right to seek or obtain gender-affirming health care or gender-affirming mental health care, as specified.

This bill would prohibit a state or local agency or employee, appointee, officer, contractor, or official or any other person acting on behalf of a public agency from providing any CURES data or expend any resources in furtherance of any interstate investigation or

In Assembly . Read first time. Held at Desk.

proceeding seeking to impose civil, criminal, or disciplinary liability upon the provision or receipt of legally protected health care activity, as defined. The bill would prohibit out-of-state law enforcement from having access to CURES data through the interstate data sharing hub and would require a warrant, subpoena, or court order for a law enforcement agency to obtain information from CURES as part of a criminal investigation. This bill would make it a misdemeanor for a person to access the CURES database when not authorized by law, and would make it a misdemeanor for a person who is authorized to access the database to knowingly furnish information from the CURES database to a person who is not authorized by law to receive that information. By creating new crimes, the bill would impose a state-mandated local program. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260SB497 **SB-503** This bill would require developers of patient care decision support 05/29/25 tools, as defined, and health facilities, clinics, physician's offices, or In offices of a group practice to make reasonable efforts to identify uses Assembly of patient care decision support tools in health programs or activities . Read that employ input variables or factors that measure a protected first time. Held at characteristic. The bill would require, for each patient care decision support tool, developers and deployers to make reasonable efforts to Desk. mitigate the risk of discrimination on the basis of a protected characteristic resulting from the tool's use in health programs or activities. The bill would require developers ensure that patient care decision support tools are tested for biased impacts in the outputs produced by the tool at least every 3 years. The bill would specify that a person, partnership, state or local governmental agency, or corporation may be both a developer and a deployer. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=2 02520260SB503 **SB 508** Existing law authorizes a person licensed as a physician and surgeon 05/28/25 in another state, as specified, to deliver health care via telehealth to an eligible patient, as defined. Existing law defines "eligible patient" as a Assembly person who, among other requirements, has a life-threatening disease . Read first time. or condition, as defined, and has not been accepted to participate in the clinical trial nearest to their home for the immediately life-Held at Desk. threatening disease or condition, as specified, or in the medical judgment of a physician and surgeon, as defined, it is unreasonable for the patient to participate in that clinical trial due to the patient's current condition and state of disease. This bill would expand the life-threatening disease requirement of an eligible patient to include a person who has been diagnosed with any stage of cancer and would provide that cancer patients are not subject to the clinical trial requirement, as specified.

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2

02520260SB508

SB 528

This bill would require the department, subject to an appropriation, to expand any existing state-only-funded health programs, including, but not limited to, the State-Only Family Planning Program, to provide to Medi-Cal beneficiaries certain services or benefits that are otherwise covered under the Medi-Cal program but for any lack of, elimination of, reduction in, or limitation on, federal financial participation.

05/23/25 - May 23 hearing: Held in committe e and under submissio n.

For purposes of the expansion above, the bill would require the department to determine the services or benefits, which may include, but are not limited to, abortion and gender-affirming care, based on the levels of federal financial participation, as specified.

(2) This bill would, subject to an appropriation, require the California Health and Human Services Agency to develop a new program, or to expand an existing state program, as applicable, to provide certain services or benefits that are otherwise covered under the Medi-Cal program but for any lack of, elimination of, reduction in, or limitation on, federal financial participation. Under the bill, these services or benefits would not be limited to the population of Medi-Cal beneficiaries.

The bill would require the agency to determine the services or benefits, which may include, but are not limited to, abortion, family planning, and gender-affirming care, based on the needs of target populations and the levels of federal financial participation, as specified.

The bill would create the Health Care Maintenance and Expansion Fund for purposes of distributing funding, if appropriated, for these services or benefits. The bill would authorize the agency to receive private donations, for deposit into the fund, to support implementation.

(3) The bill would authorize expansion of the State-Only Family Planning Program, subject to an appropriation, to facilitate implementation of the provisions described in paragraphs (1) and (2), as specified.

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260SB528

SB 530

This bill would extend the operation of those standards indefinitely. The bill would also require a managed care plan to ensure that each subcontractor network complies with certain appointment time standards unless already required to do so. The bill would set forth related reporting requirements with regard to subcontractor networks.

O5/29/25 - In
Assembly
Read
first time.
Held at
Desk.

This bill would recast those provisions and would specify, under both circumstances, that there be an appropriate level of care and access that is consistent with professionally recognized standards of practice, with a departmental determination that the alternative access standards will not have a detrimental impact on the health of enrollees. The bill would require the department to consider the sufficiency of payment rates offered by the Medi-Cal managed care plan to the provider type or for the service type when evaluating requests for the utilization of alterative access standards. The bill would also require the department to publish, and periodically update as necessary, the criteria for evaluation and authorizing alternative access standards under the above-described provisions, as specified. The bill would make other changes to the procedure for a managed care plan to submit a previously approved alternative access standard request.

This bill would require that the evaluation be performed using a direct testing method and an examination of complaints data, as specified. The bill would, effective for contract periods commencing on or after January 1, 2026, additionally require the report to include, for each of the preceding 3 years, the number and percentage of enrollees that are subject to an approved alternative access standard, and the number and percentage of alternative access standards requested, approved, and denied, as specified.

Existing law defines "specialist" for purposes of these provisions, including with regard to a managed care plan's requirement to maintain a network of providers located within the time or distance standards.

This bill would expand the scope of the definition for "specialist" to include providers of immunology, urology, and rheumatology, among other additional areas of medicine.

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260SB530

SB 588

Existing law authorizes a general acute care hospital, as defined, to offer special services, including, but not limited to, emergency medical services. Existing law establishes the Department of Health Care Access and Information to oversee and administer various health programs related to health care infrastructure, such as health policy and planning, health professions development, and facilities design review and construction, among others.

This bill would require the Department of Health Care Access and Information to conduct a feasibility study on the implementation of freestanding emergency departments, as defined, in rural, disadvantaged, and underserved areas with limited access to emergency care. The bill would require that the study be conducted in collaboration with certain stakeholders and that the department issue a report to the Legislature, on or before January 1, 2027, with its findings and recommendations. The bill would appropriate an unspecified amount from the General Fund to the department for those purposes. The bill would repeal these provisions on January 1, 2031.

 $\underline{https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520}\\ \underline{260SB588}$

05/01/25 -April 30 set for first hearing. Testimon y taken. Further hearing to be set. **SB 626**

This bill would modify the term "maternal mental health condition" to "perinatal mental health condition" and additionally include in its definition a mental health condition that occurs during the perinatal period. The bill would require a licensed health care practitioner who provides perinatal care for a patient to screen, diagnose, and treat the patient for a perinatal mental health condition in accordance with applicable clinical guidelines or standards appropriate to the provider's license, training, and scope of practice, as specified.

06/03/25 - In
Assembly
Read
first time.
Held at
Desk.

This bill would modify the term "maternal mental health" to "perinatal mental health" and additionally include in its definition a mental health condition that occurs during the perinatal period, as specified. The bill would instead require the above-described program to include perinatal mental health screening to be conducted during pregnancy and during the postpartum and perinatal periods in accordance with applicable clinical guidelines or standards appropriate to the provider's license, training, and scope of practice, as specified.

The bill would require a health care service plan or health insurer to provide case management and care coordination for an enrollee or insured during the perinatal period. The bill would require a plan or an insurer to annually report the utilization and outcomes of case management services to the appropriate department and to post that reported information to its internet website. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program.

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB626

SB 660

This bill would require the center, on or before January 1, 2026, and subject to an appropriation in the annual Budget Act, to take over the establishment, implementation, and all of the functions related to the California Health and Human Services Data Exchange Framework, including the data sharing agreement and policies and procedures, from the agency.

The bill would expand the entities that are specifically required to execute a data sharing agreement with the California Health and Human Services Data Exchange Framework and authorize the center to determine other categories of entities required to execute a data sharing agreement, as specified. The bill would require the center, no later than July 1, 2026, to establish a process to designate qualified health information organizations as data sharing intermediaries that have demonstrated their ability to meet requirements of the California Health and Human Services Data Exchange Framework. The bill would require the center to annually report to the Legislature on the California Health and Human Services Data Exchange Framework, including compliance with data sharing agreements.

The bill would expand the membership of the stakeholder advisory group and also establish the CalHHS Data Exchange Board as a separate entity from the stakeholder advisory group. The board would be composed of 14 members who are appointed or serve ex officio. The board, among other things, would be required to review, modify, and approve modifications to the California Health and Human Services Data Exchange Framework data sharing agreement and any new policies and procedures developed by the center

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520 260SB660

06/03/25 - In
Assembly
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first time.
Held at
Desk.

Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract or health insurance policy issued, amended, renewed, or delivered on or after January 1, 2024, that provides coverage for medically necessary treatment of mental health and substance use disorders to cover the provision of those services to an individual 25

years of age or younger when delivered at a school site.

05/28/25 - In
Assembly
. Read
first time.
Held at
Desk.

This bill would additionally require a contract or policy that provides coverage for medically necessary treatment of mental health and substance use disorders to cover the provision of those services to an individual 25 years of age or younger when delivered at a qualified youth drop-in center. Because a violation of this requirement relative to health care service plans would be a crime, the bill would create a state-mandated local program.

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=2 02520260SB812



Public Relations and Publicity

Media Clips Report

April 2025-May 2025

Features

Community Voices: Medicaid supports Kern County health care and its economy Featured On: The Bakersfield Californian | April 9, 2025

"As in many other San Joaquin Valley counties, hardworking people in Kern County benefit from affordable healthcare options. This is why recent developments in Washington, D.C., indicate that significant cuts to Medicaid funding are being considered, posing an urgent risk to Kern County's economic health." Click here to read more.

Community Voices: Major Cuts to Medi-Cal would weaken strong fabric of Kern County Featured On: The Bakersfield Californian | May 20, 2025

"For hardworking families in Kern County, having reliable access to affordable healthcare enables them to take part in daily experiences including teaching at local schools, attending church, and taking part in neighborhood events that collectively keep communities strong." Click here to read more.

Mentions

Another eye-opening column of Gary Girard's Delano Ramblings ONLY on DelanoNow By: DelanoNow | April 13, 2025

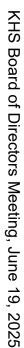
"The Relay committee reports sponsorships by Adventist Health Delano, Delano Harvest Holidays, Omni Health, and **Kern Family Health.** The event starts at 10 a.m. with opening ceremonies including national anthem, survivor walk, team walk, and team competition activities." <u>Click here</u> to read more.

Rising Scholars Resource Fair

By: The Renegade RIP | April 30, 2025

"The event connected attendees with key community organizations such as CAPK, Garden Pathways, **Kern Family Health Care**, and Bakersfield College, which have proven especially beneficial." **Click here to read more.**

End of Document





COMMITTEE: POPULATION HEALTH MANAGEMENT COMMITTEE

DATE OF MEETING: MARCH 5, 2025

CALL TO ORDER: 11:01 AM BY SUKHPREET SIDHU, MD - CHAIR

| Members Present On-Site: | Paula De La Riva-Barrera, Manager at First 5 Kern Lordes Bucher, Administrator at KCSOS | Dixie Denmark-Speer, SS Director at Height Street SNF Desiree Escobedo, Admissions at Height Street SNF Ashok Parmar MD, Pain Mgmt. | Sukhpreet Sidhu, MD PHM Medical Director Curt Williams, Director Homeless/Foster at KCSOS |
|----------------------------------|---|--|---|
| Members Virtual Remote: | Alissa Lopez, Administrator at KCBHRS Dr. Vivek Radhakrishan, Primary Care ECM Provider | Colleen Philley, Program Director at KC Aging & Adult Martin Reynoso, Supervisor at KC Aging & Adult | |
| Members Excused=E Absent=A | Maria Bermudez, Asst. Director at Dept. of Human Services (E) Christopher Boyd, Licensed Clinical Psychologist (E) Brynn Carrigan, Director at KC Public Health (E) Cristina Castro, Recovery Specialist at KCBHRS (E) Valerie Civelli, MD at LTC Premier Valley Med. Group (E) | Babita Datta, MD OB/GYN at Wasco Medical Plaza (E) Minty Dillon, Administrator at Premier Valley Medical Grp (E) Laura Hasting, NP at Priority Urgent Care (E) Kristine Khuu, Assistant Director at Kern Regional Ctr. (E) Gina Lascon, DON at Delano SNF (E) Lito Morillo, Executive Director at KC Human Services (E) | Jasmine Ochoa, Manager at KC Public Health (E) Cody Rasmussen, Administrator at Height Street SNF (E) Jennie Sill, Administrator at KCBHRS (E) Alejandra Vargas, BOM at Height Street SNF (E) |
| Staff Present: | Missy Clendenen, RN PHM LTC Case Manager Amy Daniel, Executive Health Services Coordinator Shellby Dumlao, Special Programs Nurse Consultant Pawan Gill, Health Equity Manager Russell Hasting, PHM Manager of CM Loni Hill-Pirtle, Director of ECM | Magdee Hugais, KHS Director of QI Diane Lay, RN, CCM, PHM Triage Nurse III Jacinto Marcelo II, Director of Special Programs John Miller, MD QI Medical Director Noehmi Morfin, RN PHM Clinical Auditor & Trainer Adriana Salinas, Director of Community & Social Services | Nate Scott, Senior Director of Member Services Melinda Santiago, Director of Behavioral Health Isabel Silva, Senior Director of Wellness & Prevention Elliott Smith, PHM Outreach Specialist Ty Williams, PHM Outreach Specialist |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|----------------------|--|--|------------------|
| Quorum | Attendance / Roll Call | Committee quorum requirements met. | N/A |
| Call to Order | Sukhpreet Sidhu, MD, KHS PHM Medical Director called the meeting to order at 11:01 AM. | | N/A |
| Committee Minutes | Approval of Minutes The minutes of December 4, 2024 were presented for review and approval. | ☑ ACTION: Paula De La Rive-Barrera moved to approve minutes of December 4, 2024, seconded by Dr. Parmar. Motion carried. | 3/5/2025 |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|------------------------|--|---|------------------|
| | Welcome & Introduction Committee Member Announcements: Members and KHS Staff introduced themselves and from the facility/organization they are representing. | ☑ CLOSED: Informational discussion only. | 3/5/2025 |
| REVIEW AND APPROVAL | Review and Approval of Policy Michelle Curioso, Director of PHM presented the following PHM Policy and Procedures for approval: Health Risk Assessment Policy Risk Stratification and Segmentation Policy Critical Incidents Letter to LTC There were no additional questions or comments from the committee members. | ☑ ACTION: Dr. Parmar moved to approve the listed Policy and Procedures, seconded by Paula De La Riva-Barrera. Motion carried. | 3/5/2025 |
| OLD BUSINESS | Maternal Access to Care Michelle Curioso, Director of PHM presented the Maternal Access to Care after conducting SWOT Analysis and one-on-one interviews with Community Partners. The following highlights were noted: WIC clinics and KHS services, such as care management and coordination, offer valuable support for maternal health. Ridgecrest Regional Hospital now provides labor and delivery services (since January 2025). New location of Bartz Altadonna Community Health Center in Boron for prenatal and postpartum care. Local non-profit organizations such as Omni in Tehachapi and Clinica Sierra Vista in Ridgecrest can be leveraged to increase healthcare access Additional advocating for funding will be requested through Transforming Maternal Health Model and similar state and federal programs and also exploring use of mobile health units for prenatal and postpartum care including telehealth and virtual follow-ups. | ☑ ACTION: Dr. Parmar moved to approve the Maternal Access to Care, seconded by Curt Williams. Motion carried. | 3/5/2025 |
| NEW BUSINESS | The Impact of Major Organ Transplant (MOT) Program Russell Hasting, PHM Manager of CM, presented the Impact of Major Organ Transplant Program. Russell reviewed the MOT Program Phases and Wait List times for each member as follows: | ☑ CLOSED: Informational only. | 3/5/2025 |

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| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| | Age Range = 24-64 years Organ Male Female Transplants Bone Marrow 2 2 4 Heart 1 2 Kidney 1 5 3 Kidney, Pancreas 1 1 1 Liver 1 3 Grand Total 6 8 14 Two of the 14 transplant members were readmitted to the hospital within 30-days of surgery, the research shows readmissions are linked to lower survival rates with complications arising within the first 30-days after major organ transplants. Readmissions is a critical factor for identifying preventable factors that the case managers can collaborate with treatment centers during follow-up to ensure adherence to treatment plans. Long Term Care 3 rd Annual Summit Michelle Curioso, Director of PHM presented the Long Term Care 3 rd Annual Summit of medical professionals and administrators for networking, program updates and state reports. We are seeking committee members to assist in selecting topics to present, identifying potential speakers, and suggesting venue ideas. | ☑ CLOSED: Dr. Parmar moved to approve the information presented, seconded by Paula De La Riva-Barrera. Motion carried. | |
| OPEN FORUM | Open Forum Michelle Curioso, Director of PHM informed the members that in preparation for the Board of Directors meeting in April, the following documents will be sent to the committee members for review and approval. 1. PHM Program Description: This document outlines the programs and projects implemented by the Population Health Management Department, detailing the services provided to members. 2. PHM Strategy 2024: This is our work plan for 2024, outlining goals, objectives, interventions, completion percentages, and outcomes. 3. PHM Strategy 2025: This work plan for 2025 includes our goals, objectives, and interventions. | ☐ Pending: Email to be sent by Michelle Curioso requesting committee review and approval. | 6/4/2025 |
| NEXT MEETING | Next meeting will be held Wednesday, June 4, 2025 at 11:00 am | ☑ CLOSED: Informational only. | N/A |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-----------------------|---|-------------------------|------------------|
| ADJOURNMENT | The Committee adjourned at 12:02 pm. | N/A | N/A |
| | Respectfully submitted: Amy L. Daniel; Executive Health Services Coordinator | | |
| | uality Improvement Committee Minutes 03/05/2025 | | |
| The foregoing minutes | were APPROVED AS PRESENTED on: Date | Name | |
| The foregoing minutes | were APPROVED WITH MODIFICATION on: | | |
| | Date | Name | |



COMMITTEE: PHYSICIAN ADVISORY COMMITTEE

DATE OF MEETING: APRIL 2, 2025

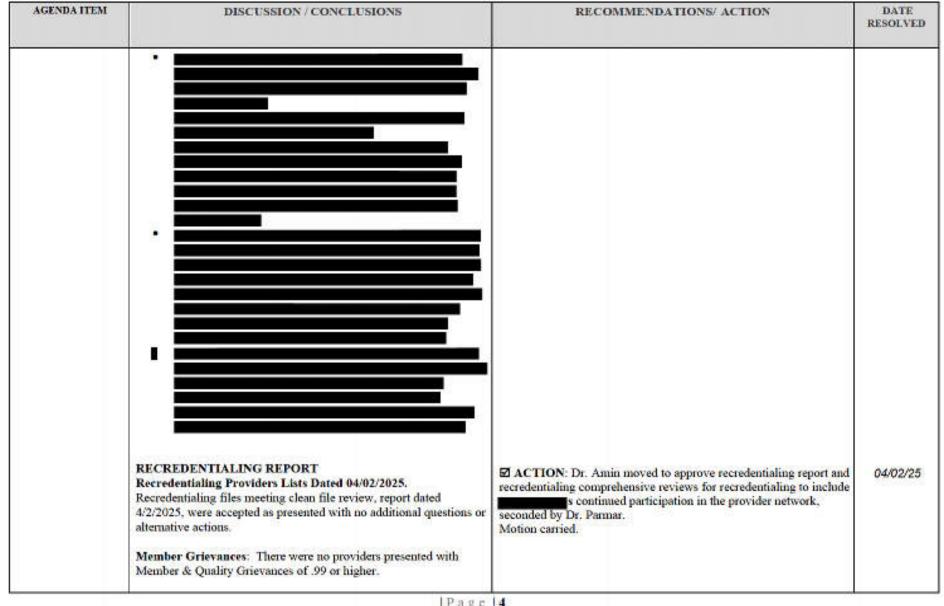
CALL TO ORDER: 7:00 AM BY MARTHA TASINGA, MD - KHS CHIEF MEDICAL DIRECTOR

| Members Present On-Site: | Martha Tasinga, MD – KHS Chief Medical Officer Hasmukh Amin, MD – Network Provider, Pediatrics | Gohar Gevorgyan, MD – Network Provider, FP Miguel Lascano – Network Provider, OB/GYN | Ashok Pannar, MD- Network Provider, Pain Medicine Raju Patel, MD - Network Provider, Internal Medicine |
|----------------------------------|--|--|--|
| Members Virtual Remote: | Atul Aggarwal, MD – Network Provider, Cardiology David Hair, MD - Network Provider, Ophthalmology | | |
| Members Excused=E Absent=A | Abdolreza Saadabadi, MD, PhyD (A) | | |
| Staff Present: | Michelle Curioso, Director of Population Health Amy Daniel, Executive Administrative Alma Garcia, NCQA Accreditation Specialist Jake Hall, Deputy Director of Contracting | Yolanda Herrera, Credentialing Manager Magdee Hugais, Director of Quality Improvement John Miller MD, QI Medical Director Steve Pocasangre, NCQA Accreditation Specialist | Yesenia Sanchez, Credentialing Coordinator Sukhpreet Sidhu MD, PHM Medical Director Bruce Wearda, Director of Pharmacy |

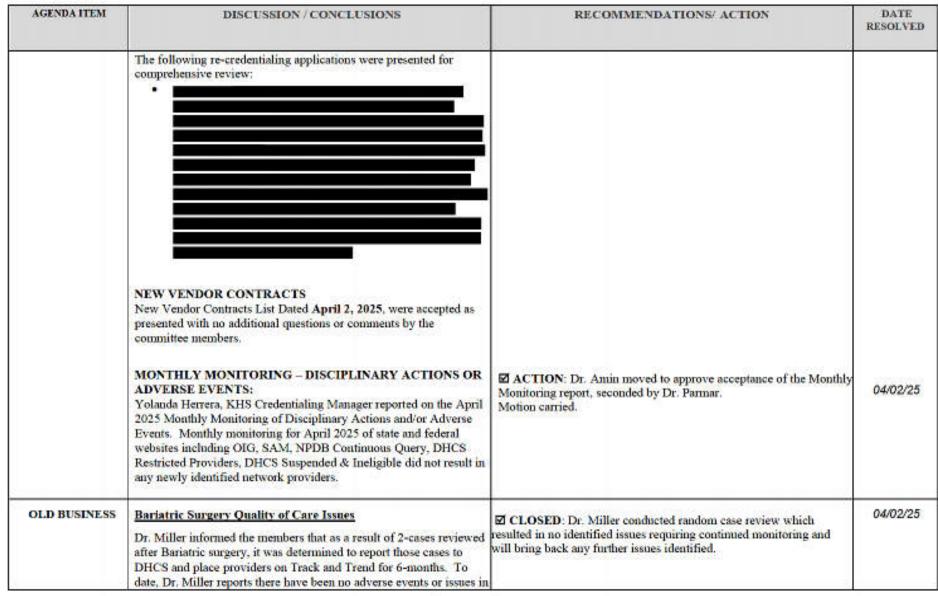
| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|---------------------|---|--|-----------------------------|
| Quorum | Attendance / Roll Call | Committee quorum requirements met. | N/A |
| Call to Order | Dr. Martha Tasinga MD, KHS Chief Medical Officer, called the meeting to order at 7:00 AM. | | N/A |
| Public Presentation | Dr. Vinod Kumar and Melissa Gilkes-Smith from Heart and Vascular Leg Center (affiliate of Silver Summit Medical Group) was given the opportunity to present and request the committee's consideration to modify the KHS Vascular Guidelines to include vascular specialist such as Vascular Medicine, Endovascular Medicine and | I Communities to describe to amount representation contribution limiting and | Tentatively June 2025 |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|----------------------|---|--|------------------|
| | Interventional Cardiology. Both addressed the high need for specialist in Kern County to meet the needs of vascular cases focusing on the simple vascular procedures which are mostly endovascular procedures non-invasive. Dr. Kumar explained his Vascular Center's comprehensive and multidisciplinary approach to a "whole patient care center". Additionally, Melissa and Dr. Kumar expressed high rating from both providers and patients that wish to continue treatment with Dr. Kumar's center. Material handouts were presented to the committee members for review and consideration. Dr. Kumar and Melissa were thanked for their presentation and excused by the committee for closed session discussion. | recommendations from the American Board of Vascular Surgery to develop criteria as to which providers can perform vascular cases that also included a designated pathway for providers to gain additional experience and certification; submission and approval of KHS Guidelines from the DHCS and DMHC as a center of excellence narrow network for vascular cases and guidelines as a mechanism to reduce case load. • Dr. Gevorgyan expressed her appreciation of Dr. Kumar's follow-up on her Medicare and private insurance patients all of whom are happy with their results and timely scheduling. • Dr. Parmar asked how second opinions are handled and Dr. Tasinga informed the committee that second opinions are paid for the 1st visit and can be with an in-town in-network provider or tertiary provider. • Dr. Amin requested additional information be presented to the committee to include the following: 1. Dr. Tasinga's summary of past issues and history leading to implement vascular guidelines. 2. Table further discussion until all facts and reports are available to review past and current data. 3. If access issues or delays, provide grievance report, number of claims with case outcomes. | |
| Committee Minutes | Approval of Minutes Dr. Tasinga presented the meeting minutes of March 5, 2025 for review and approval. | ☑ ACTION: Dr. Amin moved to approve minutes of March 5, 2025, seconded by Dr. Patel. Motion carried. | 04/02/25 |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|--------------------------------|---|---|------------------|
| PEER REVIEW REPORTS ACTIVITIES | Peer Review Reports CREDENTIALING REPORT Mental Health Pre-Approvals from Reports dated 04/02/2025: In compliance with Senate Bill 2581, Dr. Tasinga, KHS CMO, pre-approved the Mental/Behavioral Health providers as listed on 04/02/2025 Credentialing Reports, all files met clean file criteria, in compliance with the 60-day turnaround requirements. | ☑ ACTION: Dr. Amin moved to approve the Credentialing, Recredentialing and New Vendor Contracts from the reports dated 04/02/2025, seconded by Dr. Pannar. Motion carried. | 04/02/25 |
| | INITIAL CREDENTIALING REPORT Initial Applicants List Dated 04/02/2025. The clean files were accepted as presented with no additional discussion. The following initial applications were presented for comprehensive review: • | ✓ ACTION: Dr. Amin moved to approve Comprehensive Reviews for initial credentialing to include in the provider network as listed, seconded by Dr. Parmar. Motion carried. | 04/02/25 |



KHS PROPRIETARY PROPERTY - CONFIDENTIAL



Page |5

PEER REVIEW PROTECTED UNDER CALIFORNIA B&P CODE SECTION 1157
CALIFORNIA HEALTH & SAFETY CODE SECTIONS 1370-1371
WELFARE AND INSTITUTIONS CODE SECTION 14087.38
KHS PROPRIETARY PROPERTY - CONFIDENTIAL

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVEI |
|--------------|---|---|------------------|
| | cases that have been randomly reviewed. It is Dr. Miller's recommendation to close this agenda item as completed and any future issues involving Bariatric Surgery issues will be brought back to the committee for review. OI Track and Trend April Report 2025 | ☑ ACTION: Dr. Amin moved to approve the QI Track and Trend | 0.400.00 |
| NEW BUSINESS | Magdee Hugais, Director of Quality Improvement, presented the Potential Quality Issues (PQI) Track and Trend Report. No concerning trends were identified. All providers listed had four or fewer PQIs, with none categorized as Level 2. | April Report as presented, seconded by Dr. Lascano. Motion carried | 04/02/25 |
| | Pharmacy Criteria Bruce Wearda presented the Pharmacy criteria submitted for approval under pharmaceutical covered medical benefit as follows: New Criteria: Exagamglogue Autotemcel Lecanemab-irmb Previously Reviewed with Modifications: Osteoporosis Criteria Zoledronic Acid, Denosumab IV Iron Criteria Previously Reviewed with No Changes: Abatacept Alpha-1 Proteinase Inhibitor Amphotericin B Amyloidosis-Vutrisiran, Patisiran, Eplontersen Asthma Monoclonal Antibody Beremagene Geperpavec Betbeglogene Autotemcel Botulinum Toxin-Anal Fissure Magnant Botulinum Toxin-Cervical Dystoma & Spasticity Botulinum Toxin - Bladder Burosumab-twza CI Inhibitor Calcitonin Gene-Related Peptide Cantharidin | Bruce presented the criteria in 3 categories: New criteria that has never been reviewed, Criteria with slight modifications (such as correcting typos and order of approval of drugs), and Criteria with no changes. • Dr. Tasinga asked if Exagamglogne Autotemcel was still indicated for sickle-cell disease. Bruce confirmed that the answer is yes. • Dr. Parmar asked if all these drugs were already approved by KHS and the FDA. Bruce shared that the first 2 criteria are new, but the rest have all been approved by KHS, and they are all FDA approved. • Dr. Patel asked how or why the criteria was being used. Bruce replied so that reviewers could give uniform answers for each request. There would be objective rationale being applied and not dependent to subject reviewer opinions. • All criteria that KHS uses for Pharmacy PAD drugs have been reviewed. Z ACTION: Dr. Hasmukh Amin moved to approve the Pharmacy criteria (listed below), seconded by Dr. Ashok Parmar. Motion carried. | 04/02/25 |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-------------|---|-------------------------|------------------|
| | Certolizumab Colony Stimulating Factors Erythropoiesis Stimulating Agents Exagamglogene Autotemeel Fabry Disease Gaucher Disease Givosiran Golimumab Gonadotropin Releasing Homones Guselkumab Hyahuronic Acid Derivaties Icatibant Immune Globulin Inebilizumab-edon Infliximab IV Magnesium Lanadelumab-flvo Lovotibeglogene Autotemeel Luspatercept-namt Medical Injection Drug-Hyaharonan or Derivative Injections Medical Supplies and Devices Mirikizumab Multiple Sclerosis Myasthenia Gravis Neuromyelitis Optica Spectrum Disorder Nusinersen Omalizumab Oncology PCSK9 Inhibitor Pegloticase Primary Hyperoxaluria Type 1 Pulmonary Arterial Hypertension Recombinant Human Parathyroid Hormone Risankizumab Rituximab — Non-Oncology Users Somatostatin Analogs-Non-Oncology Users Step Therapy Tardive Dyskinesia VMAT2 Inhibitor | | |

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PEER REVIEW PROTECTED UNDER CALIFORNIA B&P CODE SECTION 1157

CALIFORNIA HEALTH & SAFETY CODE SECTIONS 1370-1371

WELFARE AND INSTITUTIONS CODE SECTION 14087.38

KHS PROPRIETARY PROPERTY - CONFIDENTIAL

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|--------------|--|-------------------------------|------------------|
| | Thrombopoietin-Receptor TPO Agonists Tildrakizumab-asum Tocilizumab Ustekinumab – IV Use Vedolizumab | | |
| OPEN FORUM | There was no open discussion. | ☑ CLOSED - Informational Only | N/A |
| NEXT MEETING | Next meeting will be held Wednesday, May 7, 2025 | Informational only. | N/A |
| ADJOURNMENT | The Committee adjourned at 8:00 AM. Respectfully submitted: Amy Daniel, KHS Executive Health Services Coordinator | N/A | N/A |

| For Signature Only – Physician Advisory Commutee Minutes 04/02/2025: | | |
|--|------|------|
| The foregoing minutes were APPROVED AS PRESENTED on: | | |
| | Date | Name |
| The foregoing minutes were APPROVED WITH MODIFICATION on: | | |
| | Date | Name |

CA-25 C

SUMMARY

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS

2900 Buck Owens Boulevard

Bakersfield, California 93308

Friday, April 11, 2025

8:30 A.M.

COMMITTEE RECONVENED

Members: Elliott, Bowers, McGlew, Turnipseed, Watson ROLL CALL: 3 Present; 2 Absent – McGlew, Watson

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

NO ONE HEARD

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

NO ONE HEARD

CA-3) Minutes for Kern Health Systems Finance Committee meeting on February 14, 2025 – APPROVED

Bowers-Turnipseed: 3 Ayes; 2 Absent – McGlew, Watson

4) Report by Moss Adams on the audited financial statements of Kern Health Systems for the year ending December 31, 2024 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS

Bowers-Turnipseed: 3 Ayes; 2 Absent - McGlew, Watson

5) Proposed Increase in the Not-to-Exceed amount with Blackhawk by \$287,400 from \$195,000 to \$482,400 for the Member Rewards Program, from July 1, 2025, through June 30, 2026, which includes a contract extension for one (1) year. (Fiscal Impact: \$287,400 over the term of the contract; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS

Bowers-Turnipseed: 3 Ayes; 2 Absent - McGlew, Watson

Proposed Increase in the Not-to-Exceed amount with Relay Network by \$100,000 from \$399,998 to \$499,998 for the Text Messaging Solution, from June 1, 2025, through December 31, 2025, which includes a contract extension for seven (7) months. (Fiscal Impact: \$100,000 over the term of the contract; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS

Bowers-Turnipseed: 3 Ayes; 2 Absent – McGlew, Watson

7) Proposed Agreement with e360 for Maintenance and Support for the Rubrik Disaster and Recovery Solution from April 29, 2025, through October 31,2026 (Fiscal Impact: \$285,565 over the term of the contract; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS

Bowers-Turnipseed: 3 Ayes; 2 Absent - McGlew, Watson

- 8) Proposed increase in the Not-to-Exceed amount with Cognizant by \$161,865 from \$6,445,522 to \$6,607,387 for the Project Change Request, 24x7 Upgrade Emergency Support, TriZetto University, Technology Assessment, Data Purge, and Zelis integration licensing from April 21, 2025 through September 10, 2029 (Fiscal Impact: \$161,865; Budgeted) APPROVED; REFERRED TO KHS BOARD OF DIRECTORS

 Turnipseed-Bowers: 3 Aves: 2 Absent McGlew Watson
 - Turnipseed-Bowers: 3 Ayes; 2 Absent McGlew, Watson
- Report on Kern Health Systems Financial Statements for December 2024 and January 2025 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS

Bowers-Turnipseed: 3 Ayes; 2 Absent – McGlew, Watson

10) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for December 2024 and January 2025 and IT Technology Consulting Resources for the period ended December 31, 2024 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS

Bowers-Turnipseed: 3 Ayes; 2 Absent – McGlew, Watson

ADJOURN TO FRIDAY, JUNE 13, 2025 AT 8:30 A.M.

CA-25 D



N HEALTH

COMMITTEE: Fraud, Waste, and Abuse (FWA) Committee

DATE OF MEETING: May 5, 2025

CALL TO ORDER: 3:00 pm by Jane MacAdam - Director of Compliance and Regulatory Affairs

| Members Present On-Site: Members Virtual Remote: | N/A N/A | |
|--|--|---|
| Members Excused=E Absent=A | N/A | |
| Staff Present: | Brandon Bowe, Compliance Analyst Cynthia Cardona, Cultural and Linguistic Services Manager Sandeep Dhaliwal, Compliance Manager, Audits and Investigations Heather Fowler, Senior Regulatory and Government Program Manager Russell Hasting, PHM Manager of Case Management Yolanda Herrera, Credentialing Manager Magdee Hugais, Director of Quality Improvement Jane MacAdam, Director of Compliance and Regulatory Affairs Robin Dow-Morales, Senior Director of Cl Veronica Barker, Controller Kathryn Castaneda, Compliance Analyst Michelle Church, Pharmacist Amy Sanders, Executive Health Services Coordinator Melissa McGuire, Senior Director of Delegation Oversight Cassandra Rangel, Compliance Specialist | Deborah Murr, Chief Compliance and Fraud Prevention Officer Alan Avery, Chief Operations Officer Heather Pruitt, Compliance Analyst Martha Quiroz, Member Services Manager Paoloa Reyes, Compliance Analyst Maria Parra, Member Services Manager Cesar Delgado, Deputy Chief Information Officer Karen Beale, Compliance Analyst Robert Landis, Chief Financial Officer Christina Kelly, Pharmacy Administrative and Support Supervisor Christine Pence, Senior Director of Health Services Nate Scott, Senior Director of Member Services Kailey Collier, Director of Quality Performance Adriana Salinas, Director of Community and Social Services |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-----------------------------------|---|--|------------------|
| Action Items from 02/25/2025 | James Winfrey will lead a work group to revise the Telehealth Policy and look at creating provider education. | There was a small subgroup that met to review the telehealth utilization policy because there are a lot of telehealth visits occurring and one of the ways we can prevent fraud is by educating providers on what is and what is not acceptable for telehealth utilization. There is guidance that will be provided to the provider network once it is finalized, and we decided how we want to move forward with education. Will report back on the actions taken next quarter's meeting. | N/A |
| | CBAS – follow up on CBAS discussion from 02/25/2025 meeting | Jane will be scheduling a meeting with a subset of the committee to discuss the next steps as they relate to the authorizations and ongoing challenges. More to come at the next meeting. | |
| Outlier Reports - Deb | A. Outlier – Reporting for FWA Investigations There is a growing recognition of the need to improve and expand outlier reporting from both financial and compliance perspectives. While some outlier monitoring exists, efforts are underway—led by teams including Christina (Health Services), Caesar, and Robert—to strengthen and formalize this process across departments. The goal is to proactively detect unusual patterns in areas like prior authorizations, transportation, telehealth, and utilization management, to identify potential fraud, waste, or abuse, earlier. This proactive approach aims to reduce financial risk, avoid unnecessary staff workload, and enable timely escalations. More structured reports are in development, with plans to share the findings more broadly, including the executive leadership team. | N/A | N/A |
| Corrective Action Plans - Jane | A. Status of open CAPs | N/A | N/A |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-------------|---|-------------------------|------------------|
| | An ongoing issue with the provider for B2024.107 has recently progressed, following initial back-and-forth communication. Last week, a formal corrective action plan was requested due to concerns the provider was converting palliative care referrals into hospice care without proper authorization. This is now one of the most recent open corrective action items. | | |
| | Two recent corrective action plans have been issued: one for case B2024.113 due to upcoding not supported by medical records (despite no direct financial impact), and another for B2023.19 for similar documentation concerns. The provider for B2024.113 submitted a response last Thursday, which is under review. The B2023.19 CAP was issued in mid-April, and a response is still pending. These cases are currently active and being monitored for the next steps. | | |
| | The team is working with Legal regarding B2022.61 to request additional reimbursement related to billing issues. Claims previously processed some recoupments tied to his billing codes. Depending on the outcome of recent communications, further action may be needed, and Claims will be looped in accordingly. Robin will be kept informed as the situation develops. | | |
| Report | A. Member Services – Martha - Frequent Rider Report for November 2024 through January 2025 | N/A | N/A |
| | Members Researched in November 2024 - 108 a. Members with no or less than 3 FWA occurrences - 67 | | |
| | b. Members on Restriction – 9c. Members Outreached – 41 | | |

| AGENDA ITEM | | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| | | d. Members Issued a Warning – 12 | | |
| | | e. Members Restricted Pending Follow Up – 19 | | |
| | | f. Members Restricted to Bus Passes – 1 | | |
| | 2. | Members Researched in December 2024 – 117 | | |
| | | a. Members with no or less than 3 FWA occurrences – 70 | | |
| | | b. Members on Restriction – 7 | | |
| | | c. Members Outreached – 40 | | |
| | | d. Members Issued a Warning – 27 | | |
| | | e. Members Restricted Pending Follow Up – 13 | | |
| | | f. Members Restricted to Bus Passes – 0 | | |
| | 3. | Members Researched in January 2025 - 124 | | |
| | | g. Members with no or less than 3 FWA occurrences - 63 | | |
| | | h. Members on Restriction – 25 | | |
| | | i. Members Outreached – 36 | | |
| | | j. Members Issued a Warning – 21 | | |
| | | k. Members Restricted Pending Follow Up – 14 | | |
| | | l. Members Restricted to Bus Passes – 8 | | |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-------------|---|-------------------------|------------------|
| | | | |
| | B. Credentialing - Provider Monitoring Reports - Yolanda | N/A | N/A |
| | There were no findings that constituted fraud or abuse, so no findings for this past quarter. | | |
| | C. Compliance – Jane | N/A | N/A |
| | 1. Verification of Services | | |
| | The texting campaign was implemented in May 2024 to verify services with members. The texts are sent out on the 20 th of each month. This is a DHCS contract requirement to show we have a method to verify that members are getting services for which we have been billed. The majority of people do not respond at all, but the increase in the response rate compared to our previous response rate when we sent manual letters, has been great. Our previous response rate was less than .001% and now it has increased to 20%. | | |
| | February - 493 texts sent, 101 responses – 20% | | |
| | March - 491 texts sent, 93 responses – 19% | | |
| | 2. FWA Investigations | | |
| | Cases for 2025 will surpass the number of cases worked in 2024. | | |
| | a. Cases so far for 2025 – 255 | | |
| | b. Cases submitted to DHCS: 135 – 53% | | |
| | i. 136 submitted timely – 99% | | |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|--------------|---|-------------------------|------------------|
| | ii. 1 submitted late – 1% | | |
| | Late submissions continue to be addressed with the submitter upon receipt for retraining as needed. | | |
| | c. Cases not submitted to DHCS: 109 – 43% | | |
| | Calendar year 2025 FWA Allegations Member vs Provider | | |
| | a. Provider – 83 (33%) cases | | |
| | i. #1 FWA allegation – 30 Cases for services not rendered. | | |
| | ii. #2 FWA allegation – 25 cases for excessive/unnecessary services | | |
| | b. Member- 172 (67%) cases | | |
| | i. #1 FWA allegation - 114 cases for Transportation | | |
| | ii. #2 FWA allegation – 44 cases for ID theft | | |
| OPEN FORUM | Open Forum or other Summary/Discussion made. | N/A | N/A |
| NEXT MEETING | Next meeting will be held Monday, August 4 th , 2025. | N/A | N/A |
| ADJOURNMENT | The Committee adjourned at 4:02 pm. | N/A | N/A |
| | | | |



COMMITTEE: PHYSICIAN ADVISORY COMMITTEE

DATE OF MEETING: MAY 7, 2025

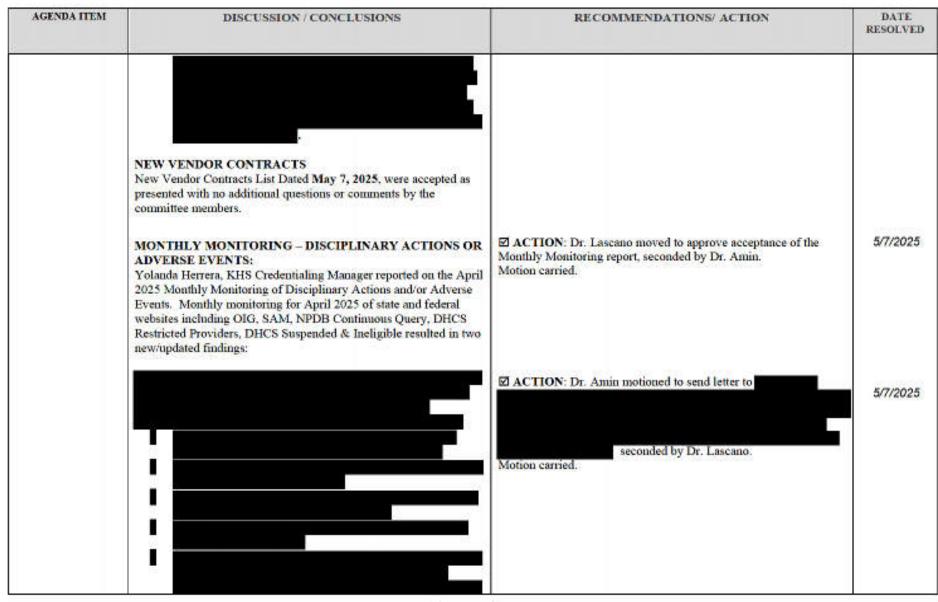
CALL TO ORDER: 7:02 AM BY MARTHA TASINGA, MD - KHS CHIEF MEDICAL DIRECTOR

| Members Present On-Site: | Martha Tasinga, MD – KHS Chief Medical Officer Hasmukh Amin. MD – Network Provider, Pediatrics | Gohar Gevorgyan, MD – Network Provider, FP Miguel Lascano – Network Provider, OB/GYN | Ashok Pannar, MD- Network Provider, Pain Medicine Raju Patel, MD - Network Provider, Internal Medicine |
|----------------------------------|---|---|---|
| Members Virtual Remote: | David Hair, MD - Network Provider, Ophthalmology Abdolreza Saadabadi, MD, PhyD | | |
| Members Excused=E Absent=A | Atul Aggarwal, MD – Network Provider, Cardiology (E) | | |
| Staff Present: | Amy Daniel, Executive Administrative Jake Hall, Deputy Director of Contracting | Yolanda Herrera, Credentialing Manager Magdee Hugais, Director of Quality Improvement John Miller MD, QI Medical Director | Yesenia Sanchez, Credentialing Coordinator Sukhpreet Sidhu MD, PHM Medical Director |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| Quorum | Attendance / Roll Call | Committee quorum requirements met. | N/A |
| Call to Order | Dr. Martha Tasinga MD, KHS Chief Medical Officer, called the meeting to order at 7:02 AM. | | N/A |
| Public Presentation | Dr. Vinod Kumar and Melissa Gilkes-Smith from Heart and Vascular Leg Center (affiliate of Silver Summit Medical Group) was given the opportunity to present and request the committee's consideration to modify the KHS Vascular Guidelines to include vascular specialist such as Vascular Medicine, Endovascular Medicine and Interventional Cardiology. | | Tentatively June 2025 |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| | Both addressed the high need for specialist in Kern County to meet the needs of vascular cases focusing on the simple vascular procedures which are mostly endovascular procedures non-invasive. Dr. Kumar explained his Vascular Center's comprehensive and multidisciplinary approach to a "whole patient care center". Additionally, Melissa and Dr. Kumar expressed high rating from both providers and patients that wish to continue treatment with Dr. Kumar's center. Material handouts were presented to the committee members for review and consideration. Dr. Kumar and Melissa were thanked for their presentation and excused by the committee for closed session discussion. | develop criteria as to which providers can perform vascular cases that also included a designated pathway for providers to gain additional experience and certification; submission and approval of KHS Guidelines from the DHCS and DMHC as a center of excellence narrow network for vascular cases and guidelines as a mechanism to reduce case load. • Dr. Gevorgyan expressed her appreciation of Dr. Kumar's follow-up on her Medicare and private insurance patients all of whom are happy with their results and timely scheduling. • Dr. Parmar asked how second opinions are handled and Dr. Tasinga informed the committee that second opinions are paid for the 1st visit and can be with an in-town in-network provider or tertiary provider. • Dr. Amin requested additional information be presented to the committee to include the following: 1. Dr. Tasinga's summary of past issues and history leading to implement vascular guidelines. 2. Table further discussion until all facts and reports are available to review past and current data. 3. If access issues or delays, provide grievance report, number of claims with case outcomes. | |
| Committee Minutes | Approval of Minutes Dr. Tasinga presented the meeting minutes of April 2, 2025 for review and approval. | ☑ ACTION: Dr. Amin moved to approve minutes of April 2, 2025, seconded by Dr. Parmar. Motion carried. | 5/7/25 |

| DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|---|--|---|
| Peer Review Reports CREDENTIALING REPORT Mental Health Pre-Approvals from Reports dated 05/02/2025: In compliance with Senate Bill 2581, Dr. Tasinga, KHS CMO, pre-approved the Mental/Behavioral Health providers as listed on 05/02/2025 Credentialing Reports, all files met clean file criteria, in compliance with the 60-day turnaround requirements. | ☑ ACTION: Dr. Lascano moved to approve the Credentialing, Recredentialing and New Vendor Contracts from the reports dated 05/07/2025, seconded by Dr. Amin. Motion carried. | 5/7/25 |
| INITIAL CREDENTIALING REPORT Initial Applicants List Dated 05/07/2025. The clean files were accepted as presented with no additional discussion. There were no initial applications presented for comprehensive review. RECREDENTIALING REPORT Recredentialing Providers Lists Dated 05/07/2025. Recredentialing files meeting clean file review, report dated 5/7/2025, were accepted as presented with no additional questions or alternative actions. | | |
| Member Grievances: There were no providers presented with Member & Quality Grievances of .99 or higher. The following recredentialing application was presented for comprehensive review: | ACTION: Dr. Lascano moved to approve Comprehensive Reviews for recredentialing to include in the provider network as listed, seconded by Dr. Amin. Motion carried. | 5/7/25 |
| | Peer Review Reports CREDENTIALING REPORT Mental Health Pre-Approvals from Reports dated 05/02/2025: In compliance with Senate Bill 2581, Dr. Tasinga, KHS CMO, pre-approved the Mental/Behavioral Health providers as listed on 05/02/2025 Credentialing Reports, all files met clean file criteria, in compliance with the 60-day turnaround requirements. INITIAL CREDENTIALING REPORT Initial Applicants List Dated 05/07/2025. The clean files were accepted as presented with no additional discussion. There were no initial applications presented for comprehensive review. RECREDENTIALING REPORT Recredentialing Providers Lists Dated 05/07/2025. Recredentialing files meeting clean file review, report dated 5/7/2025, were accepted as presented with no additional questions or alternative actions. Member Grievances: There were no providers presented with Member & Quality Grievances of .99 or higher. The following recredentialing application was presented for comprehensive review: | Peer Review Reports CREDENTIALING REPORT Mental Health Pre-Approvals from Reports dated 05/02/2025: In compliance with Senate Bill 2581, Dr. Tasinga, KHS CMO, pre- approved the Mental/Behavioral Health providers as listed on 05/02/2025 Credentialing Reports, all files met clean file criteria, in compliance with the 60-day turnaround requirements. INITIAL CREDENTIALING REPORT Initial Applicants List Dated 05/07/2025. The clean files were accepted as presented with no additional discussion. There were no initial applications presented for comprehensive review. RECREDENTIALING REPORT Recredentialing files meeting clean file review, report dated 5/7/2025, were accepted as presented with no additional questions or alternative actions. Member Grievances: There were no providers presented with Member & Quality Grievances of .99 or higher. The following recredentialing application was presented for comprehensive review: PACTION: Dr. Lascano moved to approve Comprehensive Reviews for recredentialing to include in the provider network as listed, seconded by Dr. Amin. |



Page | 4
D UNDER CALIFORNIA B&P CODE

PEER REVIEW PROTECTED UNDER CALIFORNIA B&P CODE SECTION 1157
CALIFORNIA HEALTH & SAFETY CODE SECTIONS 1370-1371
WELFARE AND INSTITUTIONS CODE SECTION 14087.38
KHS PROPRIETARY PROPERTY - CONFIDENTIAL

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| OLD BUSINESS | | | |
| NEW BUSINESS | Delegated Credentialing Annual Oversight Reports: ConferMED and American Logistics Yolanda Herrera KHS Credentialing Manager informed the committee of the results of the Oversight Reporting for the following delegated provider groups: | ☑ ACTION: Dr. Amin moved to approve the Annual Delegation Oversight Reports CY 2025 for ConferMED and American Logistics as presented, seconded by Dr. Parmar. Motion carried | 5/7/2025 |
| | KHS conducted a desk-top audit on ConferMED of California PC and American Logistics (Admin Transportation only). The results identified compliant credentialing programs with no opportunities for improvement unless otherwise noted below. There were no findings of unauthorized credentialing system or file modifications: | | |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| | ConferMED of California PC (CVO is NCQA Accredited: Expires 11/19/25) Audit Type: KHS Desk-top Audit 4/28/2025 by Yolanda Herrera, KHS Cred Manager Audit Score: 100% Credentialing System Controls: Reports dated 1st, 2nd, 3st, & 4th Qtr 2024—No findings of unauthorized modifications. Opportunity for Improvement: No opportunities for improvement identified. American Logistics (aka: AL Transportation Admin) (NCQA Accredited: No) Opportunity for Improvement: AL P&P #3 Medi-Cal Policy dated 10.17.2022 is missing required language on Page 3 specific to the denied or lack of DHCS Medi-Cal FFS enrollment requirements. Corrective Action Plan requested: Update P&P #3 Due within 90-days (March 10, 2025) Update: Compliance Dept has not yet sent final summary pending Mbr Srvcs Report and anticipate submission on 5/9/2025. 90-day timeline will be updated once Compliance has submitted summary to AL. | | |
| | QI Track and Trend May Report 2025 Magdee Hugais, Director of Quality Improvement, presented the Potential Quality Issues (PQI) Track and Trend Report. The report was accepted as presented with no further action requested or taken by the committee. | ☑ ACTION: Dr. Amin moved to approve the QI Track and Trend May Report as presented and reviewed, seconded by Dr. Parmar. Motion carried | 5/7/2025 |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| OPEN FORUM | There was no open discussion. | ☑ CLOSED – Informational Only | N/A |
| NEXT MEETING | Next meeting will be held Wednesday, June 4, 2025 | Informational only. | N/A |
| ADJOURNMENT | The Committee adjourned at 7:51 AM. Respectfully submitted: Amy Daniel, KHS Executive Health Services Coordinator | N/A | N/A |

| For Signature Only – Physician Advisory Committee Minutes 05/0//2025 |): | | |
|--|------|------|--|
| The foregoing minutes were APPROVED AS PRESENTED on: | | | |
| | Date | Name | |
| The foregoing minutes were APPROVED WITH MODIFICATION on: | | | |
| | Date | Name | |



CA-25 F

COMMITTEE: HEALTH EQUITY TRANSFORMATION STEERING COMMITTEE (HETSC)

DATE OF MEETING: May 13, 2025

CALL TO ORDER: 2:00pm - Pawan Gill, Health Equity Manager - CHAIR

| Staff Present: | Anastasia Lester, Senior Health Equity Analyst Cesar Chavez, HRIS and Analytics Manager Isabel Silva, Senior Director of Wellness and Prevention | Julianne Ybarra, Behavioral Health Supervisor Lela Criswell, Member Engagement Manager Maritza Jimenez, Community Engagement Supervisor | Pawan Gill, Health Equity Manager Vanessa Nevarez, Health Equity Coordinator |
|-------------------|--|---|---|
| Staff Virtual: | Adriana Salinas, Director of Community and Social Services Dalia Fontaine, Community and Social Services Manager Finster Paul, Manager of Community Health and Wellness Flor Del Hoyo Galvan, Manger of Wellness and Prevention | Frankie Gonzalez, Employee Relations Manager Jackie Byrd, Senior Marketing and Communications Specialist Jake Hall, Senior Director of Contracting and Quality Performance Kailey Collier, Director of Quality Performance | Loni Hill-Pirtle, Director of Enhanced Care Management Louie Iturriria, Senior Director of Marketing and Member Engagement Martha Quiroz, Member Services Manager |

| AGENDA ITEM | DISCUSSION/CONCLUSIONS | RECOMMENDATIONS/ACTION | DATE RESOLVED |
|-------------------|--|--------------------------------|------------------|
| QUORUM | Attendance / Roll Call | N/A – Workshop-style Committee | N/A |
| | Pawan Gill, Health Equity Manager and Chair called the meeting to order at 2:00pm. | N/A | N/A |
| COMMITTEE MINUTES | There were no previous minutes to approve. | N/A | N/A |

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| AGENDA ITEM | DISCUSSION/CONCLUSIONS | RECOMMENDATIONS/ACTION | DATE RESOLVED |
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| OLD BUSINESS | There was no old business to present. | N/A | N/A |
| NEW BUSINESS | Pawan G. shared 2025 Workplan updates that included adding a completion date column as well as changing quarterly timeframes to include applicable months in accordance with NCQA standards. Isabel S. sought confirmation whether the HEO Workplan was covered in HETSC meetings. Pawan G. confirmed that the HETSC is the working group in which the HEO plan is reviewed, and it is also presented at EQIHEC. | Pawan G. will send final 2025 Workplan to Directors and other KHS Leadership. | N/A |
| | Quality & Excellence Awards/ CBO Partners Pawan G. shared that the Quality & Excellence Award nominations will be open to the public on June 3rd. Health Equity will email the HETSC committee members requesting their nominations for the Community Impact & Collaboration Awards prior to June 3rd. | Health Equity will send nomination descriptions and criteria to the HETSC committee. | N/A |
| | New Programs & Templates Pawan G. provided hard copies of the draft template of the new Q1 RAC report. The report provides in depth detail of each RAC meeting that can be leveraged by different departments to incorporate into their program, activities and workplans. The report supplements the PowerPoint presentations that have been provided in the past. | Pawan G. requested feedback from the committee on content, layout before Health Equity finalizes the template. | N/A |
| | Pawan G. shared that KHS was 94% compliant on their TGI training and requested that those that took the training make sure to complete their post-meeting survey. Isabel S. asked for an alternative training date for those that were not able to take the initial training. Pawan G. confirmed they | Pawan G. will follow up with HR to make sure that those that need to take the training will receive a notification to do so. | N/A |

| will be assigned the training online. Isabel confirm with HR that employees will receitake the training. | |
|--|--|
| Pawan G. shared that the PearSuite contract approved. The Health Equity office has spearSuite services to support up to 15 contract with their billing and claim submission to Infant Maternal Health Initiatives (BIMHI | nsored 1-year acted doulas upport Black |
| Pawan G. provided an update on the EPT provided the submitted their deliverables May 1st and reported great engineering. | nilestone N/A |
| Pawan G. shared that TMG has provided a feedback on previously approved items tha attention of several departments that partic HETSC. Marilu R. is actively working on the departments to make necessary correct coordinating resubmissions. | require the pate in the vorking with all |
| RAC Presentation Anastasia L. gave a presentation of the Q1 focused on Behavioral Health. Some of the and key take-aways are cultural stigmas, to privacy, digital divide, and trust. Anastasia Q2 RACs will cover Telehealth. | common themes insportation, |

| AGENDA ITEM | DISCUSSION/CONCLUSIONS | RECOMMENDATIONS/ACTION | DATE RESOLVED |
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| OPEN FORUM | Pawan opened the floor for announcements. | N/A | N/A |
| NEXT MEETING | Next meeting will be held Tuesday, August 12th, 2025, at 2:00pm. | N/A | N/A |
| ADJOURNMENT | The Committee adjourned at 3:00 pm. Respectfully submitted: Vanessa Nevarez, Health Equity Coordinator | N/A | N/A |

| For Signature Only – HETSC Minutes 02/11/25 | | | |
|---|------|------|--|
| The foregoing minutes were APPROVED AS PRESENTED on: | Date | Name | |
| The foregoing minutes were APPROVED WITH MODIFICATION on: | | | |
| | Date | Name | |



Compliance Committee May 14, 2025 COMMITTEE: DATE OF MEETING:

CALL TO ORDER: 3:00 PM by Jane MacAdam

| Members Present On-Site: Members Virtual Remote: Members | N/A N/A | | |
|--|---|---|--|
| Excused=E Absent=A | | | |
| i resent. | Brandon Bowe Director of Compliance & Regulatory Affairs Robin Dow-Morales, Senior Director of Claims Stephanie Camarena, Compliance Supervisor Cynthia Cardona, Cultural and Linguistic Services Manager Tiffany Chatman, HE Manager of Wellness & Prevention Sandeep Dhaliwal, Compliance Manager, Audits and Investigations Heather Fowler, Compliance Manager Flor Del Hoyo Galvan, Manager of Member Wellness & Prevention Jake Hall, Senior Director of Contracting and Quality Performance | Elizabeth Johns, Compliance Analyst Christina Kelly, Pharmacy Administrative and Support Supervisor Leticia Lara, Assistant Controller Jane MacAdam, Director of Compliance & Regulatory Affairs Melissa McGuire, Senior Director of Delegation Oversight Courtney Morris, Behavioral Health Supervisor Deborah Murr, Chief Compliance and Fraud Prevention Officer Kristie Onaindia, Provider Relations Manager Greg Panero, Network Analytics Program Manager Christine Pence, Senior Director of Health Services | Nate Scott, Senior Director of Member Services Bruce Wearda, Director of Pharmacy James Winfrey, Deputy Director of Provider Network |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|---|---|---|------------------|
| 1. Action Items: Jane MacAdam (from 02/28/2025 Meeting; Minutes Attached) | A. Jiva Grievance Module update 1. The Jiva Grievance Module will go live toward the end of May, with training starting the first week of June and full implementation beginning June 9th. 2. Per Magdee, it will be confirmed on May 23rd if the Module will go live. | ✓ Action Item: 1. Amy will provide updates on the Jiva Grievance Module golive timeline, including whether the implementation will remain on track | N/A |
| | B. Retrospective Audits Several audits are still pending final meetings and are expected to be included in next quarter's packet if finalized. | N/A | N/A |
| | C. Robin mentioned last quarter that some items were being reviewed using AI and would be sent to the AI committee. No updates have been received from Robin. | Z Action Item: 2. Jane and Deb will follow up with Robin regarding Robin's reporting to the AI committee | N/A |
| | D. Compliance followed up with HR on incomplete trainings; while the root cause has not been identified, the issue involved missed steps from employees and system errors. No trainings from last year remain outstanding. | N/A | N/A |
| | E. Jane noted LHPC compliance officers discussed proposing grievance compliance thresholds to DHCS; no updates yet but will follow up. Nate supports setting a standard below 100%. | N/A | N/A |
| | F. As of April, grievance coordinators must act within three days on provider responses and resolution drafts; MS has enforced stricter timelines and is taking corrective action for delays. | N/A | N/A |
| | G. Tiffany Chatman was added to the Compliance Committee Meeting. | N/A | N/A |
| 2. 02/28/2025 Meeting Minutes | Included in packet | N/A | N/A |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| 3. Governance & Compliance Committee Meetings: | A. Governance & Compliance Committee Meetings MCAS is reviewed at every Governance and Compliance Committee meeting and during bi-monthly meetings with a board subset. Fraud, waste, and abuse investigations—internal and external—are also brought to the committee, especially if they may escalate to the board. Regular updates are provided on the ongoing Enterprise Risk Assessment Management project. | N/A | N/A |
| 4. Enterprise Risk Management (ERM): Deb Murr/ Jane Macadam | A. Enterprise Risk Management (ERM) Update 1. Next phase will include policy recommended policies related to risk management and establishing an internal KHS Enterprise Risk Management Committee meeting | N/A | N/A |
| 5. 2025 Compliance Survey Jane MacAdam | A. 2025 Compliance Survey 332 participants 25% increase from the previous year A flaw in survey design was identified due to inconsistent wording between questions and answer options for one of the questions (opposite rating of the others with the level of agreement). This may have led to inaccurate responses on one question, as participants may have defaulted to "strongly agree" without fully considering the question. | ACTION: Ensure future surveys use consistent and clear wording to avoid misinterpretation. | N/A |
| 6. Compliance/SAI 360 Jane MacAdam | A. Policy Module 1. About 100 current, clean policies, have been rolled out onto the new system while directors and the executive team are now approving policies directly on SAI360. | N/A | N/A |

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| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| | a. Robin wanted to know how to get a policy from the old template to the new template. b. Per Jane, make the redline version on the old template but make a clean version on the new template. Jane welcomes new feedback. B. Regulatory Compliance Manager (RCM) 1. APL actions will be assigned as tasks through the Regulatory Compliance Manager. There has been testing and reconfiguration changes. APLs will be rolled out through the Regulatory Compliance Manager. a. Magdee wanted to know if this is separate from Readily, per Jane, yes. b. Magdee also asked if there are any updates for Readily. Per Deb, the compliance team finalized the contract in April and is now allocating a limited number of licenses—primarily for Compliance—with some departments having participated in testing; once finalized, access lists will be shared with those continuing users. | | |
| 7. APL 25-007 Jane MacAdam/Debb Murr | A. APL 25-007 Jane highlighted the importance of reviewing APL 25-007, which outlines conditions for enforcement actions, monetary penalties, or corrective action plans. The 2025 version includes significant updates from the 2023 version, notably the addition of network adequacy and access as enforceable areas, alongside existing MCAS quality measures. APL 25-007 outlines monetary sanctions (starting at a baseline of \$25,000 or \$100,000) and administrative sanctions. | N/A | N/A |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| | 4. Administrative sanctions may include suspension of new enrollments, marketing restrictions, personnel termination, or even contract termination. 5. DHCS is actively pursuing any type of monetary sanction. | | |
| 8. Regulatory Audits Jane MacAdam | A. 2023 DHCS Focused Audit (Behavioral Health (BH/Transportation): 1. A corrective action plan response was submitted on 5/2/2025 and is still pending closure by DHCS. | N/A | N/A |
| | B. 2023 DMHC Medical Audit: 1. The next audit is tentatively scheduled for 11/10/2025. 2. There is a possibility that DHCS and DMHC may combine audits, however it has not been confirmed. 3. Some findings from the previous audit were referred to the Office of Enforcement | N/A | N/A |
| | C. 2024 DHCS Medical Audit: 1. There were no findings in the final audit. 2. Compliance will continue internal auditing and monitoring of items that were verbally called out. | | |
| | D. 2024 DMHC Audit of KHS Fiscal and Administrative Affairs Currently underway | N/A | N/A |
| | E. HSAG Encounter Data Validation Audit (EDV) 1. 411 medical records 2. 40% were met that were due by 04/11/2025. 3. 100% were met that were due by 05/13/2025. 4. Approximately five (5) records that providers were not able to meet. | N/A | N/A |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| 9. DSNP Jane MacAdam | A. DSNP Three applications (Part C, Part D, and D-SNP) were submitted in early February; CMS confirmed no deficiencies as of April. CMS issued conditional approval for the D-SNP line of business on 05/14/2025. Have to submit a plan benefit package, bid, formularies, and supplemental benefits for by June 2. The state Medicaid agency contract is expected from DHCS in June, with the CMS contract anticipated by August, pending bid approval. | N/A | N/A |
| 10. Reports | | N/A | N/A |
| Amy Sanders | 2025 Q1 goal is to audit thirty (30) case files per quarter with an average score of 90% or above. Q1 monthly audit average is 95.5%. January 96% February 93% March 97.5% Trends identified: Not sending the Acknowledgement letters by the fifth (5th) day Sending request for response to providers after the fifth (5th) day (not regulatory) Outdated and/or incorrect acknowledgement and taglines. Not documenting QNXT/Call Log (not regulatory) Q1 goal of 90% met. Individual scores are shared with staff during their monthly one-on-ones. Common deficiencies will be shared with staff during team meetings in an effort to reduce the number of errors. | | |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| | | | |
| Magdee Hugais | B. Quality Improvement: Magdee Hugais 1. IHA Audits a. Q1 findings: Audited forty-four (44) provider groups. i. Twenty-three (23) scored 100%. ii. Overall, 93% accuracy rate iii. Two (2) providers scored under 80%. b. Common issues identified: missing their preventative service assessments, lack of health education documentation, incomplete history or physical and or mental health, missing risk identification, and IHA not being complete within 120 days. 2. Exempt Grievance Audits a. Shared with MS/Grievance b. 100% for Q1 3. NAR Audits a. January: No findings b. February: Three (3) findings i. One (1) Criteria error ii. One (1) Overall process issue iii. One (1) Hierarchy error c. March No findings d. Issues identified: Missing uploaded criteria documentation, incorrect citation of clinical criteria in the NOA, and failure to follow proper criteria hierarchy. 4. Gold Card Audits a. Aggregated findings i. Centric Health: 86% met criteria for medical | 4. Magdee will submit a CAP policy to Compliance for approval in order to begin issuing CAPS. ACTION: 4. Magdee will submit a CAP policy to Compliance for approval in order to begin issuing CAPS. | N/A |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
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| | necessity | | |
| | ii. Comprehensive Cardiovascular Medical Group: 100% met criteria for medical necessity | | |
| | iii. Hao Bui MD Inc: 71% met criteria for medical necessity | | |
| | iv. Rheumatology Services Medical Group: 100% | | |
| | v. Other providers: 80% b. Corrective Action Plan: To be determined per Dr. Miller | | |
| | 5. CBCC Audits a. 78% met criteria. b. Corrective Action Plan (CAP): under Medical Director review | | |
| | 6. Lead Screening Audits a. Zero (0) PCP regions received a 100% overall score. b. One (1) PCP region received a 90-99% overall score. c. Two (2) PCP regions received an 80-89% overall score. d. Eighteen (18) PCP regions received 79% and/or less. e. CAPS pending f. Provider educational letters sent to each PCP region. g. PCP regions with an overall score of less than 80% will be added to the track and trend list. Consistent trends will be sent to Dr. Miller for CAP | | |
| | i. Jane asked if improvements are being tracked each quarter? | | |
| | | N/A | |
| Christine Pence | C. UM Audits | 1941 | N/A |
| | 1. Q1 2025 audit results compared to the average total of 2024. | | |
| | a. 8% increase in overall referrals processed compared to the average quarter in 2024. | | |
| | b. The percentage of modified referrals remained consistent | | |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|----------------------|---|-------------------------|------------------|
| | with a reduction in the percentage of denied and delayed referrals. | | |
| | 2. Q1 2025 improvements | | |
| | The errors in Notice of Action letters, and errors in processing referrals improved. | | |
| | Number of notifications mailed to members more than 2 days after the decision and the percentage of Notice of Action letters missing criteria increased | | |
| Flor Del Hoyo Galvan | 3. Health Education | N/A | N/A |
| | 1. Service Audit | | |
| | a. Areas at 100% | | |
| | i. Interpreter scheduled. | | |
| | ii. Flyer provided. | | |
| | iii. Prepared supplies | | |
| | iv. Covered at least one (1) myth. | | |
| | v. Requested cameras on (virtual) | | |
| | vi. Ended class on time | | |
| | b. Areas below 50% | | |
| | i. Explained follow-up calls. | | |
| | ii. Class on KFHC calendar | | |
| | 2. Satisfaction Survey Q1 2025 | | |
| | a. 97% Satisfied with reward. | | |
| | b. 93% Facilitator was effective. | | |
| | c. 95% Presentation was interesting. | | |
| | d. What did you like most about the class? | | |
| | Class content: Participants felt the class was thorough, informative, and effective in its current format. | | |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-------------|--|-------------------------|------------------|
| | ii. Instructor feedback: Many participants felt no improvement was needed and praised the instructor's delivery and content. | | |
| | iii. General satisfaction: Overall, many participants were satisfied with the class and felt no changes were necessary. | | |
| | e. How could we improve the class? | | |
| | Suggestions for improvement: A few participants suggested minor improvements, such as more activities or specific content adjustments. | | |
| | ii. Activities and engagement: Some felt that the class could be more interactive with additional activities or group involvement. | | |
| | iii. Class support: The supportive atmosphere was appreciated, with some calling for further encouragement or assistance. | | |
| | 3. Class Effectiveness | | |
| | a. Breathe Better Program, Q1 2025 | | |
| | i. 69% Pre-Test | | |
| | ii. 91% Post-Test | | |
| | b. Fresh Start, Q1 2025 | | |
| | i. 89% Pre-Test | | |
| | ii. 94% Post-Test | | |
| | c. Nutrition Education Q1 2025 | | |
| | i. 85% A+E Pre-Test | | |
| | ii. 89% A+E Post-Test | | |
| | iii. 84% EHBA Pre-Test | | |
| | iv. 93% EHBA Post-Test | | |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-------------|--|-------------------------|------------------|
| | d. Diabetes Prevention Program Q1 2025 | | |
| | i. 70% Pre-Test | | |
| | ii. 73% Post-Test | | |
| | e. Deep, Q1 2025 | | |
| | i. 70% Pre-Test | | |
| | ii. 91% Post-Test | | |
| | f. Asthma Follow Up Call Results by Quarter | | |
| | i. 75.8% Q1 2024 | | |
| | ii. 91.5% Q2 2024 | | |
| | iii. 77.3% Q3 2024 | | |
| | iv. 84.1% Q4 2024 | | |
| | v. 100% Q1 2025 | | |
| | g. Diabetes Management, Average Weight Comparison at Class 1 and Class 6 by Quarter | | |
| | i. Class 1: 184 Q3 2024 | | |
| | ii. Class 6: 181.3 Q3 2024 | | |
| | iii. Average weight loss trend: -1.47% | | |
| | iv. Class 1: 219 Q4 2024 | | |
| | v. Class 6: 211.2 Q4 2024 | | |
| | vi. Average weight loss trend: -3.56% | | |
| | vii. Class 1: 197 Class 1 Q1 2025 | | |
| | viii. Class 6: 195.1 Class 6 Q1 2025 | | |
| | ix. Average weight loss trend: -0.96% | | |
| | h. Diabetes Prevention Program (KHS), Q1 2025 Weight Loss by Month | | |
| | i. January: 2.0% | | |

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| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|------------------|---|-------------------------|------------------|
| | ii. February: 2.0% | | |
| | iii. March: 2.0% | | |
| | i. Diabetes Prevention Program (CHC), Q1 2025 Weight Loss by Month | | |
| | i. January: 4.0% | | |
| | ii. February: 4.2% | | |
| | iii. March: 5.3% | | |
| | | N/A | |
| MOU Status | E. MOU Status | N/A | N/A |
| Jane MacAdam and | 1. Four (4) MOUs have been executed. | | |
| Tiffany Chatman | a. KCPHD and Kern County MCPs (KHS, Anthem, & KP) executed a joint MOU 1/30/2025. | | |
| | b. Kern County MCPs (KHS, Anthem, & KP) and CAPK executed a joint MOU 1/7/2025. | | |
| | c. Kern County MCPs (KHS, Anthem, & KP) and CSV executed a joint MOU 12/31/2024. | | |
| | d. Probations Dept and Kern County MCPs (KHS, Anthem, & KP) executed a joint MOU 1/28/2025. | | |
| | Executed MOUs can be found on the Kern Family Health Care website. | | |
| | 3. First 5 Kern MOU was added for 2025 and will be executed in the next couple of months | | |
| | Three (3) MOUs are currently stalled due to budget and financial challenges that are underway | | |
| Jane MacAdam | F. Compliance: Jane MacAdam | N/A | N/A |
| | All Plan Letters & Guidance Letters Received | | |
| | a. Fourteen (14) in 2025 | | |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-------------|--|-------------------------|------------------|
| | 2. Regulatory Reports & Filingsa. 374 in 2025 for DHCS and DMHC combined. | | |
| | 3. DMHC Consumer Complaints & Independent Medical Reviews (IMR) | | |
| | a. IMR - One (9%) | | |
| | b. Consumer Complaint - Ten (91%) | | |
| | i. Upheld – Six (6) (KHS) Eight (8) (DMHC) | | |
| | ii. Overturned – Three (3) (KHS) Zero (0) (DMHC) | | |
| | iii. Return to Plan – One (1) (KHS) One (1) (DMHC) | | |
| | iv. Services Never Denied – One (1) (KHS) Zero (0) (DMHC) | | |
| | v. In Process Zero (0) (KHS) Three (3) (DMHC) | | |
| | vi. Grand Total: Eleven (11) | | |
| | 4. HIPPA Breach Activity | | |
| | a. From January 16th to March 15th, 2025, the Compliance Department investigated and reviewed seventy-four (74) allegations of privacy concerns. | | |
| | i. Four (4) cases sent to the State for review. | | |
| | ii. DHCS closed one (1) of the cases and determined these to be a non-breach incident. | | |
| | iii. Three (3) cases are still under review by the State. | | |
| | 5. APL Tracking Prospective Grid 2025 | | |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-------------|---|--|------------------|
| | a. Listed all APLs for 2025 | | |
| | 6. Policy Reporting a. P&P Project Phase 1 – Start Date 7/10/2024. i. Annual Review Due (42) ii. Current and Approved (22) iii. Out for Signature Approval (10) | | |
| | iv. Out for Signature Approval – Retirement (5) v. Retired (20) vi. Stakeholder Reviewing (23) vii. Under Review by Compliance (1) viii. Grand Total: (123) | | |
| | b. P&P Project Phase (All) i. Annual Review Due (133) ii. Current and Approved (117) iii. Out for Signature Approval (30) iv. Stakeholder Reviewing (45) v. Stakeholder Reviewing – New Policy (15) | | |
| | vi. Under Review by Compliance (16) vii. Grand Total: (356) 7. Compliance Capsules a. Sent via email to all and available on Dayforce Hub, included in the packet for reference | | |
| OPEN FORUM | A. Following a meeting with Alan and Emily, Robin will begin including Claims audits, both internal and external audits. | ACTION:5. Robin will provide an update next committee meeting. | |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|--------------|--|-------------------------|------------------|
| NEXT MEETING | Next meeting is scheduled for Wednesday, August 13, 2025: 3:00 – 4:30 PM | N/A | N/A |
| ADJOURNMENT | Meeting Adjournment 4:30pm | N/A | N/A |

SUMMARY

CA-25 H

GOVERNANCE AND COMPLIANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS 2900 Buck Owens Boulevard Bakersfield, California 93308

Thursday, May 29, 2025

8:30 A.M.

COMMITTEE RECONVENED

Members: Hoffmann, Acharya, Meave, Turnipseed

ROLL CALL: 2 Present; 2 Absent - Acharya, Turnipseed

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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!

Page 2 5/29/2025

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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.

COMMITTEE MATTERS

- 3) Report on Kern Health Systems Enterprise Risk Management Project Update (Fiscal Impact: None) HEARD; NO ACTION TAKEN
- 4) Report on Department of Justice Statewide Fraud, Waste, and Abuse (Fiscal Impact: None) HEARD; NO ACTION TAKEN
- 5) Report on Kern Health Systems Compliance Internal Audit Roadmap (Fiscal Impact: None) HEARD; NO ACTION TAKEN
- Report on Kern Health Systems Compliance Survey Summary (Fiscal Impact: None) HEARD; NO ACTION TAKEN
- Report on Kern Health Systems Managed Care Accountability Set (MCAS) (Fiscal Impact: None) – HEARD; NO ACTION TAKEN

ADJOURN TO THURSDAY, JULY 31, 2025 AT 8:30 A.M.