



**KERN HEALTH
SYSTEMS**

**REGULAR MEETING OF THE
BOARD OF DIRECTORS**

Thursday, August 12, 2021

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, August 12, 2021

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 TURN OFF CELL PHONES OR ELECTRONIC DEVICES DURING THE BOARD MEETING

BOARD TO RECONVENE

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

ADJOURN TO CLOSED SESSION

CLOSED SESSION

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

8:15 A.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
- CA-4) Minutes for Kern Health Systems Board of Directors regular meeting on June 10, 2021 (Fiscal Impact: None) –
APPROVE

-
- CA-5) Report on the Chief Executive Officer Search Committee progress (Fiscal Impact: None) –
RECEIVE AND FILE
- 6) Report from the Milliman actuary firm regarding capital reserves (Fiscal Impact: None) –
APPROVE
- 7) Proposed Kern Health Systems 2021 Grant Allocation Program (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-8) Proposed revisions to Policy 10.01-I, Clinical and Public Advisory Committee Appointment (Fiscal Impact: None) –
APPROVE POLICY REVISIONS
- CA-9) Report on Kern Health Systems 2021 Corporate Goals for 2nd Quarter (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-10) Report on Kern Health Systems investment portfolio for the second quarter ending June 30, 2021 (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-11) Proposed Agreement with Commercial Cleaning Systems, Inc., for janitorial services for 2900 Buck Owens Blvd., from September 6, 2021 through September 5, 2022 (Fiscal Impact: \$192,000; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-12) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 13) Report on Kern Health Systems financial statements for May 2021 and June 2021 (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-14) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for May 2021 and June 2021 and IT Technology Consulting Resources for the period ended June 30, 2021 (Fiscal Impact: None) –
RECEIVE AND FILE
- 15) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) –
RECEIVE AND FILE

- 16) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
- 17) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
- 18) Discussion on Reinstating Onsite Only Board of Directors Meetings (Fiscal Impact:
None) –
RECEIVE AND FILE
- CA-19) Miscellaneous Documents –
RECEIVE AND FILE
 - A) Minutes for Kern Health Systems Finance Committee meeting on June 4, 2021

ADJOURN TO OCTOBER 14, 2021 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, June 10, 2021

8:00 A.M.

BOARD RECONVENED

Directors: McGlew, Judd, Stewart, Deats, Bowers, Flores, Garcia, Hoffmann, Jones, Martinez, Melendez, Nilon, Patel, Patrick, Rhoades, Watson
ROLL CALL: 14 Present; 2 Absent – Melendez, Patel

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

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

BOARD ACTION SHOWN IN CAPS

ADJOURN TO CLOSED SESSION

Deats

CLOSED SESSION

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

8:15 A.M.

BOARD RECONVENED

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING MAY 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING;

DIRECTOR JUDD ABSTAINED FROM VOTING ON RADICIC; DIRECTOR STEWART ABSTAINED FROM VOTING ON ARGO; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON CROTTEAU, TRAN

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING JUNE 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING;

DIRECTOR JUDD ABSTAINED FROM VOTING ON BANATTE-GARCON, KALLURI; DIRECTOR STEWART ABSTAINED FROM VOTING ON MOONGA, MUTZ, PUMPHREY, STINE FAMILY HEALTH PHARMACY; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING MAY 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR JUDD ABSTAINED FROM VOTING ON RAGLAND,

CHERIYAN, GARCIA, GARCIA-PACHECO, HASHEMI, JAIR, TRANG; DIRECTOR STEWART ABSTAINED FROM VOTING ON CHNG, HADDOCK, MACANAS; DIRECTOR GARCIA ABSTAINED FROM VOTING ON MUNGALPARA, UNIVERSAL URGENT CARE – MING; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON HERNANDEZ, MOORE, RIVAS

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING JUNE 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR JUDD ABSTAINED FROM VOTING ON BENDALE;

DIRECTOR STEWART ABSTAINED FROM VOTING ON CENIZA, GUZMAN, HAYES, KAUR; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON WALLACE

PUBLIC PRESENTATIONS

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NO ONE HEARD

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
NO ONE HEARD
- CA-4) Minutes for Kern Health Systems Board of Directors regular meeting on April 14, 2021 (Fiscal Impact: None) – APPROVED
Patrick-Nilon: 14 Ayes; 2 Absent – Melendez, Patel
- 5) Form Chief Executive Officer Search Committee (Fiscal Impact: None) – APPROVED
Nilon-Garcia: 14 Ayes; 2 Absent – Melendez, Patel
- CA-6) Report on Managed Care Accountability Set (MCAS) Two Year Strategic Initiative (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-Nilon: 14 Ayes; 2 Absent – Melendez, Patel
- CA-7) Report on Participating Provider Network Adequacy Assessment (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-Nilon: 14 Ayes; 2 Absent – Melendez, Patel
- CA 8) Report on Kern Health Systems 2021 Corporate Goals (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-Nilon: 14 Ayes; 2 Absent – Melendez, Patel
- DIRECTOR MELENDEZ ARRIVED AT 8:44 A.M. DURING THE DISCUSSION ON ITEM 9
- 9) Proposed Kern Health Systems 2022 Corporate Goals (Fiscal Impact: None) – APPROVED
Judd-Hoffmann: 15 Ayes; 1 Absent - Patel
- CA-10) Report on Kern Health Systems investment portfolio for the first quarter ending March 31, 2021 (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-Nilon: 14 Ayes; 2 Absent – Melendez, Patel
- CA-11) Proposed renewal and binding of insurance coverages for crime, excess crime, property, general liability, excess liability, sexual abuse, pollution, workers' compensation, fiduciary liability, cyber insurance, managed care errors and omissions, earthquake insurance, flood insurance and deadly weapon response program from July 1, 2021 through June 30, 2022 (Fiscal Impact: \$1,125,000 Estimated; Budgeted) – APPROVED
Patrick-Nilon: 14 Ayes; 2 Absent – Melendez, Patel
- 12) Report from the Milliman actuary firm regarding capital reserves (Fiscal Impact: None) – CRAIG B. KEIZUR, MILLIMAN, HEARD; RECEIVED AND FILED
Deats-Rhoades: 15 Ayes; 1 Absent – Patel
- CA-13) Proposed Agreement with Stria, LLC for on-site Claims mailroom functions and Optical Character Recognition services, from June 14, 2021 through June 14, 2024, in an amount not to exceed \$1,221,000 (Fiscal Impact: \$407,000 estimated annually; Budgeted) - APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-Nilon: 14 Ayes; 2 Absent – Melendez, Patel

- CA-14) Proposed Agreement with PaySpan, Inc., for the provider payment services, from August 21, 2021 through August 21, 2024, in an amount not to exceed \$480,000 per three years (Fiscal Impact: \$160,000 estimated annually; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-Nilon: 14 Ayes; 2 Absent – Melendez, Patel
- CA-15) Proposed Amendment to PMO Partners, LLC Agreement, for consulting services, from June 10, 2021 through July 30, 2021, in an amount not to exceed \$50,000 (Fiscal Impact: \$147,152 estimated annually; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-Nilon: 14 Ayes; 2 Absent – Melendez, Patel
- 16) Proposed Retroactive Amendment No. 33 to Physician Services Agreement and Amendment No. 58 to Hospital and Other Facility Services Agreement with Kern Medical Center for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between the County of Kern and the California Department of Health Care Services (Fiscal Impact: None) – APPROVED
Nilon-Rhoades: 14 Ayes; 1 Abstention – Judd; 1 Absent – Patel
- 17) Proposed Retroactive Amendment to Hospital and Other Facility Services Agreement with Kern Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between Kern Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) – APPROVED
Nilon-Rhoades: 14 Ayes; 1 Abstention – McGlew; 1 Absent – Patel
- 18) Proposed Retroactive Amendment to Hospital and Other Facility Services Agreement with Tehachapi Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between Tehachapi Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) – APPROVED
Patrick-Bowers: 15 Ayes; 1 Absent – Patel
- 19) Proposed 2021 Budget changes relating to Pharmacy, Hospital Directed Payments, Grants and the 2021 Capital Budget and 2021 Corporate Projects (Fiscal Impact to Net Position: Negative \$7,000,000; Not-Budgeted) – APPROVED
Patrick-Bowers: 15 Ayes; 1 Absent – Patel
- CA-20) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-Nilon: 14 Ayes; 2 Absent – Melendez, Patel
- 21) Report on Kern Health Systems financial statements for February 2021, March 2021 and April 2021 (Fiscal Impact: None) – RECEIVED AND FILED
Nilon-Rhoades: 15 Ayes; 1 Absent – Patel

SUMMARY – Board of Directors
Kern Health Systems
Regular Meeting

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- CA-22) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for February 2021, March 2021 and April 2021 and IT Technology Consulting Resources for the period ended April 30, 2021 (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-Nilon: 14 Ayes; 2 Absent – Melendez, Patel
- 23) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Watson-Flores: 15 Ayes; 1 Absent – Patel
- 24) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Nilon-Rhoades: 15 Ayes; 1 Absent – Patel
- CA-25) Miscellaneous Documents – RECEIVED AND FILED
Deats-Rhoades-Nilon: 14 Ayes; 2 Absent – Melendez, Patel
- A) Minutes for Kern Health Systems Quality Improvement (QI) / Utilization Management meeting of August 20, 2020
 - B) Minutes for Kern Health Systems Quality Improvement (QI) / Utilization Management meeting of November 12, 2020
 - C) Minutes for Kern Health Systems Quality Improvement (QI) / Utilization Management meeting of February 25, 2021
 - D) Minutes for Kern Health Systems Finance Committee meeting on April 9, 2021

ADJOURN TO THURSDAY, AUGUST 12, 2021 AT 8:00 A.M.
Rhoades

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



To: KHS Board of Directors
From: Timothy McGlew, Chairman
Date: August 12, 2021
Re: CEO Search Committee Progress Report

Background

At the June Board of Directors Meeting, the Board established a Search Committee to undertake locating qualified CEO candidates from which to select our current CEO's replacement when he retires mid-year 2022. The Board authorized the Search Committee to locate and engage a professional recruiting agency to aid in the search. A request for proposals (RFP) was created and used to solicit responses from qualified recruiters.

KHS received three responses to the RFP from the following agencies:

- Witt/Kiefer
- Morgan and Associates
- Reeder and Associates

The Search Committee met on August 6th to review each proposal comparing each recruiter's approach, qualifications, experience, scope of work and fee structure for conducting the search (see attachment).

Following their evaluation, the Search Committee decided to engage Witt/Kiefer based on:

- Local Bakersfield familiarity
- Industry familiarity
- California Medi-Cal Market familiarity
- HMO CEO recruitment and placement experience
- Prior engagement with KHS
- Size and depth of expertise

Although Witt/Kiefer's fee was slightly more than other bidders, their experience, familiarity with Bakersfield and greater success with CEO placement in California, more than compensated for the difference in fees.

Witt/ Kiefer was notified they were awarded the contract and a meeting will be scheduled with the Search Committee to begin their engagement.

Requested Action

Receive and File.




KERN HEALTH
SYSTEMS



**KERN HEALTH
SYSTEMS**

**CEO Executive Search Committee
Recruiter Selection
(RFP Bid Matrix)**

Anita Martin
Chief Human Resources Officer
August 6, 2021



Scope of Services

- Consultant or Firm agrees to:
 - Provide a candidate sourcing strategy
 - Recruit candidates
 - Present a slate of candidates to the Search Committee
 - Organize interviews
 - Coordinate in person interviews
 - Conduct detailed reference checks to present to Search Committee
 - Provide a candidate recommendation to the Search Committee
 - Complete all administrative services necessary for hiring the new CEO

RFP Proposals Received

Factor	Reeder & Associates	Morgan Consultants	Witt/Kiefer
Cost (% of Compensation)	25%	25%	33.33%
Agency Experience/History	1996	1995	1969
Consultant Subject Matter Expert	65% C-level placements	80% C-level placements	90% C-level placements
Previous KHS Favorable Work History	N/A	(1) Medical Director	CEO, CFO, CMO
Services (Healthcare Sector/Managed Care/Health Plans)	Health Plans (National/Local) Commercial/Managed Care/DHCS/CMS	Healthcare/Health Plans/75% Non-profits/LHPC/National/States Agencies for CA, WA, OR, LA, IL and MD/CMS	Health Plans (National/Local) Commercial/Managed Care/LHPC's/Non-profit Medicaid Plans
Experience placing CEO's	President/CEO - Delta Dental, Louisville, KY President - Molina Healthcare, Seattle, WA President/CEO Arkansas BCBS, Little Rock, AK President/CEO Hometown Health, Reno, NV President - ASR Health Benefits, Detroit, MI President/CEO - Fluent Health Plan, Albuquerque, NM President/CEO - Senior Whole Health, NY, NY President/Exec Dir. - Population Health Alliance, Wash., DC	CEO - Gold Coast Health Plan, Camarillo, CA CEO - Community Health Ctr of Snohomish, Everett, WA CEO - Hospitality Health, NV Health CO-OP, Las Vegas, NV CEO - Health Share of Oregon, Portland, OR CEO - SeniorSelect Partners, LLC, Birmingham, AL CEO - Chinese Community Health Care Assn, SF, CA CEO - Wyoming eHealth Parntership, Inc, Cheyenne, WY CEO - Care Wisconsin, Madison, WI CEO - Cal eConnect, San Francisco, CA CEO - Alameda Alliance for Health, Alameda, CA	325 CEO's placed in the past 5 years with a 91% retention rate after 2 years. CEO - CareOregon, Portland, OR CEO - Commonwealth Care Alliance, Boston, MA CEO - Community Health Plan of WA, Seattle, WA CEO - Gold Coast Health Plan, Camarillo, CA CEO - Health Plan of San Joaquin, French Camp, CA CEO - Healthcare LA, IPA, Los Angeles, CA CEO - IEHP, Rancho Cucamongo, CA CEO - Kern Health Systems, Bakersfield, CA CEO - Parntership Health Plan, Fairfield, CA CEO - San Francisco Health Plan, San Francisco, CA CEO - Santa Clara Health Plan, San Jose, CA CEO - UCare, Minneapolis, MN CEO - AlohaCare - Honolulu, HI CEO - CalOptima, Orange, CA
Number of staff	6	10	250/29 Locations (3 in Europe/1 in Asia)
Revenue	\$1.35M	Undisclosed/Privatey Held	\$78Mil



Summary of Executive Recruiters

- **Witt/Kieffer** - For over 40 years the Witt/Kieffer mission has been to identify outstanding leadership solutions for organizations committed to improving the quality of life. By specializing in health care, education, and not-for-profit industries, Witt/Kieffer has the experience necessary to identify leaders with the best mix of skills, experience, vision, and character to fulfill their missions.
- **Morgan and Associates** - Morgan Consulting Resources, Inc. (MCR) is a national executive search firm that provides services to healthcare organizations across the country, including provider, payer and healthcare supporting companies. They offer over 100 collective years of leadership experience in health systems and 50-plus years of experience in complex recruitment of healthcare professionals and executives. Their practice includes "C-Suite" to Director-level positions. MCR has experience working with large, complex organizations and boards, smaller organizations, search committees and everything in between with non-profit, for-profit, academic and public healthcare organizations.
- **Reeder & Associates** - was founded in 1996 by Michael S. Reeder, former senior partner and a principal owner of Lamalie Amrop International (the nation's fifth largest executive search firm at the time). While at Lamalie, Mr. Reeder led the firm's national healthcare and managed care practice. Today, Reeder & Associates is a top rated, nationally recognized retained executive search firm specializing in the placement of senior executives in the healthcare fields. Reeder & Associates specializes in the placement of senior executives from the Vice President / Senior Director level and above with 65% of our searches being at the C-Suite.



Questions?





To: KHS Board of Directors

From: Robert Landis, CFO

Date: August 12, 2021

Re: Policy to Establish Minimum Tangible Net Equity

Background

Kern Health Systems (“KHS”) currently utilizes a percentage of revenue ranging from 25% - 35% to determine if it has sufficient reserves. This methodology was recommended by KHS’ actuary Optumas in 2013. Management would like to establish a formal reserve policy based on Minimum Tangible Net Equity (“TNE”).

KHS retained the actuary firm Milliman to give presentations regarding KHS’ reserves to the KHS Finance Committee at the June 4, 2021 meeting and to the Board of Directors at the June 10, 2021 meeting. The presentations recommended a Minimum TNE target range of 500%-600% which includes foreseeable new business opportunities and organic growth in the Minimum TNE calculation.

Following the Milliman presentation at the KHS June 4, 2021, the Finance Committee asked Management to complete an analysis to aid in creating a reserve policy that would be presented at the August Finance Committee meeting. Specifically, the Finance Committee asked Management to work with Milliman to perform a more detailed, 3 to 5-year proforma for the purposes of determining prospective capital reserve requirements.

Please see the attached power-point presentation addressing the Finance Committee ’s request which will be presented by Craig Keizur, Principal and Consulting Actuary with Milliman. Mr. Keizur’s bio is included at the end of the presentation.

During the August 6th, 2021 Finance Committee meeting, members of the Committee requested that Management include updated future TNE estimates following the year-end audit. Using this approach, the Finance Committee and Board can compare the yearly TNE performance against the target range of 500 - 600% and confirm or modify assumptions used for future TNE estimates.

Requested Action

Approve the establishment of a new reserve policy setting a Minimum TNE Target Ratio of 500%-600%. This will ensure KHS's long-term financial solvency and the ability to provide uninterrupted services to our members, continue to provide timely payments to our providers and to participate in additional programs required by DHCS. Furthermore, following the year-end audit, Management will present to the Board the current annual TNE performance and an updated estimate of future TNE requirements.

Kern Health Systems

Five-Year Pro Forma Analysis Kern Health System Board of Directors

Craig B. Keizur, FSA, MAAA
AUGUST 12, 2021



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

Agenda

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



Recap

- Milliman presented to the Finance Committee and Board of Directors in early June on recommended capital reserve levels
- Recommendation was to hold 500-600% of minimum TNE, but target the “future-state”
 - With all of the changes that CalAIM is implementing, today’s reserves may be inadequate for future Medi-Cal program.
- The Finance Committee and Board of Directors requested a more detailed projection for the “future-state”. Milliman was requested to develop a pro forma analysis, projecting annual capital reserve needs through the start of the Dual Eligible Special Needs Plan (2026)
- The enclosed projections are based on the KHS 2021 revised budget, current enrollment projections, and other DHCS and CMS information

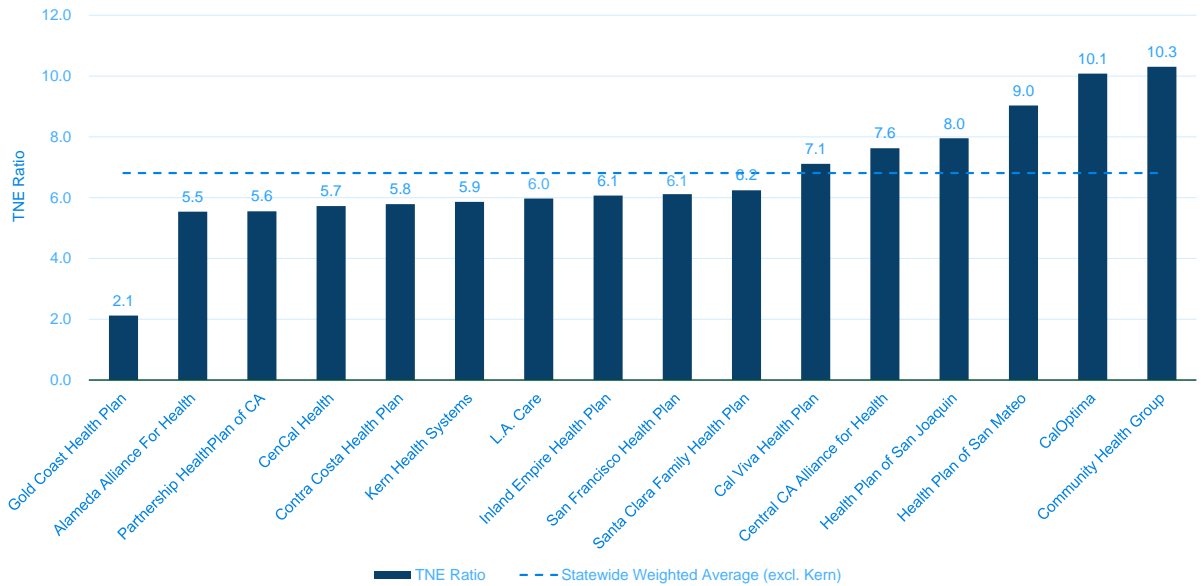


Background - Why Hold Capital Reserves?

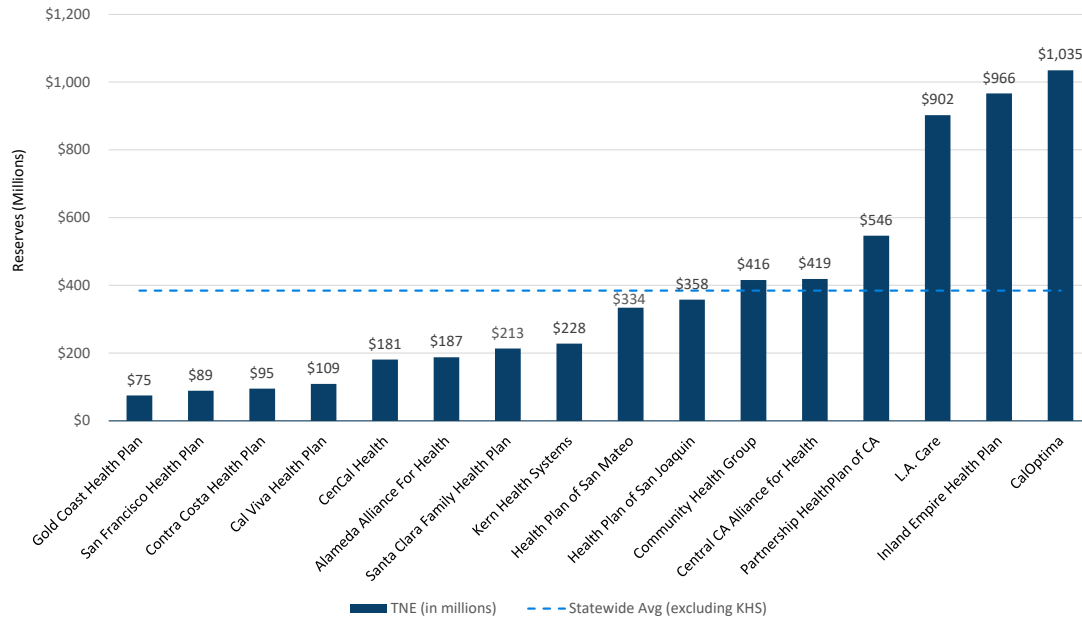
- Capital reserves are funds or other assets that are held to provide financial stability
 - $\text{Assets} = \text{Liabilities} + \text{Capital Reserves}$; capital reserves are the excess of Assets over Liabilities
- Absorb volatility due to unpredictability and uncertainty of healthcare cost levels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



TNE Ratio Comparison - 12/31/2020



Fund Balance Comparison - 12/31/2020



Summary

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

Year	2021	2022	2023	2024	2025	2026
Avg Members	276,000	312,000	336,000	350,000	355,000	381,000
<i>Current TNE Calculation (\$ shown in millions)</i>						
500% TNE	\$206.6	\$227.0	\$249.6	\$266.7	\$274.3	\$377.1
Projected Capital	\$219.0	\$220.0	\$221.3	\$222.7	\$224.1	\$225.8
Difference	\$12.4	(\$7.0)	(\$28.3)	(\$44.0)	(\$50.2)	(\$151.4)
Capital as % of TNE	530%	485%	443%	417%	408%	299%



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-SNPs
 - The economy and the impact on current and future Medi-Cal enrollment
 - The global pandemic, future waves of variants, and the societal response (including potential new shut-downs, impact of pent-up demand, and future impact of past closures on healthcare)
- This presentation is intended to support discussions on future capital reserve levels and strategies and is not complete without oral comment. The results should not be used for other purposes.



Pro Forma Exhibit

- Please display “KHS 2022-26 Pro Forma Exhibit 20210728.pdf”



Key Assumptions – Membership

- KHS (non-Kaiser) membership projection based on DHCS data
 - 400 / month newborns (then moving to Child COA)
 - 2022: 19,200 members from DHCS CalAIM transitioning managed Medi-Cal members
 - Including OHC (beneficiaries with Other Healthcare Coverage), members in rural areas, American Indians, and other groups
 - Projection brings in 1/12 per month
 - 2023: 19,700 members due to mandatory enrollment of Dual Eligibles
 - Projection brings in 1/12 per month
 - 2026: 21,500 new members from D-SNP (starting January 1, 2026)
 - Assumes existing Dual Eligibles plus 75% of DHCS projected new Duals
 - CMS has stated that members in an existing D-SNP may remain in that plan if MCO has a Medi-Cal contract with the state. Today, there are approximately 5,000 Kern County Medi-Cal Dual Eligibles in a D-SNP.
 - No other increases or decreases assumed



Key Assumptions – Revenue

- Medi-Cal gain margin in capitation rates assumed to be 2.0%, an increase of 0.5% from 2021 assumption of 1.5%
- Projected non-medical expense (administration) assumes consistent expense as a percent of revenue
- New populations
 - 2023 Dual Eligible Medi-Cal capitation estimated at ~\$500 PMPM
 - Ranges from \$8,000/month for nursing home patient to \$115/month for “healthy” Dual Eligible
 - 2026 Medicare Dual Special Needs Plan (D-SNP) CMS capitation estimated at ~\$1,900
 - Includes Part C (medical) and Part D (pharmacy) benefits
 - Rates reflect Kern County 2022 Medicare Part C payment rate, 1.20 risk score, average Part D cost estimate



Key Assumptions – Benefits / Claims

- Projected claims based on a combination of projected 2021 claims and expenses supporting 2021 DHCS capitation rates and emerging trends
 - Medical trend = 2.8%, Maternity trend = 3.3%
 - Prescription Drug benefit removed effective January 2022
 - Estimate of cost for Organ Transplants (2022) based on Milliman organ transplant study.
 - <https://www.milliman.com/en/insight/2020-us-organ-and-tissue-transplants>
 - Judgment was applied to apply Commercial and Medicare utilization to Medicaid population
 - Enhanced Care Management (ECM) estimated cost of \$2.45 added for 2022



Recommendation

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



Caveats and Limitations

This analysis was prepared for the internal use of Kern Health Systems. This analysis is subject to the terms and conditions of the Consulting Services Agreement between Kern Health Systems and Milliman effective September 11, 2018, amended June 1, 2020.

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

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

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

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





Thank you

Craig Keizur, FSA, MAAA
craig.keizur@milliman.com

KHS Board of Directors Meeting, August 12, 2021

Exhibit 1

Kern Health System

Five-Year Pro Forma Projection - CalAim Initiatives

(all dollar amounts shown in \$millions)

Calendar Year Member Months	Current State		Future State				
	with Rx	Re-base w/o Rx	2022	2023	2024	2025	2026
2021	3,316,740	3,316,740	3,748,920	4,037,191	4,203,158	4,260,758	4,576,358
Revenue							
Medi-Cal Benefits	\$887.0	\$772.5	\$876.6	\$994.0	\$1,081.3	\$1,116.9	\$1,653.8
Hospital Directed Payments	168.6	168.6	173.3	178.2	183.2	188.3	193.6
Other Pass Through Payments (MCO Tax)	112.8	112.8	125.0	128.5	132.1	135.8	139.6
Other Revenue (interest)	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Subtotal	\$1,170.4	\$1,055.9	\$1,176.9	\$1,302.7	\$1,398.6	\$1,443.1	\$1,989.0
Expenses							
Medi-Cal Benefits	\$828.4	\$714.3	\$811.5	\$919.8	\$1,000.4	\$1,033.3	\$1,542.0
Hospital Directed Payments	168.6	168.6	173.3	178.2	183.2	188.3	193.6
Other Pass Through Payments (MCO Tax)	112.8	112.8	125.0	128.5	132.1	135.8	139.6
Subtotal	\$1,109.9	\$995.7	\$1,109.8	\$1,226.5	\$1,315.7	\$1,357.4	\$1,875.2
Non-Medical Expenses	\$59.4	\$58.2	\$66.1	\$74.9	\$81.5	\$84.2	\$112.2
Net Profit - Before Grants	\$1.1	\$2.0	\$1.0	\$1.3	\$1.4	\$1.4	\$1.6
Medical Loss Ratio (non pass-through)	93.2%	92.2%	92.4%	92.4%	92.3%	92.3%	93.1%
Admin Ratio (non pass-through)	6.7%	7.5%	7.5%	7.5%	7.5%	7.5%	6.8%
Capital Reserve							
Minimum TNE	\$45.9	\$41.3	\$45.4	\$49.9	\$53.3	\$54.9	\$75.4
500% TNE	\$229.4	\$206.6	\$227.0	\$249.6	\$266.7	\$274.3	\$377.1
Capital Reserve (CR)	\$219.0	\$219.0	\$220.0	\$221.3	\$222.7	\$224.1	\$225.8
CR as % of TNE	477%	530%	485%	443%	417%	408%	299%
Difference from 500% of TNE	(\$10.4)	\$12.4	(\$7.0)	(\$28.3)	(\$44.0)	(\$50.2)	(\$151.4)

Key Assumptions

Base Data

Source data includes KHS 2021 (revised) budget and CY2021 DHCS capitation rates, with prescription drugs removed.

Enrollment Projections

2022 assumes 1,600 new eligibles (plus 400/month newborns and children through 2025) per month based on CalAim mandatory population changes, including Other Healthcare Coverage (OHC).

2023 assumes approximately 1,640/month Dual Eligibles which includes 93/month Long-Term Care residents.

2026 assumes 21,500 Dual Eligibles under Medicare Advantage Dual Special Needs Plan (D-SNP). Assumes existing D-SNP enrollees keep plan and KHS enrolls 75% of the rest.

D-SNP "Member Months" may duplicate Dual Eligibles since we count 1 month in Category of Aid "Duals" and 1 month for D-SNP.

Revenue and Claim Projections

Revenue and claim projections are based on CY2021 capitation rates, with the following adjustments.

- Prescription drug benefit was removed effective January 1, 2022.
- Estimated organ transplant costs were added effective January 1, 2022, sourced from Milliman research report: [2020 U.S. organ and tissue transplants: Cost estimates, discussion, and emerging issues \(milliman.com\)](#)
- Added Enhanced Care Management revenue and expense of \$2.45 PMPM.
- Projected trends: Medical = 2.8%/year, Maternity = 3.3%/year
- Non-medical expenses (administrative) assumes 2021 admin as a percent of revenue, and slightly lower for D-SNP.

Capital Reserves

Minimum Tangible Net Equity (TNE) defined as 8% of first \$150M in claims plus 4% of additional claims.

500% TNE target assumption based on Milliman's June 10, 2021 KHS Board presentation which recommended 500%-600% of TNE for capital reserve.

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

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

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

Milliman

7/28/2021 10:06 AM

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Milliman Bio

Craig B. Keizur

FSA, MAAA

Principal, Consulting Actuary



CURRENT RESPONSIBILITY

Craig is a principal and consulting actuary with the Seattle office of Milliman. He joined the firm in 1995.

EXPERIENCE

Craig's expertise is in group healthcare, with an emphasis on government-sponsored programs, including Medicaid, Medicare, and special programs. His experience covers a broad range of perspectives, including payors, providers, and purchasers, helping to review the past and present in order to make strategic decisions for the future. Types of clients he has supported include the following:

- Medicaid, low-income, and uninsured programs
- Medicare Advantage (including Part D), and Medicare Supplement plan sponsors
- Other government programs (e.g., Veterans)
- Managed care organizations (HMO, PPO)
- Hospitals and physician groups
- BCBS and traditional insurance companies
- Large and small employer groups
- Collectively bargained labor unions
- Native American tribal organizations

His consulting assignments have included:

- Actuarial modeling of healthcare variables to test their impact of proposed changes to current and projected healthcare costs
- Feasibility studies for entering new markets, such as Medicare or Medicaid
- Research and data mining of large public and proprietary databases to estimate prevailing usage and unit cost for a variety of needs.
- Medicare Part C and Part D bid support
- Medicaid rate setting
- Expert testimony support

- Review and implementation of risk-adjustment algorithms
- Projecting liabilities for claims incurred but not paid
- Developing and analyzing changes to provider reimbursement contracts
- Pricing and experience analysis for collective bargaining negotiations, supporting both sides of the negotiating table (employers and unions)
- Developing regulatory rate filings for individual and group business
- Review and development of group and individual underwriting and rating models
- Projecting financial liabilities and capital needs for the Native American population
- Assessing the financial value of new healthcare technologies and practices
- Actuarial support for other nonmedical benefit types, including Rx, dental, vision, disability, and other welfare benefits

In addition to experience at Milliman, Craig has also worked as a consulting actuary for a national employee benefits consulting firm, and as an actuarial analyst for a major group insurance company.

PROFESSIONAL DESIGNATIONS

- Fellow, Society of Actuaries
- Member, American Academy of Actuaries

EDUCATION

- BS (honors), Actuarial Science / Mathematics, Central Washington University, Ellensburg

PUBLICATIONS

- Coauthored [Risk-Based Capital Requirements for Managed Care Organizations](#)



1301 Fifth Avenue, Suite 3800
Seattle, WA 98101-2605 USA
Tel +1 206 504 5789 Fax +1 206 682 1295
Email craig.keizur@milliman.com

milliman.com



To: KHS Board of Directors

From: Emily Duran, Chief Network Administration Officer

Date: August 12, 2021

Re: KHS Provider & Community Grant Awards 2021-2022

Background

Kern Health Systems (KHS) committed \$10,000,000 in grant funding to our Safety Net and Contracted Providers. This year, KHS also included Community Based Organizations (CBOs) in order to engage providers that will assist in delivering community resources or In Lieu of Medical Services. As part of the CalAIM initiative, KHS will be coordinating community-based resources to address members' social determinants of health.

The focus areas for the 2021-2022 Provider Grant funded programs will be:

- CalAIM Initiatives
- Access to Care
- Service Area Expansion
- Quality Care Initiatives

A presentation to the KHS Board of Directors will highlight the grant process and a few of the projects awarded. The report included provides details of all the projects awarded for 2021-2022 KHS Provider and Community Grant Program.

Requested Action

Receive and File.

Provider and Community Grant Programs 2021-2022

Board of Directors Meeting
Aug 12, 2021



Background

- Kern Health Systems (KHS) Board of Directors approved Grant funding of \$10,000,000 on February 11, 2021.
- KHS extended these grant opportunities to contracted providers and Community Based Organizations (CBO).
- Grant program areas of focus included expansion of services, provider recruitment, minor capital projects, and community resources that address members' social determinants of health.

Grant Program Funding

KHS has allocated \$10,000,000 in grant funding to be distributed to the following provider categories:

➤ Safety Net Providers	\$8,000,000
➤ Contracted Providers & Community Based Organizations	\$2,000,000

Program Term: July/August 2021 – June/July 2022



Grant Review Process

Committee

- The Grant proposals were reviewed by a consolidated committee of members from Accounting, Chief Health Services Officer, Chief Medical Officer, Chief Network Administration Officer, and Provider Network Management Department.
- KHS received 22 provider grant applications and 10 community resource applications.

Grant proposals were scored on a scale of 1-10 considering:

- Access to Care
- Medical Service Expansion
- Minor Technology/Medical Equipment
- CalAIM Initiatives (ILOS)
- Focus on addressing Social Determinants of Health
- Budget Justification

Grant Program Areas of Focus

CalAIM Initiatives

- In Lieu of Services (non-clinical resources)
- Community resources addressing social determinants of health

Access of to Care & Service Area Expansion

- Professional resources and/or skill acquisition
- Service Delivery expansion of hours/days
- New PCP or Specialty care clinic
- Minor clinic infrastructure

Quality of Care Initiatives

- Medical equipment or technology improvements
- Data sharing & EMR system improvements
- Medical and Mental Health service integration



Safety Net Providers

Provider	Scope of Work	Approved Budget
Omni Family Health	Requesting funding to improve access to care through activities related to Provider Retention Efforts, Service Area Expansion, and Quality Improvement Efforts. Seeking to open a new clinic in 93306 area code, additional transportation, mobile units, and technology upgrades.	\$3,160,537
Kern Medical	Requesting funding for outpatient imaging center on Q street. The funding request is to help renovate space and install diagnostic imaging technology at the Kern Medical Q Street Clinic.	\$2,574,457
Clinica Sierra Vista	Requesting funding for clinic renovations located in Central Bakersfield . Provider intends to remodel an existing intermittent satellite licensed facility. Renovations would create access to Family Medicine, integrated Behavioral Health, and Dental for potential new patients currently without access to healthcare, and synchronize service pathways for current patients. This clinic will also be a KHS Health Homes Program site.	\$2,265,006



Contracted Community Providers

Provider	Scope of Work	Approved Budget
Adventist Health Delano	The Grant Funding will be used to establish a Substance Use Navigator in the ED for Medically Assisted Treatment (MAT) to reduce opioid ED, inpatient visits, and connect patients to long-term solutions. Geographic Area: Delano.	\$83,660
Kern Medical Supply, LLC	The Grant Funding will be used to purchase a specialized new handicap accessible vehicle and medical equipment. The team will focus on the homeless population and go to the river beds and homeless encampments to deliver durable medical equipment and provide patient education.	\$100,000
Telehealthdocs Medical Group	The Grant Funding will be used to purchase a mobile telehealth clinic (MTC) Vehicle. Vehicle conversions will include all the necessary equipment for a patient telehealth consultation. Funds will also be utilized for registration, maintenance, insurance, fuel, broadband access and LVN. This vehicle will drive to various Kern County communities such as Delano, McFarland, Lamont, Arvin, and Lost Hills, and the farming areas to provide services.	\$200,000



Community Based Organizations

Provider	Scope of Work	Approved Budget
Golden Empire Gleaners	Grant funding will be used for capital improvements for the food storage unit. The funds will pay for the cost to refurbish their existing built-in refrigerator and freezer. This equipment upgrade will help reduce their monthly utility bills and prevent the equipment from breaking down. KHS will be utilizing these services for Enhanced Care Management Program and In Lieu of Services programs.	\$90,747
Central California Asthma Collaborative	Grant funding to support services for Kern Asthma Mitigation Project. Program funds will be used to purchase 200 Metered Dose Inhaler (MDI) tracking devices (two per patient), 100 Air pollution-activated air filters (APAAF) units and to hire a full-time technician/data analyst to manage these interventions.	\$99,820
The Mission at Kern County	Grant funding will be used to support the Outreach Team for one year as they provide hygiene kits, sack lunches and water to the homeless individuals. Funding will be used to provide gas for transportation to reach the homeless all over the city and in some cases transport them back to The Mission at Kern County.	\$20,000



Total Grant Awards

Provider Category	Total Funding
Safety Net Providers	\$8,000,000
Contracted Provider	\$1,545,798
Community Based Organizations	\$ 380,567
Total	\$9,926,365



Next Steps

- Balance of \$73,635
- KHS staff will monitor progress of grants monthly
- Staff will continue to provide technical support to grant recipients with reports and invoices
- Final report on grant outcomes will be reported to Board of Directors

Questions

For additional information, please contact:

Emily Duran
Chief Network Administration Officer
(661) 664-5000





Provider and Community Grant Programs 2021-2022

Safety Net Provider	Facility Address	Specialty/Service	Summary of Request	Amount Approved
OMNI Family Health	Admin: 4900 California Ave. Ste. 400B Bakersfield, CA 93309	Federally Qualified Health Center	Requesting funding to improve access to care through activities related to Provider Retention Efforts, Service Area Expansion, and Quality Improvement Efforts. Seeking to open a new clinic in 93306 area code, additional transportation, mobile units, and technology upgrades.	\$ 3,160,537
Kern Medical	3552 Q Street Bakersfield, CA 93305	Public, Level II Trauma and Teaching Hospital	Requesting funding for outpatient imaging center on Q street. The funding request is to help renovate space and install diagnostic imaging technology at the Kern Medical Q Street Clinic. Kern Medical has committed to funding the yearly operational costs and the staffing to operate the Imaging Center each year. In addition, Kern Medical will fund \$559,543 which is the balance needed to complete the project. The funding for the remaining balance has been allocated from yearly capital funds. Funding will be used for computed tomography, ultrasounds, mammography, bone densitometry, construction, FF&E, and IT.	\$ 2,574,457
Clinica Sierra Vista	Admin: 1430 Truxtun Ave. Ste 400 Bakersfield, CA 93301	Federally Qualified Health Center	Requesting funding for clinic renovations. Clinica Sierra Vista intends to remodel an existing intermittent satellite licensed facility located in Central Bakersfield. The project site is approximately 9,997 square feet of medical and dental space. The FHC Renovation would create access to Family Medicine, integrated Behavioral Health, and Dental for potential new patients currently without access to healthcare, and synchronize service pathways for the patients who are already receiving care at this location.	\$ 2,265,006
TOTAL KHS APPROVED GRANT AMOUNT				\$ 8,000,000



Provider and Community Grant Programs 2021-2022

Contracted Provider	Facility Address	Specialty/Service	Summary of Request	Amount Approved
Kern Valley Healthcare District	6412 Laurel Ave, PO BOX 1628, Lake Isabella, CA 93240	Critical Access Hospital-Acute and Skilled Nursing Care with a Rural Health Clinic	Grant Funding will be used for the purchase of two vehicles similar to a Subaru Outback that can safely handle mountain terrain. Funds will also be used for staffing two additional drivers. Provider will provide members transportation services to their medical visits. Geographic Area: Kern River Valley	\$ 161,000
Riverwalk Pediatric	9508 Stockdale Highway Suite 150, Bakersfield CA 93311	Pediatrics	Grant Funding will focus on expansion of hours by opening the clinic on Saturdays for Kern Health Systems members from 8 a.m. to 12 p.m. This will increase access to care and focus on MCAS (HEDIS). Funds will also be used for staffing and upgrading computer systems/data storage.	\$ 60,000
Centric Health DBS Golden Hospitalists of Bakersfield	3008 Silect Ave, suite 205 Bakersfield CA 93308	Internal Medicine	Grant Funding will help with Transition of Care program startup, which will see patients in an outpatient setting post discharge. Funds will be utilized for staffing (NP or PA, MA, Director) and operating costs.	\$ 100,000
Philipp Melendez MD	608 34TH Street, Bakersfield CA 93301	OB/GYN	Grant Funding will be used for purchasing medical equipment such as power table and stirrups, colposcope, ultrasounds, HemoCue, and computers.	\$ 126,138
Adventist Health Delano	4101 Garces HWY, Delano CA 93215	Substance Use Navigation (opioids)/ MAT Patient Care Management	Grant Funding will be used to establish a Substance Use Navigator in the ED for Medically Assisted Treatment (MAT) to reduce opioid ED, inpatient visits, and connect patients to long-term solutions. Funds will be utilized for staffing and operation expenses such as patient transportation support, education incentive, and laptops. Geographic Area: Delano.	\$ 83,660
Shafter Pediatrics	501 Munzer st, Suite C, Shafter ca 93263	Pediatrics	Grant Funding will be used to open office in McFarland to provide pediatric care to the surrounding area. Funding will be used to lease and equip new office space. This new pediatric clinic will help serve over 3,000 pediatric members that reside in McFarland that are not currently assigned to a provider.	\$ 150,000
Kern Medical Supply, LLC	2520 Pegasus Drive, Bakersfield, CA 93308	Medical Equipment	Grant Funding will be used to purchase a specialized new handicap accessible vehicle and medical equipment. The team will focus on the homeless population and go to the river beds and homeless encampments to deliver durable medical equipment and provide patient education.	\$ 100,000
Infusion and Clinical Services	5401 White Lane, Bakersfield CA 93309	Diabetes Weight Management Clinic	Grant Funding will be used to implement an enhanced Diabetic Management program with care management services. The provider will enhance the prevention, care, treatment, and healthy living opportunities for diabetic patients with weight management needs. The program will be specifically tailored to the common multi-faceted challenges facing both prescribers and patients when intervening to control this disease. Services will be accessible to over 4,500 members suffering from Diabetes in SW Bakersfield.	\$ 200,000
Telehealthdocs Medical Group	2215 Truxtun Ave, Suite 100, Bakersfield CA 93301	Telehealth Multi-Specialty	Grant Funding will be used to purchase a mobile telehealth clinic (MTC) Vehicle. Vehicle conversions will include all the necessary equipment for a patient telehealth consultation. Funds will also be utilized for registration, maintenance, insurance, fuel, broadband access, and an LVN. This vehicle will drive to various Kern County communities such as Delano, McFarland, Lamont, Arvin, Lost Hills, and the farming areas to provide services.	\$ 200,000
Polyclinic Medical Center	2145 Niles street, Bakersfield ca 93305	Family Practice	Grant Funding will be used to increase access to care by expanding office hours (1 hr daily M-F & 8-12pm Sat, twice a month). Funding will also be used for minor capital projects such as a website, computers and iPads for EMR, restroom renovation, and purchasing medical equipment such as new exam table, electrosurgical unit hyfrecator, and a glucose machine.	\$ 150,000
Vanguard Medical Corporation	565 Kern Street, Shafter ca 93263	Primary care and OB-GYN	Grant Funding will be used to expand services to a new location in Arvin. Funding will be utilized for medical equipment, Electronic Medical Records, (EMR), licenses for E-Clinical Works for all their new providers, and technology.	\$ 95,000
Rahul Sharma MD Inc	9610 Stockdale Hwy, suite #B, Bakersfield CA 93311	OBGYN/ Family Practice	Grant Funding will be used to purchase a new Ultrasound machine. This provider sees an average 940 KHS members each year.	\$ 70,000
Wible Family Medicine	6640 Wible Rd, Bakersfield CA 93313	Primary care	Grant Funding will be used for purchasing an X-Ray machine and an Exercise Stress System Electrocardiogram – (ECG) machine for a new medical access location.	\$ 50,000
TOTAL KHS APPROVED GRANT AMOUNT				\$ 1,545,798



Provider and Community Grant Programs 2021-2022

Community Based Organization	Facility Address	Specialty/Service	Summary of Request	Amount Approved
Golden Empire Gleaners	1326 30th St, Bakersfield CA 93301	Food Bank	Grant Funding will be used for capital improvements for the food storage unit. The funds will pay for the cost to refurbish their existing built-in refrigerator and freezer. This equipment upgrade will help reduce their monthly utility bills and prevent the equipment from breaking down. KHS will be utilizing the services this CBO offers for our Enhanced Care Management Program as well as our In Lieu of Services.	\$ 90,747
Central California Asthma Collaborative	400 Truxtun Ave, Suite 104 Bakersfield, CA 93301	Central California Asthma Collaborative	Grant Funding to support services for Kern Asthma Mitigation Project. Program funds will be used to purchase 200 Metered Dose Inhaler (MDI) tracking devices (two per patient), 100 Air pollution-activated air filters (AAPAF) units, and to hire a full-time technician/data analyst to manage these interventions.	\$ 99,820
The Mission at Kern County	821 E 21st Street, Bakersfield CA 93305	Homelessness and addiction recovery	Grant Funding will be used to support the Outreach Team for one year as they provide hygiene kits, sack lunches, and water to the homeless individuals. Funding will be used to provide gas for transportation to reach the homeless all over the city and in some cases transport them back to The Mission at Kern County.	\$ 20,000
Brooklyn's Box Inc	238 18th street, Unite 9, Bakersfield, CA 93301	Community Resources, Health Library/Education, Parent to parent support	Grant Funding will be used for overall operations of the center. Funding will assist with personnel costs (Program manager and care partners) and operational expenses such as building costs, utilities, program supplies, and materials.	\$ 40,000
Alzheimer's Disease Association of Kern County	4203 Buena vista rd., Bakersfield, CA 93311	Alzheimer's adult day program and respite care	Grant Funding will be used to provide access to specialized care, transportation, and support services (respite care) to those affected by Alzheimer's and dementia. The funds will cover the cost of a driver, the transportation assistance, and respite care for enrolled participants in this program.	\$ 50,000
Central California Asthma Collaborative	400 Truxtun Ave, suite 104, Bakersfield CA 93301	Housing Assistance, Asthma Impact Model Services	Grant Funding will be used to provide housing navigation services to the participants that are in the Asthma Program.	\$ 50,000
Links for Life	5301 Office Park Drive, Suite 370, Bakersfield, CA 93309	Breast Cancer Support and client advocacy	Grant Funding will be used to for grocery card program to support necessary nutrition and food security for KHS members with Cancer.	\$ 30,000
TOTAL KHS APPROVED GRANT AMOUNT				\$ 380,567



To: KHS Board of Directors

From: Douglas A Hayward, CEO

Date: August 12, 2021

Re: KHS Clinical and Public Advisory Committee Policy

Background

Modification to Kern Health Systems (KHS) policies pertaining to KHS standing committees, requires approval by the Board prior to enactment regardless of the materiality of the modification.

The enclosed document (highlighted in yellow) shows a modification of the policy description and specific changes pertaining to two Committees:

- **Policy Description Modification** – inscribing all Committee appointments are made in accordance with statutory, regulatory, and contractual requirements.
- **Public Policy/Community Advisory Committee** – modifying the Committee composition to increase enrollee participation from 5 to 7, add a KHS Board member and two community representatives.
- **Pharmacy and Therapeutics Committee** – change in Committee member title from Specialty Pharmacist to Geriatric Practice Pharmacist

These changes were requested by the Department of Managed Health Care following their most recent review.

Requested Action

Approve policy revisions to the Clinical and Public Advisory Committee Policy.



KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS					
POLICY AND PROCEDURES					
SUBJECT: Clinical and Public Advisory Committee Appointment			POLICY #: 10.01-I		
DEPARTMENT: Administration					
Effective Date: 08/29/1997	Review/Revised Date: 05/2021	DMHC	X	PAC	
		DHCS		QI/UM COMMITTEE	X
		BOD	X	FINANCE COMMITTEE	

 Douglas A. Hayward
 Chief Executive Officer

Date _____

 Chief Medical Officer

Date _____

 Chief Operating Officer

Date _____

 Chief Network Administration Officer

Date _____

 Chief Health Services Officer

Date _____

 Director of Member Services

Date _____

 Director of Marketing

Date _____

 Director of Pharmacy

Date _____

 Director of Quality Improvement

Date _____

POLICY:

Kern Health Systems (KHS) has established procedures to permit subscribers and enrollees to participate in establishing the public policy of the plan. For purposes of this document, public policy means acts performed by KHS or its employees and staff to assure the comfort, dignity, and convenience of patients who rely on the plan's facilities to provide health care services to them, their families, and the public. KHS will ensure the provision of Public policy appointments to the committee will be made in accordance with statutory, regulatory, and contractual requirements:

- Knox Keene Health Care Service Plan Act of 1975
- Health Maintenance Act of 1973
- California Code of Regulations Title 28 1300.69, Division 1, Chapter 2, Article 8

In order to transact the business of KHS, the Board of Directors recognizes the need to delegate certain authority to specified advisory committees. These committees will serve in the role of reviewing pertinent information and advising the Board with regard to action. This policy will establish the method by which members of the advisory committees of the Board will be appointed

PURPOSE:

To establish the criteria and method by which members of the Physician Advisory (PAC), Quality Improvement/Utilization Management (QI/UM), Pharmacy and Therapeutics (P&T), and other advisory committees are appointed.

PROCEDURE:

1.0 COMMITTEES

KHS has established the following advisory committees:

- A. Quality Improvement/Utilization Management (QI/UM) Committee Membership (see Attachment A)
- B. Physician Advisory Committee (PAC) Membership (see Attachment B)
- C. Pharmacy and Therapeutics (P&T) Committee Membership (see Attachment C)
- D. Public Policy/Community Advisory Committee (see Attachment D)

2.0 COMMITTEE MEMBERS

At the direction of the Board, a list of candidates for membership for each position on the designated committees is developed by KHS staff. This list is presented to the Board for review and selection. Committee members are appointed by the Board of Directors.

2.1 Practitioner Recruitment

Each candidate should be a credentialed contracted practitioner who has indicated an interest in serving on the committee. The list of candidates should be designed to represent the various organizational and geographic constituencies participating in the network.

Special consideration is given to traditional and safety net practitioners with the intention of providing them as much representation on the committee as possible. Practitioners with past experience, demonstrated expertise, or expressed interest in the subject matter of the committee are given particular consideration.

2.2 Non-Practitioner Recruitment

Non-practitioner committee members may include members (current and past), advocacy group representatives, or any other interested individual. Candidates may apply for committee membership by submitting a resume and/or letter to the Chief Medical Officer. In the application correspondence, the candidate should identify the Committee on which they wish to be a member and how they will positively contribute to the committee composition.

3.0 MEMBERSHIP TERM

Committee membership is for two years and reviewed by the Board on a biennial basis at either the January or February Board meeting.

4.0 ATTENDANCE

Committee members must attend a minimum number of committee meetings determined by each committee. Failure to comply with committee meeting attendance may result in Board evaluation of committee appointment including, but not limited to, termination of appointment.

ATTACHMENTS:

- ❖ Attachment A – Quality Improvement/Utilization management Committee Membership
- ❖ Attachment B – Physicians Advisory Committee Membership
- ❖ Attachment C – Pharmacy & Therapeutics Committee Membership
- ❖ Attachment D – Public Policy/Community Advisory Committee

Revision 2021-05: Policy signatures updated, policy to be sent to QI/UM Committee and DMHC for approval.

Revision 2020-08: PP/CAC Committee appointments approved at 8/13/2020 KHS Board meeting. Added language of Knox-Keen regulations regarding participation by subscribers and enrollees to align with section 1369 of the Knox-Keene Act., Director of Quality Improvement

Revision 2014-12: Minor changes provided by Director of Pharmacy. Policy will be presented to KHS Board of Directors. **Revision 2011-08:** Attachment B limited Ex Officio Non-Voting members to Medical Director or Doctor of Osteopathy. **Revisions 2009-02:** Revised by Quality Improvement Manager. **Revision 2005-04:** Change requested by Director of Pharmacy to have P and T Committee Membership changed to voting members. **Revision 2002-08:** Revised per DHS Comment 09/19/01. **Formerly:** 2.05 - Committee Appointment. Changed to Administration Section of policies (10.XX).

Attachment A

**QUALITY IMPROVEMENT/UTILIZATION MANAGEMENT (QI/UM)
COMMITTEE MEMBERSHIP**

Voting Membership

- 1 KHS Chief Medical Officer (Chairperson)
- 2 Participating Primary Care Physicians
- 2 Participating Specialty Physicians
- 1 Participating Home Health Representative
- 1 Kern County Public Health Officer
- 1 Participating Mid-Level Practitioner
- 2 Other Participating Ancillary Representatives
- 1 Participating Hospital Representative (as selected by KHS)
QI Manager and staff (Committee staff support)

Meeting Schedule

The QI/UM Committee meets at least quarterly, but as frequently as necessary to demonstrate follow-up on all findings and required actions.

Reporting Relationship

QI/UM Committee reports to the Board of Directors at least quarterly.

Attachment B

PHYSICIANS ADVISORY COMMITTEE (PAC) MEMBERSHIP

Voting Membership

- 1 KHS Chief Medical Officer (Chairperson)
- 2 General/Family Practitioner
- 1 General Internist
- 1 Pediatrician
- 1 Obstetrics/Gynecologist
- 1 Noninvasive Specialist
- 1 Invasive Specialist
- 1 Practitioner at Large

Ex Officio Non-Voting Members:

- 1 KHS Board Member (Limited to Medical Doctor (MD) or Doctor of Osteopathy (DO))

Attachment C

PHARMACY & THERAPEUTICS COMMITTEE
MEMBERSHIP

Voting Membership

- 1 KHS Chief Medical Officer (Chairperson)
- 1 KHS Corporate Pharmacist (Alternate Chairperson)
- 1 KHS Board Member
- 1 Retail/Independent Pharmacist
- 1 Retail Chain Pharmacist
- 1 Geriatric Practice Pharmacist
- 1 General Practice Medical Doctor
- 1 Pediatrician
- 1 Internist
- 1 Obstetrics and Gynecology
- 1 Provider at Large

Meeting Schedule

The P&T Committee meets quarterly – Quorum: 4 voting members

Reporting Relationship

Reports to the QI/UM Committee quarterly

Attachment D

PUBLIC POLICY/COMMUNITY ADVISORY COMMITTEE

The Public Policy/Community Advisory Committee (PP/CAC) shall provide public input in the development of policies for KHS. The Public Policy/Community Advisory Committee shall meet quarterly.

Voting Membership

- 7** Subscribers/enrollees
- 1** Member of the KHS Board of Directors
 - 1 Participating Health Care Practitioner
 - 1 Kern County Health Officer or Representative
 - 1 Director, Kern County Department of Human Services or Representative
- 2** Community Representatives

Ex-officio Non-Voting member:
KHS Director of Marketing (Chairperson)



To: KHS Board of Directors

From: Douglas Hayward, CEO

Date: August 12, 2021

Re: Update on 2021 Corporate Goals and SNP Recognition in 2022 Corporate Goals

Background

2021 Corporate Goals:

Historically, Management has updated the Board quarterly on the status of the Strategic Plan. As previously reported to the Board, the re-initiation of CalAIM in January has necessitated a reconsideration of the Strategic Planning timeline. Thus, KHS is using the 2021 Corporate Goals as the topline direction for the organization.

With Q2 coming to an end, Management is providing an update on the status of these goals. Items that were due in Q2 have their status updates noted in blue font. Items noted in green font represent Q1 deliverables completed and reported to the Board in April. For Q2, KHS is on track with items due for completion at the end of the second quarter except for Goal 6 known as Medi-Cal Rx. As previously reported, the State has postponed its transition since late February.

Recently DHCS announced the Medi-Cal Rx transition will resume with an effective launch date of 1/1/22. DHCS has indicated they will soon re-engage KHS and other stakeholders to complete the transition prior to the launch date. Once firm timelines are re-established, the deliverable due dates in the attached 2021 Corporate Goals will be updated accordingly.

2022 Corporate Goals:

With the approval of the 2022 Corporate Goals at the June 10th Board meeting, it was asked that the 2022 Corporate Goals identify Safety Net Providers' involvement and consideration where appropriate. Attached is a revised copy highlighting in blue font the role of Safety Net Providers will play in KHS 2022 Corporate Goals.

Requested Action

Receive and File.



Corporate Performance Goals for 2021

Background

No one could have predicted a pandemic nor its impact on our way of life and work. To minimize its toll on the public's health, the Governor issued a Statewide order for all residents to 'stay at home' resulting in an economic downturn from layoffs, furloughs, and business interruptions.

Deficit estimates are projected to be between \$30-50 billion which means that there could be significant cuts to services and programs across the State. To put that in perspective, during the recession in 2008, the deficit was approximately \$20 billion. It will take all of us to be sure we're staying focused on our core mission of serving those most vulnerable during the potentially tumultuous days ahead.

The Governor recently shared his revised Fiscal Year 2020-21 proposed budget showing what a significant negative impact COVID-19 has and will continue to have on the State's economy. The final budget agreement is expected to include revenue reductions to the Medi-Cal program. The significance will vary depending on the health plan. However, it is expected to include both a retro rate reduction of 1.5% and future (2021) reduction of an additional 3%. This will have a material impact to KHS revenue in 2021 and will weigh on staffing, projects, contracting and equipment decisions for the 2021 budget.

The following must be kept in mind when developing your department goals and budgets:

1. **Staffing:** Our employees are what makes us who we are at KHS. As we navigate through the difficult days ahead, as much as possible, our existing employees will not be directly impacted by the new realities of the State budget. We fully intend to keep all current employees without layoffs or furloughs. However, new 2021 budget positions will require the department to demonstrate a clear return on investment (ROI). There are times when it will be the best decision to invest in more staff if a particular project will result in large cost savings. It's important that we be the best steward of our existing resources.



2. **New Projects, Programs or Activities:** As a leader of your department, you're truly the experts in your field. You will need to guide the organization on programs *that are nice-to-haves but not essential*. Department heads are expected to discuss with their Executive leader their recommendations for programs, projects or activities that could potentially be placed on-hold for 2021. As with staffing, new projects, programs and activities not mandated by government regulation or policy will need to show a return on investment through savings or efficiency.
3. **Provider Payment:** Year over year, the State pays Medi-Cal health plans based on historical cost information they receive from us. The goal is to assure the reimbursement rates health plans receive will cover the anticipated health services cost adjusted for trends in utilization or unanticipated medical cost expenses health plans incur from time to time. When benefits are added, or omitted rates will be adjusted accordingly as well. For the health plan's benefit, this practice should yield "actuarially sound" rates and enough reimbursement to cover medical cost for the insured Medi-Cal population for year in which the rate applies. On the rare occasion (such as the one occurring now) the State will make arbitrary decisions that negatively impacts reimbursement. The retro rate reduction of 1.5% and anticipated 2021 rate reduction of another 3% are two examples of this and will likely result in the amount of money we pay providers in 2021 to be more than what we get reimbursed from the State during that same period. Cash reserves become incredibly important because it allows us to continue to pay Hospitals and Providers even when we're underpaid or delays occur in receiving reimbursement from the State.

As we navigate these uncertain times, it is likely COVID -19 will remain paramount in the minds of the State, Providers, Members and our community. The 2021 Corporate goals will consider both the pandemic and its impact to our way of doing business and obligation to our members. In addition, the goals will recognize the specific requirements the State and Federal government will impose on health plans in 2021 such as Interoperability and Long-Term Care at Home. Finally, it will be necessary to carry over from 2020 certain programs partially or never launched due to the pandemic. These programs have been rescheduled for continued development and implementation in 2021.



Goal 1– Behavioral Health Integration Program

The Department of Health Care Services (DHCS) offered grant funding to incentivize Medi-Cal Managed Care Health Plans (MCPs) to promote behavioral health integration (BHI) at the primary care level. The Program objectives were:

- To improve physical and behavioral health outcomes, care delivery efficiency, and patient experience by establishing or expanding fully integrated and coordinated care delivery for the whole patient.
- To increase network integration for providers at all levels of integration, focused on new target populations or health disparities, and improve provider’s level of integration or impact.
- To create and integrated model that can be replicated by MCPs throughout their network.

DHCS identified six options MCPs could follow for achieving the desired outcome:

- Basic Behavioral Health Integration
- Maternal Access to Mental Health and Substance Use Disorder Screening and Treatment
- Medication Management for Beneficiaries with Co-occurring Chronic Medical and Behavioral Diagnoses
- Diabetes Screening and Treatment for People with Serious Mental Illness
- Improving Follow-Up after Hospitalization for Mental Illness
- Improving Follow-Up after Emergency Department Visit for Behavioral Health Diagnosis

Kern Health Systems was awarded five grants for three providers totaling \$11,000,000 from DHCS to implement behavioral health integration programs over a two-year period. The awards were based on proposals received from participating network providers interested in developing integrated physical and behavioral health focused initiatives. Grants were given to: Good Samaritan Hospital (2), Adventist Health (2) and Premier Valley Medical Group.



Deliverables

- *Determine BHI readiness for each grantee by 1st Quarter, 2021 – Readiness review for each grantee was completed per their individual program design. Regular contact between organizations occurred beginning late 2020 to ensure successful implementation.*
- *Create BHI grant agreement for each grantee by 1st Quarter, 2021 – Grant agreements and MOUs were developed and approved by DHCS as required. This included specific program readiness and project milestones for achievement tied to the grant funding.*
- *Contract with each grantee by 1st Quarter, 2021 - Grant agreements have been executed for Good Sam Hospital (2 programs), Premier Valley Medical Group, and Adventist Health Tehachapi Valley (2 programs).*
- *Execute start date of each BHI program initiatives by 1st Quarter, 2021 – All programs are currently operational as of April 2021. Below is a summary of the programs:*
 - Premier - Medication Management for Beneficiaries with Co-occurring Chronic Medical and Behavioral Diagnoses. Program started 1/1/2021.*
 - Good Sam Hospital - Improving Follow-up after Hospitalization for Mental Illness. Program started 1/1/2021.*
 - Good Sam Hospital - Basic Behavioral Health Integration – Wasco Rural Health Center. Program started 4/1/2021.*
 - Adventist Health Tehachapi Valley - Diabetes Screening and Treatment for People with Serious Mental Illness. Program started 4/1/2021.*
 - Adventist Health Tehachapi Valley - Improving Follow-up after Emergency Department Visit for Behavioral Health Diagnosis. Program started 4/1/2021.*
- *Continue to monitor grantees performance against predetermined objectives throughout the 2-year grant cycle starting following initiation of each grantee's program by 2nd Quarter, 2021. Grantee performance monitoring underway, Q2 results as follows:*



Premier - Medication Management for Beneficiaries with Co-occurring Chronic Medical and Behavioral Diagnoses. Data for Q2: Universal Urgent Care Patient Screening for 568 patients, 223 patients served, 98 patients enrolled in treatment for depression, 121 patients enrolled in treatment for anxiety, 77 patients enrolled in treatment for SUD, 59 patients active with psychiatrist.

Good Sam Hospital - Improving Follow-up after Hospitalization for Mental Illness. Data for Q2: 190 patients screened, 100 patients received medication delivery aid, exceeding goals for connecting patients with outreach specialists.

Good Sam Hospital - Basic Behavioral Health Integration – Wasco Rural Health Center. Data for Q2: 31 patients accepted treatment, 18 patients positive for depression, 17 patients positive for anxiety, 1 active with psychiatrist.

Adventist Health Tehachapi Valley - Diabetes Screening and Treatment for People with Serious Mental Illness. Onboarded new navigator staff and began conducting case conferences, conducted community outreach. 47 patients contacted within 7 days for follow-up.

Adventist Health Tehachapi Valley - Improving Follow-up after Emergency Department Visit for Behavioral Health Diagnosis. Data for Q2: 63 patients contacted within 15 days of discharge to develop treatment plans.

Goal 2 Expansion of KHS's Alternative Payment Model (Phase V)

In 2020, KHS expanded its alternative reimbursement program with the implementation of the Chronic Obstructive Pulmonary Disease (COPD) APM Program. COVID-19 impeded the COPD Program's progress preventing KHS from achieving the Program's expected outcomes which will be measured when clinical practice returns to more normal schedules. The APM Program will continue in 2021 with new applications yet to be determined.

Deliverables:

- **Identify and develop provider specific proposals for another appropriate specialty care practice or special needs program by 1st Quarter, 2021** – *Provider Network Management has worked with the Health Services and Business Intelligence team to identify potential proposals for 2021. Opportunities identified include Transition of Care Programs with Premier Valley Medical Group and Golden State Hospitalists, COPD program with Nephrology Medical Group of Bakersfield, and an Oncology APM program.*



- *For selected providers, initiate provider contract revisions to change or enhance compensation arrangements by 2nd Quarter, 2021 - KHS staff have finalized a new TOC program agreement with Golden State Hospitalist Group, (Dr. Sharma). This new TOC will start mid-August. The Transition of Care Program with Premier Valley Medical Group and the COPD program with Nephrology Medical Group of Bakersfield have already been initiated.*
- *Determine impact to KHS internal operations by beginning of 3rd Quarter, 2021*
- *Design data tracking and reporting of specialty care to determine achievement of the desired outcome and / or ROI by the 3rd Quarter, 2021 - KHS staff continue to monitor the COPD and TOC programs. Provider Network Management is working with the MIS departments to create automated reports and dashboards to track the outcomes of the programs. Current enrollment in these programs is as follows: COPD – 29 members, Premier TOC – 25 members.*
- *Following implementation, begin monitoring to determine if targeted outcomes are achieved by 4th Quarter, 2021*

Goal 3 – Expansion of Kern Health System’s Health Home Program (Cont.)

Kern Health Systems recognizes several thousand members will benefit from receiving their medical services through a patient centered medical home. To date, Kern Health Systems has established six health homes programs located at various provider sites throughout Kern County.

Despite launching six provider site-based health home programs countywide, there remains significant unmet need in Kern County for these programs. In 2020, it was expected this gap would be significantly reduced with the addition of 2 new external sites and the launch of a new model called the Distributed Health Home Program whereby eligible PCP physicians with a significant number of HHP qualified members assigned to their practice may become part of a “decentralized network”. The network will be supported with six broad service areas in the effort to achieve the HHP goal to address these medically complex cases:

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



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

COVID -19 delayed implementation of some of our 2020 HHP sites with the Governor's stay at home order. Although some progress was made in 2020 pre-pandemic, not enough work could be done to consider it successful.

Besides the DHHP rollout delay, KHS expected Clinica Sierra Vista (CSV) to begin their long awaited HHP program in 2020. Due to CSV's leadership change, their HHP launch was delayed and will need to be reintroduced in 2021.

Deliverable:

- **Select remaining interested PCPs with a significant number of HHP qualified members by 1st Quarter, 2021.** – *Staff conducted analytics and identified two additional providers who would qualify for the distributive model: Westside Taft Clinic and Dr. William Bichai.*
- **Modify new PCP participants contract to include role, function and responsibilities as a PCP under the DHHP concept by 2nd Quarter, 2021.** *Contract amendments have been fully executed for West Side Taft Clinic and Dr. William Bichai to reflect the responsibilities of the DHHP program. The KHS configuration requirements have been completed to ensure the payments are compensated as agreed.*
- **Modify new PCP participants practice setting to meet DHHP requirements beginning 2nd Quarter, 2021.** *The KHS Distributive Model Care team worked with the identified PCPs to ensure readiness for the DHHP requirements.*
- **Conduct new PCP participants and staff training program under the DHHP beginning 3rd Quarter, 2021.**
- **Launch expanded DHHP with new participants beginning by end of 3rd Quarter, 2021.** *Both DHHP PCP sites launched their programs early. Westside Taft Clinic began in January 2021 and is currently serving 37 members. Dr. Bichai's office began in April 2021 and is currently serving 57 members.*
- **Launch CSV's HHP site by 2nd Quarter, 2021.** – *CSV's Greenfield location began seeing Health Homes Program members in early March. They're currently serving 155 members.*



Goal 4 – Kern Health Systems 2021 to 2023 Three Year Strategic Plan

In 2017 Pacific Health Consulting Group assisted Kern Health Systems in developing a 3-year Strategic Plan. Over the past 3 years, Kern Health Systems has implemented the strategies and tasks around five major goals:

- Delivery System and Payment Reform
- Primary Care and Specialty Care Access
- Premier Health Plan of Choice for MCAL in Kern County
- Health Plan Sustainability and Diversification
- Technology Optimization to Improve Constituency Service

With outside assistance, Kern Health Systems will again undertake a new Strategic Planning session in early 2021. The Strategic Plan serves as a management tool to ensure KHS remains committed to its mission, working toward achieving desired goals, addressing new challenges and identifying new opportunities.

The overarching themes of this session should revolve around the changing healthcare environment (particularly CalAIM) and its impact to Kern Health Systems. The Board of Directors along with Executive staff will need to evaluate:

- Mission and Vision Statement
- External Environment and Competitive Market Conditions
- Internal review (strengths, weakness)
- Opportunities and Choices (including challenges to success)

From this evaluation, the Board will develop Goals and Strategies to position KHS for future success.

Deliverable:

- *Board to adopt a new three-year strategic plan for the period 2021 -2023 by the end of 1st Quarter, 2021 – As previously reported to the Board, the re-initiation of CalAIM in January has necessitated a reconsideration of the Strategic Planning timeline. KHS is moving forward in 2021 with these Corporate Goals as the topline direction for the organization. During the June board meeting the discussion of the 2022 Corporate Goals included an updated requested timeline for Strategic Planning into 2022.*



Goal – 5 Interoperability and Patient Access

CMS and the State of California have regulated the Interoperability and Patient Access Rule (CMS-9115-F) to “*deliver on the Administration’s promise to put patients first, giving them access to their health information when they need it most and in a way they can best use it.*” The goal is to break down information silos for patients leading to better care and improved outcomes. This secure data link between 3rd parties, payors, providers, and patients and is intended to improve care coordination and reduce cost through data exchange and technological innovations.

Deliverables:

- ***Establish new technology systems and processes to facilitate data exchanges with members and providers by the end 1st Quarter 2021. - The new technology system has been purchased, installed, and configured, and the team continues to test the system to present the data in a meaningful manner for the Q2 goal.***
- ***Create Provider and Member Portal applications to present data in a meaningful manner to providers and members by the end of 2nd Quarter 2021 The portal application is at 95% completion and will be finalized in late August. The Interoperability data will be accessible for members to present to any clinical engagement for continuity of care.***
- ***Research and identify 3rd party applications to use data in a manner that will benefit a Medi-Cal population by end of 2nd Quarter 2021. There are a limited number of third-party applications that are being developed in the market, and KHS did a significant amount of research on various tools. KHS did find one vendor that is in the process of registering their application with KHS for member Interoperability data utilization.***
- ***Engage and inform members and providers on new methods of data access and tools by end of 3rd Quarter 2021***
- ***Establish audit and reconciliation processes to manage data exchange effectiveness with reporting and analytics by end of 4th Quarter 2021.***
- ***Create Payer to Payer data exchanges to collect external data sources to consolidate and deliver other payor data by end of 1st Quarter 2022.***



Goal 6 – Prescription Drug Benefit Carved Out from Managed Care Plans

Beginning 2021, with few exceptions, the Medi-Cal prescription drug benefit will be administered by the State in partnership with Magellan Medicaid Administration. For managed care health plans, this will mean a diminished role in the administration and distribution of the pharmacy benefit. However, under certain circumstances and in specific situations, managed care plans (MCP) will continue to administer the Medi-Cal pharmacy benefit. Transitioning to this new arrangement began in 2020 and will continue to a smaller extent in 2021. The transition to the new arrangement with realignments in place is expected to be finished by the end of 1st quarter, 2021. Though the claims processing/payment and authorization for outpatient drugs will fall to the State, the MCPs are expected to continue their case management, DUR, MTM, and other related activities. Quality measures that involve administrative pharmacy data will also be activities the plans will be required to meet.

Deliverables: *Recently DHCS announced the Medi-Cal Rx transition will resume with an effective date of 1/1/22. The transition had been on hold since February. DHCS has indicated they will soon be re-engaging with Health Plans and other stakeholders to work toward this transition date. Much of the transition work has been completed internally and can be resumed upon further direction from DHCS. Once more firm timelines are established, the deliverables due dates below will be updated accordingly. This item is also already included in the 2022 Corporate Goals.*

- *Create Data Exchange and integration to current system application beginning in 3rd Quarter, 2020.*
- *Incorporate Operational readiness for Member Services, Provider Network Management, Health Services, Claims Adjudication, and Business Intelligence by 4th Quarter, 2020.*
- *Transition Pharmacy Operations for outpatient pharmacy processing only beginning 1st Quarter, 2021. This will now occur beginning 1/1/22.*
- *Complete 120-day transition for TAR drugs or grandfathering medications by 2nd Quarter, 2021. This will now occur through Q2 2022.*
- *Continue to perform run out activities for outpatient pharmacy through 1st Quarter, 2021. This will now occur through Q1 2022.*
- *Complete Member and Provider transition for outpatient pharmacy from KHS to Magellan by beginning of 1st Quarter, 2021. This will now occur beginning 1/1/22.*



- *Transition department to providing ongoing support to members and providers for pharmacy prescription benefits remaining the responsibility of KHS (ongoing).*

Goal 7 - Back to Care for Members

COVID 19 put a sudden halt to members receiving routine non-emergent care in a variety of areas including:

- Child immunizations, screenings and well visits
- Adult screenings and annual physicals
- High risk patients with chronic medical conditions on medication
- Special needs patients such as Health Home Programs, Chronic Pulmonary Clinic, Prediabetic Prevention Programs, etc.
- Patients who've delayed or deferred elective procedures or elective surgeries

Travel restrictions and government orders to suspend elective care for a time resulted in pent up demand for medical care. With these restrictions lifted, KHS will need to examine members falling into these categories to prioritize who may need assistance to restart or continue their care. A plan will be developed to assist members and providers on when and how members should reengage in their care. Technology will be used to contact members to remind them to resume their care or where appropriate, augment their care by offering telehealth consults for those who remain at home.

With the elimination of Prop 56 supplemental payments and expected performance shortfall in the 2020 P4P incentive program, a new incentive program will be part of the "Back to Care Program" to encourage patients to return to their doctor.

Deliverables

- *Identify membership qualifying for participation from one or more of these groups beginning of 1st Quarter, 2021 – The Back to Care program includes a number of initiatives which may apply to some or all of KHS' enrollees and some or all of KHS' provider network. As appropriate, the various initiatives included creation of reports and data to target the desired population. Additionally, KHS staff who have contact with members are reviewing a member's gaps in care when conducting telephone conversations.*



- ***Prioritize members for intervention beginning 1st Quarter, 2021 – The Back to Care Program included a comprehensive approach to reach both the member and provider community. This included different interventions both broad and targeted. The targeted campaigns prioritized the areas of child immunizations, adult screenings, and high risk/special needs members.***
- ***Develop the Back to Care Communication Program to encourage providers and members to reengage in their health care by 1st Quarter, 2021 – There was a comprehensive communication and media campaign completed as part of this effort. Primary Care and Specialty Providers were notified about the opportunity to participate in provider incentive payments. Also, the “We’re Here For You” member marketing campaign ran from February to May and included television, billboards, radio, print, and digital advertisements.***
- ***Under appropriate circumstances create a provider incentive program to aid in achieving desired outcomes by 2nd Quarter, 2021 - KHS created two “back to care” provider incentive programs. These payments were made for services rendered between 9/1/20 and 12/31/20. All reporting was due to KHS by 2/28/21. Payments were issued beginning in May 2021. The Specialist program paid out \$3.67 million and the PCP program paid out \$1.5 million.***
- ***Under appropriate circumstances create a patient incentive program to aid in achieving desired outcomes by 2nd Quarter, 2021 - KHS launched its first member rewards and engagement program in the 4th Quarter of 2020 and concluded in March 2021. The program leveraged Interactive Voice Recognition calls (IVR, aka Robocalls), text messaging, mailed letters/materials and live phone calls to encourage members to follow through with specific preventive health or condition management services. This outreach included information about gift cards that could be earned for receiving certain services. The gift cards ranged from \$10-\$30 and were paid for wellness visits (baby, child, youth), prenatal/postpartum visits, and new member initial health assessments. The first campaign included a payout total of \$561,438.79.***

The second campaign kicked off on June 16th and robocalls were completed for non-compliant members at that time. This campaign added additional member incentives for:

- *Babies who complete 6 well baby visits between 0-15 months are eligible to receive a \$10 gift card per visit. In addition, babies between 15-30 months who*



complete 2 well baby visits are eligible to receive a \$10 gift card per visit. Total potential incentive is \$80.

- *Members who are between 3 and 21 years of age and complete a yearly wellness exam are eligible to receive a \$15 gift card.*
- ***Determine ways to use technology to improve member and /or provider communication and with KHS staff by 2nd Quarter, 2021*** - *Gaps in Care dashboard has been implemented on the member and provider portal as well as for KHS staff to have visibility into the various gaps in members preventative health. This provides one source of truth for a member's care gaps and triggers discussions and recommendations for completion. In addition, a member can reference their gaps in care rewards, pregnancy information page, and submit a prenatal visit reward form.*

Health Services, Member services, and MIS are reviewing a potential pilot with Rite Aid/Health Dialog to implement kiosks that facilitate the collection of social determinants of health (SDoH) information and health risk/initial health assessment. This would also include an aligned member incentive for completion.

Mobile mammography clinic was facilitated by KHS Quality Improvement staff to schedule 32 members to have mammograms performed at the Taft Westside Clinic who otherwise would need to travel to Bakersfield for care.

- ***Incorporate Telehealth Services (where appropriate) to expand access to care by 2nd Quarter, 2021*** - *KHS implemented telehealth services according to the DHCS guidance on telehealth flexibility for services rendered to KHS members for most eligible benefits including behavioral health, home health, physical therapy, and autism therapy. KHS is allowing both synchronous, interactive audio and telecommunications systems and asynchronous store and forward telecommunications systems, thereby allowing both virtual and telephonic communication. In addition, internal auditing reports have been created to validate the utilization patterns of providers, types of services rendered, and will potentially remain after PHE.*

Provider Network Management and the Clinical team are working on a contract with ConferMED for EConsult capability and Valley Children's Hospital for potential services for pediatric populations.



KHS recently awarded grant funding to a provider to purchase a mobile telehealth clinic Vehicle (MTCV). It is an ADA compliant van conversion, with all the necessary equipment for a patient telehealth consultation. The MTCV will be equipped similarly to a consultation room along with a monitor, camera, microphone, speakers, and broadband capability. This vehicle will drive to various Kern County communities including outlying areas such as Delano, McFarland, Lamont, Arvin, and Lost Hills to provide services. They will also partner with Boys and Girls Clubs in Kern County to provide mental health services to their adolescent population. The MTCV represents an additional resource to those who would not otherwise have easy access to medical care for necessary treatments and chronic disease management. The provider will set up a weekly schedule of the areas the MTCV will be set up, so KHS may share that information to our members.

- ***Develop tracking instrument and report to measure the Program's effectiveness in timely reengagement of patients by 4th Quarter, 2021.***



Corporate Performance Goals for 2022

Background

The Corporate Performance Goals for 2022 are heavily influenced by the California Advancing and Innovating Medi-Cal or CalAIM, CalAIM is a series of initiatives proposed by the Department of Health Care Services (DHCS) to advance broad-based delivery system, program, and payment reform across the Medi-Cal program. Furthermore, CalAIM will address social determinants of health, streamline the statewide Medi-Cal delivery system, improve quality, and drive innovation.

Specifically, CalAIM has three primary goals:

- Identify and manage member risk and need through whole person care approaches and addressing Social Determinants of Health
- Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
- Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems, and payment reform.

Originally scheduled to begin in January 2021, the proposal was delayed due to the impact of COVID-19. CalAIM was re-announced in January 2021 with DHCS' release of updated policy materials and with the inclusion of CalAIM funding in the draft 2022 State budget.

Major CalAIM initiatives scheduled for implementation in 2022 include:

- Enhanced Care Management (ECM)
- In Lieu of Services (ILOS)

At its conclusion, CalAIM will transform Medi-Cal Managed Care health plans to provide a broader range of benefits through an integrated delivery system comprised of traditional medical



services, behavior health services (including specialty mental health) substance use disorder services (detox and therapeutic) and dental care.

In general, Safety Net Providers (Kern Medical, Omni Family Health and Clinica Sierra Vista) will play an important role in accomplishing our goals and will be encouraged, where appropriate, to participate in its achievement or considered in its outcome. Where a goal is specific to one Safety Net Provider, the provider is identified as to whom the goal applies. For example, the 2022 CalAIM initiative goal identifies Kern Medical specifically and its role with Whole Person Care.

KHS keeps this in mind when establishing annual Corporate Goals always considering their impact on the Safety Net Providers. With Safety Net Providers representing an integral network component, no goal will be achieved without their consideration nor accomplished without their involvement.

Successful implementation of initial phases of ECM and ILOS is the 1st Goal of our 2022 list of Corporate Goals. Among other things, this includes realigning KHS's Health Home Program and Kern Medical's Whole Person Care Program under ECM. In addition to ECM and ILOS implementation, the 2022 Corporate Goals include the following seven goals:

1. A new **Three-Year Strategic Plan** will be adopted in early 2022 focused mostly around CalAIM initiatives scheduled for launch between January 1, 2023 and December 31, 2025. CalAIM will continue to preoccupy KHS's time and resources for the foreseeable future with its many initiatives scheduled for implementation as far out as 2026.
2. KHS will expand its **Major Organ Transplant** responsibilities with the addition of Heart, Lung, Liver and Pancreas. Historically, other than for kidneys, members needing organ transplants would disenroll with KHS and reenroll in the State's Medi-Cal Fee For Service Coverage Plan. To avoid fragmenting members care and shifting between two Medi-Cal enrollment programs, beginning 1/1/2022, members may remain in their current health plan where patients will be followed from pre-transplant to recovery.
3. The **Chief Executive Officer** will be retiring in 2022. Recruitment of his replacement will commence in 2021. It is anticipated it will take several months to locate and hire a suitable candidate including allowing for time to transition from current employment to the KHS leadership role.
4. **Pharmacy Benefits Management (PBM)** currently administered through health plans will be carved out and centrally administered through a statewide PBM. Originally



5. scheduled to launch in 2021, it appears it will be delayed a year and likely to be implemented in early 2022.
6. **Medi-Cal Eligibility Expansion** will occur over 2022, adding six new Managed Care Medi-Cal eligibility population categories to Managed Care Plans like KHS.
7. An **Incentive Program** to promote health plan and provider participation in ECM and ILOS will be created. The Governor's budget allocated \$300 million for plan incentives from January to June 2022, \$600 million from July 2022 to June 2023, and \$600 million from July 2023 to June 2024.
8. **Telehealth Services** has shown to be an effective method for maintaining the physician / patient relationship during the pandemic. DHCS modified its benefits to include telehealth as an alternative to office visits during the stay at home order. DHCS will make telehealth (audio services) a permanent benefit effective 2022.

Goal 1 – CalAIM 2022 Initiatives (Implementation and Monitoring)

Effective 1/12/2022 health plans are expected to launch two major CalAIM initiatives:

- **Enhanced Care Management** is comprehensive approach to address the clinical and non-clinical needs of high-need, high-cost members through coordination of services and comprehensive care management. Kern Health Systems Health Home Program and Kern Medical's Whole Person Care Program will be incorporated under Enhanced Care Management. Over the years, more Medi-Cal members will qualify for Enhanced Care Management through expansion among existing qualified enrollees or adding of new member eligibility categories. [Kern Medical is expected to continue delivering services under its Whole Person Care Program following its inclusion under Enhanced Care Management.](#)
- **In Lieu of Services** are services provided as a substitute for, or used to avoid, other more costly covered services, such as a hospital or skilled nursing facility admission or a discharge delay. Such service may or may not be medically related but by their proper use should reduce medical cost.

Since development will occur in second half of 2021, in 2022, KHS will turn its focus to post operations to ensure:



- all program elements are in place and functioning accordingly
- program refinement occurs to improve chances for a successful outcome
- performance tracking and monitoring is in place to measure success and report outcomes for each initiative.

Deliverables:

- *By 1st Quarter, 2022, establish methodology for monitoring program performance including identifying staff responsibilities for tracking and reporting on each program's performance against predetermine targets and DHCS performance measures.*
- *By 2nd Quarter, 2022, establish a data collection and reporting framework to track and monitor each initiative's performance to determine if its meeting its intended purpose:*
 - *Data will be developed for all critical components of each initiative.*
 - *Analytics will track each critical component's performance*
 - *Reports will be generated timely to measure outcomes*
- *By 2nd Quarter, 2022, design and format reports and schedules in accordance with DHCS reporting requirements and submission timelines.*

Goal 2 – Kern Health Systems 2023 to 2025 Three Year Strategic Plan

January 2022 will begin implementation of the initial phase of CalAIM. Over the next few years, several key priorities of the State, using Medi-Cal as its tool, will change how health care will impact California's most vulnerable population. Programs aimed at homelessness, behavioral health care access, children with complex medical conditions, justice involved populations and the growing aging population will be created to improve their health status and quality of life.

Critical to this change is its impact on network providers. [An effort will be made to see to it Safety Net Providers maintain their key role in the delivery of patient care to their currently assigned members.](#) Additionally, KHS will look to work collaboratively with Safety Net Providers on new care models or programs arising from CalAIM occurring between 2023 and 2025.



Under Medi-Cal, the State will create several initiatives to achieve this objective through enhanced services and benefits including:

- Development of a statewide population health management strategy and require health plans to submit local population health management plans.
- Implement a new statewide enhanced care management benefit.
- Implement in lieu of services (e.g., housing navigation/supporting services, recuperative care, respite, sobering center, etc.).
- Implement incentive payments to drive plans and providers to invest in the necessary infrastructure, build appropriate enhanced care management and in lieu of services capacity statewide.
- Pursue participation in the Serious Mental Illness (SMI) /Serious Emotional Disturbance (SED) demonstration opportunity.
- Require screening and enrollment for Medi-Cal prior to release from county jail.
- Pilot full integration of physical health, behavioral health, and oral health under one contracted entity in a county or region.
- Develop a long-term plan for improving health outcomes and delivery of health care for foster care children and youth

The new three-year strategic plan will be developed to guide management with planning, development and implementation of initiatives schedule for launch between 2023 to 2025. These initiatives include:

2023

- Enhanced Care Management (Phase 2 eligibility)
- ILOS Services (Phase 2 services)
- Population Health Management (patient centered health strategy)
- Long Term Care added to Medi-Cal Health Plans
- Advanced enrollment of soon-to-be-released (STBR) incarcerated in Medi-Cal
- Dual Eligible (Medicare and Medi-Cal eligible) Planning



2024

- DSNP application submission with CMS to enroll Medicare eligible members with dual coverage. (25,000 Kern County eligible beneficiaries with Dual Eligibility)
- Begin NCQA preparation process (18 months before certification)

2025

- D-SNP Medicare health plan initial enrollment begins 01/01/2025
- Continue full integration implementation readiness and planning activities for the remaining outstanding CalAIM initiatives

Besides the number of new initiatives health plans are expected to launch, CalAIM will change how health plans are paid and incorporate new risk and incentive programs.

Prominent among these changes is the State's intent to shift from County based health plan reimbursement rates to regional based reimbursement rates. The proposal to move to regional rates has two main benefits. The first benefit is a decrease in the number of distinct actuarial rating cells that are required to be submitted to CMS for review and approval. The reduction in rating cells will simplify the presentation of rates to CMS and allow DHCS to pursue/implement financing advancements and innovations utilizing a more flexible rate model. The second benefit of regional rates is cost averaging across all plans. This will continue to incentivize plan cost efficiencies, as plan rates will be inclusive of the costs within the multi-county region. This shift will produce a larger base for the averaging beyond the experience of plans operating within a single county. This change is fundamental to the ability of DHCS to implement and sustain the other changes proposed in CalAIM

Although CalAIM will dominate KHS's attention over the next three years and appear prominent in the three-year strategic plan, other significant goals the Board would like to see accomplished may be added to the list of CalAIM initiatives for inclusion in the three -year strategic plan.

The strategic planning process begins with engaging an outside consultant to outline the steps Board and Management will take leading to a one-day session moderated by the consultant.

For continuity sake and CalAIM knowledge, Pacific Health Consulting Group (who assisted with developing the previous three strategic plans) will serve as our moderator.

The overarching themes of this one-day session should revolve around the changing healthcare environment (particularly CalAIM) and its impact to Kern Health Systems. From this evaluation, the Board will develop Goals and Strategies to position KHS for future success.



Deliverables:

- *December 16, 2021 KHS Board to receive overview of the process to be undertaken culminating with a new three-year Strategic Plan*
- *January 2022, Board members will receive background information and questionnaire in preparation for upcoming Board of Directors strategic planning retreat.*
- *February 2022 Board to participate in a one-day strategic planning retreat to be held onsite at Kern Health Systems*
- *March 2022 from information and feedback obtained during the retreat, a draft version of the 2023 -2025 Three Year Strategic Plan will be sent to Board members for comment.*
- *April 14, 2022 Board to adopt the 2023 -2025 Three Year Strategic Plan*

Goal 3 - Major Organ Transplants

DHCS proposes to standardize managed care plan benefits, so that all Medi-Cal managed care plans provide the same benefit package by 2023. Some of the most significant changes are to carve-in institutional long-term care and major organ transplants into managed care statewide. Beginning in 2022, all major organ transplants, currently not within the scope of many Medi-Cal managed care plans, will be carved into all plans statewide for all Medi-Cal members enrolled with a health plan.

Historically, KHS was only responsible for administering transplant benefits for patients who needed a Kidney transplant. Since 2018, on average, 20 KHS members would undergo Kidney transplants annually. Besides being financially responsible for Kidney transplant, KHS will become responsible for heart, liver, lung and pancreas transplants as well.

In preparation for this occurrence, KHS will need to establish a transplant care coordination team to follow these patients after qualifying for an organ transplant. Patients will be assigned to the organ transplant program where they will be followed through their pre-transplant care, transplant surgery and post discharge therapy and rehabilitation. Preliminary estimates are KHS could have upward of 100 patients at any given time participating in the transplant program.



Deliverables

- *Identify qualified major organ transplant centers with whom KHS will contract for transplant services by 3rd Quarter, 2021.*
- *Determine compensation arrangements and payment methodology with selected transplant centers 3rd Quarter, 2021.*
- *Negotiate an agreement for provision of transplant services with selected transplant centers by 4th Quarter, 2021.*
- *Determine internal staffing requirements for the KHS Transplant Program based on the #, type and time involved with coordinating and overseeing services provided to qualified patients participating in the KHS Transplant Program by 3rd Quarter, 2021.*
- *Determine the impact to KHS, its policy, procedures, protocols, tracking and reporting by 4th Quarter, 2021*
- *Launch Major Organ Transplant Program by 1st Quarter, 2022.*
- *Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2022)*

Goal 4 - Selection of New Chief Executive Officer

The transition of key employees, particularly the Chief Executive Officer (CEO) is one of the most formidable challenges an organization will face. In the CEO's case, the shift engenders a variety of adjustments including changes in style and sometimes substance. Each CEO makes his/her mark bringing about major directional, policy and priority revisions. As a rule, the longer and more successful the CEO, the more difficult the shift. This can be somewhat mitigated with a well thought out and effectively executed Succession Plan. Serving one of every three citizens, Kern Health Systems has experienced unprecedented growth over our current CEO's service tenure of 10 years to become Kern County's largest health plan. With success comes responsibility to assure there is a plan for leadership continuity. To achieve this Kern Health Systems will create a Search Committee charged with the responsibility to identify qualified candidates to replace the current retiring CEO. The following tasks and timeline were stipulated in the current CEO's



employment agreement and adopted by the Board of Directors to aid in locating a suitable replacement in a timely manner.

1. 12 months before the CEO's retirement date, the Board shall receive notification of the CEO's retirement date from the CEO.
2. Upon receiving notice, the Board shall appoint 5 Board members to serve as a Search Committee who will be responsible for searching for and recommending the finalist(s) for the CEO position to the Board.
3. Within 45 days following its appointment, the Search Committee shall engage a professional executive search firm to assist with recruitment. The Director of Employee Relations shall serve as KHS staff to the Committee to assist with locating and providing background information to qualified search firms experienced with recruiting qualified candidates for the CEO position. An appropriate competitive process shall take place to select the search firm to find qualified candidates for the position.
4. Within 90 days following engagement, the search firm will present its slate of qualified, screened candidates to the Committee for interview consideration.
5. Within 30 days, all selected candidates must be interviewed by the Search Committee.
6. Within 30 days of the conclusion of interviews and evaluation of the candidates, the finalist shall be presented to the Board for recommendation for hire and the candidate will receive an employment offer.
7. If the finalist declines the offer of employment or is otherwise unavailable, the candidate ranked next in order by the search firm shall be recommended for hire.



8. Within 30 days, KHS will receive a signed employment agreement leaving up to 4.5 months for the newly hired CEO to give sufficient notice (if currently employed) to his/her current employer.

The CEO agrees, for purposes of continuity, to serve as consultant to KHS for a period no less than 90 days following retirement.

Deliverable

- ***Locate a suitable replace for the CEO, Kern Health Systems.***

Goal 5 – Medi-Cal Eligibility Expansion for 2022

In 2022, Medi-Cal will shift several new and currently covered population categories to health plans like KHS including:

- Undocumented Adults over 50 (pending approval of legislation)
- Enrollees from Medi-Cal Fee-For-Service eligible population:
 - Accelerated Enrollment (AE)
 - Pregnancy Related (Title XIX)
 - American Indian
 - Beneficiaries in Rural Zip Codes
 - Beneficiaries with Other Healthcare Coverage

It's not known how many eligible members are represented in the over 50 undocumented population in Kern County. Consequently, KHS is unsure how many new eligible members will enroll with Kern Family Health Care from this group. There are approximately 60,000 potential members among the five groups moving from Medi-Cal Fee-For-Service to a Medi-Cal Managed Care Health Plan (MCMCHP).



For Kern County, beneficiaries will choose between Kern Health Systems (Kern Family Health Care) and HealthNet. Typically, when newly eligible members are given a choice 80 -85% select Kern Family Health Care (KFHC). Each newly eligible enrollee will receive an enrollment packet 90 days in advance of their effective date of coverage (January 1st, 2022). [Eligible members failing to select a health plan, will be automatically assigned by the State to either HealthNet or KFHC. Those coming to KFHC, are randomly assigned to Kern Medical, Omni Family Health and Clinica Sierra Vista \(Safety Net Providers\).](#)

It is estimated approximately 20% will fail to select and will automatically be enrolled with one of the two available health plans. When this happens, members may change the State's default selection anytime. For those who change, it's been KHS's experience we gain four members for each member lost to HealthNet.

Deliverables:

- *Provide information and support to community-based organizations enrolling newly eligible members into full scope Medi-Cal by 1st Quarter, 2022.*
- *Initiate enrollment of newly eligible Medi-Cal members starting in 2nd Quarter, 2022.*

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

Goal 6 – Prescription Drug Benefit Carved Out from Managed Care Plans

The transition to a State operated pharmacy administrator was scheduled to take effect at the beginning of 2021. However, the State delayed implementation. It is believed the delay will be lifted shortly and a new transition date established. The new date will likely occur sometime 1st quarter, 2022. Despite the year delay, KHS fully expects the State to move forward with their original plan.

Therefore, beginning 2022, with few exceptions, the Medi-Cal prescription drug benefit will be administered by the State in partnership with Magellan Medicaid Administration. For managed care health plans like KHS, this will mean a diminished role in the administration and distribution of the pharmacy benefit. However, under certain circumstances and in specific situations, managed



care plans (MCP) will continue to administer the Medi-Cal pharmacy benefit. Transitioning to this new arrangement will again start sometime during the last quarter of this year and continue to a smaller extent in 2022. The transition to the new arrangement with realignments in place is expected to be finished by the end of 1st quarter, 2022.

Though the claims processing/payment and authorization for outpatient drugs will fall to the State, the KHS is expected to continue case management, Drug Utilization Review, Medication Therapy Management, and other related activities. Quality measures that involve administrative pharmacy data will also be activities the plans will be required to meet.

Assuming the State moves to transfer pharmacy administration responsibilities to Magellan 1st quarter, KHS will need to undertake the following changes in preparation for this change and the modified responsibilities remaining with KHS.

Deliverables:

- *Continue to exchange data and reinstitute integration procedures to current system application (ongoing)*
- *Incorporate Operational readiness for Member Services, Provider Network Management, Health Services, Claims Adjudication, and Business Intelligence beginning 1st Quarter, 2022*
- *Transition Pharmacy Operations for outpatient pharmacy processing only beginning 1st Quarter, 2022*
- *Complete transition for TAR drugs or grandfathering medications by 2nd Quarter, 2022*
- *Continue to perform run out activities for outpatient pharmacy through 1st Quarter, 2022.*
- *Complete Member and Provider transition for outpatient pharmacy from KHS to Magellan by beginning of 1st Quarter, 2022*
- *Transition department to providing ongoing support to members and providers for pharmacy prescription benefits remaining the responsibility of KHS (ongoing)*



Goal 7 - CalAIM Incentive Payment Program

CalAIM’s Enhanced Care Management (ECM) and In Lieu Of Services (ILOS) programs will launch in January 2022, requiring significant new investments in care management capabilities, ILOS infrastructure, information technology (IT), data exchange, and workforce capacity for both health plans and providers. Incentives will be available over the next three years to help pay for these investments. DHCS has designed the proposed incentive payment approach with the goal of issuing initial payments to health plans beginning in January 2022 for the achievement of defined milestones such as:

- Build appropriate and sustainable ECM and ILOS capacity
- Drive health plan investment in necessary delivery system infrastructure
- Incentivize health plans to progressively engage in development of ILOS
- Bridge current silos across physical and behavioral health delivery
- Reduce health disparities and promote health equity
- Achieve improvements in quality performance

DHCS will use the following 8 guidelines for designing their incentive payment program:

1. Develop a clear incentive payment allocation methodology where all plans have an opportunity to participate equitably
2. Set ambitious, yet achievable measure targets
3. Ensure efficient and effective use of all performance incentive dollars
4. Drive significant investments in core priority areas up front
5. Minimize administrative complexity
6. [Address variation in existing infrastructure and capacity between Whole Person Care and Health Home Programs](#)
7. Ensure use of incentive dollars does not overlap with other DHCS incentive programs or with services funded through the rates
8. Measure and report on the impact of incentive funds



Incentive payments will be distributed over three payment cycles each year of the incentive program following determining the maximum potential annual incentive dollar amount for each health plan like KHS.

Beginning in 2021, KHS will create its incentive program focused on the following priority areas:

- Create / enhance delivery system infrastructure for health plan's, ECM and ILOS provider health information technology and data exchange required for ECM and ILOS
- Build ECM capacity with incentives to fund ECM workforce, training, technical assistance, workflow development, operational requirements, and oversight
- Build ILOS capacity with incentives to fund ILOS workforce, training, technical assistance, workflow development, operational requirements, and oversight

Each priority will have measurable outcomes to show progress toward achieving expectations. Awards will be based on achievement and payment will follow when evidence is provided showing outcomes were met.

Deliverables

- ***Following DHCS's priorities, complete a "Gap / Need Assessment" to determine what is necessary to meet structural and capacity requirements to fulfill ECM and ILOS objectives under CalAIM by 4th Quarter, 2021***
- ***Submit to DHCS, the "Gap-Filling Plan" outlining implementation approach to address gaps and needs by 4th Quarter, 2021.***
- ***Implement the "Gap-Filling Plan" outlining implementation approach to address gaps and needs by 1st Quarter, 2022***
- ***Create performance monitoring capability to measure the "Gap-Filling Plan success by as defined as demonstrated performance against measure targets linked to achievement of "Gap-Filling Plan" milestones by 1st Quarter, 2022***
- ***Create an earned incentive payment mechanism around DHCS reporting requirements to demonstrate when incentives are earned by 2nd Quarter, 2022***



Goal 8 - Instituting Telehealth as New (Permanent) Medi-Cal Benefit

The Governor’s Budget proposes to make permanent and expand certain telehealth flexibilities currently in place due to COVID-19. Telehealth has shown to be an effective method for maintaining the physician / patient relationship during the pandemic. DHCS modified its benefits to include telehealth as an alternative to office visits during the stay at home order. DHCS will make telehealth (audio services) a permanent benefit effective 2022.

Specifically, DHCS proposes:

- Establishing a distinct rate for audio-only telehealth services
- Authorizing audio-only telehealth reimbursement for FQHCs to allow telehealth services to be provided in the patient’s home.
 - Currently payment is restricted to clinical onsite services only
 - FQHCs would have their own rate for telephonic care
- Providing for remote patient monitoring as an option for established patients (subject to a separate fee schedule and not including FQHCs)
- Establishing specific utilization management protocols for all telehealth services
- allowing use of telehealth to meet network adequacy standards in health plans (revise the alternate access standards (AAS) submission process accordingly)

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

Deliverables

- *Determine the impact to the participating provider network by 4th Quarter, 2021.*
- *Determine the impact to KHS, its policy, procedures, protocols, tracking and reporting by 4th Quarter, 2021*



- *Inform participating providers telehealth will become a permanent benefit effective 2022 under Medi-Cal by 4th Quarter, 2021*
- *Convey logistical information about the benefit and procedures providers will need to follow when using telehealth services and receiving payment for telehealth services by 1st Quarter, 2022*
- *Inform members that telehealth will be added to their Medi-Cal benefits explaining what it is, why it is beneficial and how this service will be provided and used for the member's benefit by 1st Quarter, 2022*
- *Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2022)*

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



To: KHS Board of Directors

From: Robert Landis, CFO

Date: August 12, 2021

Re: Quarterly Review of Kern Health Systems Investment Portfolio

Background

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

- Preservation of principal
- Liquidity
- Yield

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

Short-Term Portfolio (Under 1 year)

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

Long-Term Portfolio (1-5 years)

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

Requested Action

Receive and File.

**Kern Health Systems
Investment Portfolio
June 30, 2021**

Short Term Portfolio (under 1 year)

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

Description		Dollar Amount	% of Portfolio	Maximum Allowed Per Policy	Approximate Current Yield	Liquidity	Principal Fluctuation
Wells Fargo - Cash		(1) \$ 300,000	0.12%	100%		1 Day	None
Money Market Accounts	(A)	(1) \$ 5,600,000	2.18%	40%	0.01%	1 Day	None
Local Agency Investment Fund (LAIF)	(B)	(2) \$ 73,900,000	28.73%	50%	0.30%	2 Days	None
US T-Bills at Wells Fargo		(1) \$ 50,000,000	19.44%	100%	0.03%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	(1) \$ 73,500,000	28.58%		0.09%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 203,300,000	79.04%		0.15%		

Long Term Portfolio (1 - 5 years)

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

UBS Managed Portfolio	(D)	\$ 51,300,000	19.95%		0.41%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 2,600,000	1.01%		0.23%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 53,900,000	20.96%		0.40%		
Total Portfolio		\$ 257,200,000	100.00%		0.20%		

Yield Curve	Yield Curve			
	Treasuries	AA Corporate Bonds	A Corporate Bonds	CD's
1 year	0.06%	0.11%	0.18%	0.10%
2 year	0.21%	0.27%	0.32%	0.25%
3 year	0.39%	0.52%	0.57%	0.40%
5 year	0.78%	1.02%	1.16%	0.85%

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
- (B) LAIF is part of a \$193 Billion Pooled Money Investment Account managed by the State Treasurer of CA. Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.
- (C) High quality diversified portfolio comprising commercial paper, corporate bonds and notes.
- (D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.

- (1) Funds are utilized to pay providers, meet operating expenses, distribute pass-through monies waiting for additional approvals and/or support, amounts owed to the State for MCO Taxes, potential State premium recoupments and for amounts owed under various Risk Corridors. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.
- (2) Funds are primarily utilized to fund various Grant Programs and 2021 capital projects.



UBS Client Review

as of June 30, 2021

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

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

Prepared for

Kern Health Systems

Accounts included in this review

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

What's inside

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Bond summary.....	7
Bond holdings.....	8
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Important information about this report.....	14



Portfolio review

as of June 30, 2021

Asset allocation review

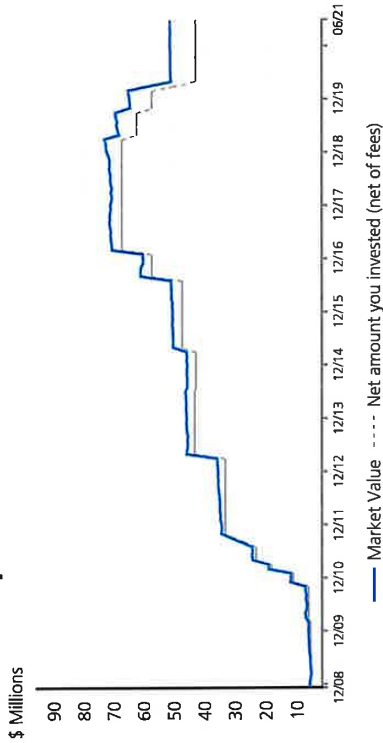
	Value on 06/30/2021 (\$)	% of Portfolio
A Cash	73,238.18	0.14
Cash	73,238.18	0.14
B Fixed Income	51,239,707.29	99.86
US	51,239,707.29	99.86
C Equity	0.00	0.00
D Commodities	0.00	0.00
E Non-Traditional	0.00	0.00
F Other	0.00	0.00
Total Portfolio	\$51,312,945.47	100%

Balanced mutual funds are allocated in the 'Other' category



EX XX170 • BOND PORTFOLIO • Portfolio Management Program
 Prepared for Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income

Sources of portfolio value



Portfolio value and investment results

	Performance returns (annualized > 1 year)			
	For the period of	2019	2020	
	12/31/2020 to	12/31/2018 to	12/31/2019 to	
	03/31/2021	12/31/2021	12/31/2020	
Opening value	51,314,838.66	51,290,289.38	72,312,732.45	64,774,148.39
Net deposits/withdrawals	-16,449.05	-16,623.68	-10,132,680.50	-14,501,724.78
Div./interest income	158,305.49	199,253.40	1,519,927.03	1,016,268.55
Change in accr. interest	35,203.97	-3,453.30	-87,250.44	-103,279.91
Change in value	-201,609.70	-156,520.33	1,161,419.85	129,426.41
Closing value	51,290,289.38	51,312,945.47	64,774,148.39	51,314,838.66
Net Time-weighted ROR	-0.05	0.04	3.61	1.78

Net deposits and withdrawals include program and account fees.

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

Report created on: July 14, 2021

Summary of gains and losses

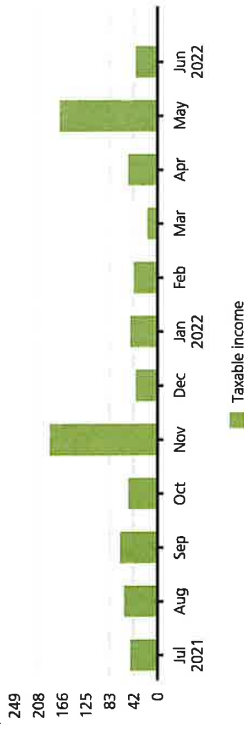
	Short term (\$)	Long term (\$)	Total (\$)
2020 Realized gains and losses	23,642.27	224,416.40	248,058.67
Taxable	23,642.27	224,416.40	248,058.67
Tax-deferred	0.00	0.00	0.00
2021 Year to date	996.34	1,316.16	2,312.50
Taxable	996.34	1,316.16	2,312.50
Tax-deferred	0.00	0.00	0.00



Portfolio review - as of June 30, 2021 (continued)

Expected cash flow

\$ Thousands



Total taxable income: \$831,404.55

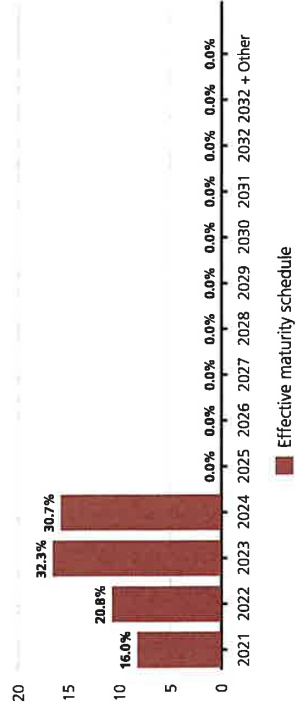
Total expected cash flow: \$831,404.55

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

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.

Equity sector analysis

Compared to S&P 500 index

	Value on 06/30/2021 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	11.63	-11.63
Consumer Discretionary	0.00	0.00	11.65	-11.65
Consumer Staples	0.00	0.00	6.51	-6.51
Energy	0.00	0.00	2.79	-2.79
Financials	0.00	0.00	11.04	-11.04
Health Care	0.00	0.00	12.71	-12.71
Industrials	0.00	0.00	7.69	-7.69
Information Technology	0.00	0.00	27.62	-27.62
Materials	0.00	0.00	2.60	-2.60
Real Estate	0.00	0.00	2.65	-2.65
Utilities	0.00	0.00	2.41	-2.41
Total classified equity	\$0.00	0.00	2.41	-2.41
Unclassified Securities	0.00			

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

Report created on: July 14, 2021



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

Portfolio review - as of June 30, 2021 (continued)
Summary of performance by account

		Performance returns (annualized > 1 year)							
		For the period of		2019		2020			
		12/31/2020 to	03/31/2021 to	12/31/2018 to	12/31/2019 to	12/31/2019 to			
		03/31/2021	06/30/2021	12/31/2019	12/31/2020	12/31/2020			
EX XX120	BOND PORTFOLIO • PMP • The Cohen Group Fixed Income - PV	Dec 08, 2008	51,312,945.47	100.00%	Net time-weighted	-0.05%	0.04%	3.61%	1.78%
Risk profile: Conservative									
Return objective: Current Income									
Total Portfolio		Dec 08, 2008	\$51,312,945.47	100%	Net time-weighted	-0.05%	0.04%	3.61%	1.78%
Benchmarks - Annualized time-weighted returns									
Blended Index		For the period of		2019		2020			
		12/31/2020 to	03/31/2021 to	12/31/2018 to	12/31/2019 to	12/31/2019 to	12/31/2020		
		03/31/2021	06/30/2021	12/31/2019	12/31/2020	12/31/2020	12/31/2020		
Blended Index 2		-0.03%	0.15%	8.87%	3.56%	3.56%	3.56%		
US Treasury Bill - 3 Mos		0.01%	0.10%	3.53%	2.30%	2.30%	2.30%		
Barclays US Agg 1-3Y		0.02%	0.00%	2.21%	0.54%	0.54%	0.54%		
S&P 500		-0.07%	6.17%	4.04%	3.08%	3.08%	3.08%		
				8.55%	31.49%	31.49%	31.49%		
					18.40%	18.40%	18.40%		

Blended Index: 11/04/2019 - Current: 45% Barclays Corp 1-3Y; 55% Barclays Gov/Credit 1-3Y+ **Blended Index 2: Start - Current:** 30% BofA 1Y TIS Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos
 +Additional benchmark information can be found on the benchmark composition page.
Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: July 14, 2021



Asset allocation by account

as of June 30, 2021

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

	Equities (\$/%)				Fixed Income (\$/%)				Total	
	U.S.	Global	International	U.S.	Global	International	Non-Traditional (\$/%)	Commodities (\$/%)		Other (\$/%)
Cash (\$/%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Portfolio	0.14	0.00	0.00	99.86	0.00	0.00	0.00	0.00	0.00	100%

73,238.18	0.00	0.00	0.00	51,239,707.29	0.00	0.00	0.00	0.00	0.00	51,312,945.47
0.14	0.00	0.00	99.86	0.00	0.00	0.00	0.00	0.00	0.00	100.00%

EX XX120 • BOND PORTFOLIO • BSA PMP

Risk profile: Conservative
 Return objective: Current Income

	Equities (\$/%)				Fixed Income (\$/%)				Total	
	U.S.	Global	International	U.S.	Global	International	Non-Traditional (\$/%)	Commodities (\$/%)		Other (\$/%)
Cash (\$/%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Portfolio	0.14	0.00	0.00	99.86	0.00	0.00	0.00	0.00	0.00	100%

Balanced mutual funds are allocated in the 'Other' category



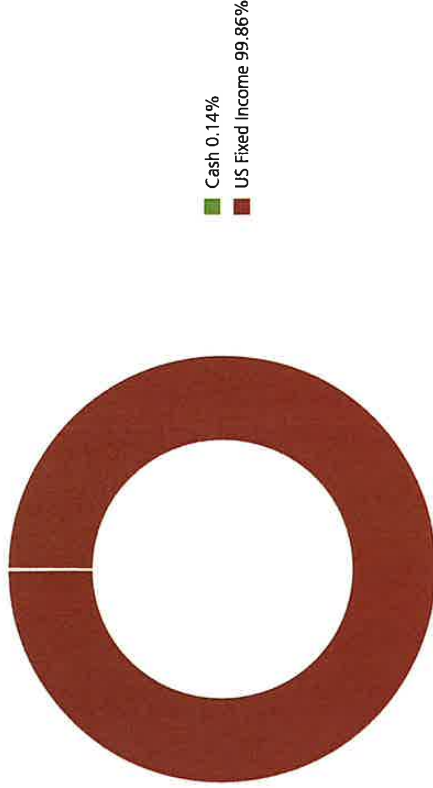
Asset allocation review

as of June 30, 2021

Summary of asset allocation

	Market value (\$)	% of Portfolio
Cash	73,238.18	0.14
Cash	73,238.18	0.14
US	73,238.18	0.14
Fixed Income	51,239,707.29	99.86
US	51,239,707.29	99.86
Government	5,199,892.55	10.13
Municipals	2,477,414.63	4.83
Corporate IG Credit	43,562,400.11	84.90
Equity	0.00	0.00
Commodities	0.00	0.00
Non-Traditional	0.00	0.00
Other	0.00	0.00
Total Portfolio	\$51,312,945.47	100%

Balanced mutual funds are allocated in the 'Other' category



■ Cash 0.14%
■ US Fixed Income 99.86%

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

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



Bond summary

as of June 30, 2021

Bond overview

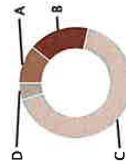
Total quantity	49,799,000
Total market value	\$51,026,882.00
Total accrued interest	\$212,825.29
Total market value plus accrued interest	\$51,239,707.29
Total estimated annual bond interest	\$914,387.05
Average coupon	1.86%
Average current yield	1.79%
Average yield to maturity	0.54%
Average yield to worst	0.41%
Average modified duration	1.68
Average effective maturity	1.92

Investment type allocation

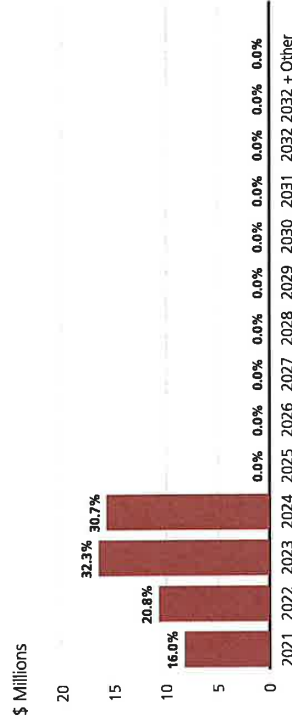
Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Municipals	2,477,414.63	0.00	2,477,414.63	4.83
U.S. corporates	43,562,400.11	0.00	43,562,400.11	85.02
U.S. federal agencies	5,199,892.55	0.00	5,199,892.55	10.15
Total	\$51,239,707.29	\$0.00	\$51,239,707.29	100%

Credit quality of bond holdings

Effective credit rating	Issues	Value on 06/30/2021 (\$)	% of port.
A Aaa/AAA/AAA	4	5,734,437.55	11.22
B Aa/AA/AA	6	8,966,240.60	17.52
C A/A/A	25	34,034,268.01	66.37
D Baa/BBB/BBB	2	2,504,761.13	4.89
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	0	0.00	0.00
Total	37	\$51,239,707.29	100%



Bond maturity schedule



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

Includes all fixed income securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.
 Report created on: July 14, 2021



Bond holdings

as of June 30, 2021

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

Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gains/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2021	6	8,175,000	165,490.00	2.02%	0.52%	0.21%	0.16	8,127,717.77	73,505.98	8,248,815.03	16.07%
2022	8	10,474,000	220,869.05	2.07%	0.34%	0.24%	0.85	10,565,377.54	88,712.21	10,710,826.13	20.88%
2023	10	16,450,000	107,528.00	0.65%	0.46%	0.34%	1.75	16,518,549.42	-14,609.92	16,533,857.33	32.34%
2024	13	14,700,000	420,500.00	2.68%	0.76%	0.69%	2.96	15,701,169.14	-33,540.14	15,746,208.79	30.7%
2025	0	0	0		NA	NA	NA				
2026	0	0	0		NA	NA	NA				
2027	0	0	0		NA	NA	NA				
2028	0	0	0		NA	NA	NA				
2029	0	0	0		NA	NA	NA				
2030	0	0	0		NA	NA	NA				
2031	0	0	0		NA	NA	NA				
2032	0	0	0		NA	NA	NA				
2033	0	0	0		NA	NA	NA				
2034	0	0	0		NA	NA	NA				
2035	0	0	0		NA	NA	NA				
2036	0	0	0		NA	NA	NA				
2037	0	0	0		NA	NA	NA				
2038	0	0	0		NA	NA	NA				
2039	0	0	0		NA	NA	NA				
2040	0	0	0		NA	NA	NA				
2041	0	0	0		NA	NA	NA				
2042	0	0	0		NA	NA	NA				
2043	0	0	0		NA	NA	NA				
2044	0	0	0		NA	NA	NA				
2045	0	0	0		NA	NA	NA				
2046	0	0	0		NA	NA	NA				
2047	0	0	0		NA	NA	NA				
2048	0	0	0		NA	NA	NA				
2049	0	0	0		NA	NA	NA				
2050	0	0	0		NA	NA	NA				
2050 +	0	0	0		NA	NA	NA				
Other	0	0	0		NA	NA	NA				
Total	37	49,799,000	\$914,387.05	1.79%	0.54%	0.41%	1.68	\$50,912,813.87	\$114,068.13	\$51,239,707.29	

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

Report created on: July 14, 2021



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

Bond holdings - as of June 30, 2021 (continued)

Details of bond holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$)/ Unreal. gl (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Total Bond Portfolio		49,799,000	1.86%	05/30/2023	NA	\$914,387.05 1.79%	1.68 0.54%	\$50,912,813.8 \$114,068.13	NA	\$51,026,882.00 \$212,825.29	100%
Maturing 2021											
CATERPILLAR FINANCIAL SE 01.700% 080921 DTD080916 FC020917 NTS B/E	AZ/AA NR/NRNR	2,000,000	1.70%	08/09/2021		34,000.00 1.70%	0.17% 0.17%	1,984,080.00 19,240.00	100.166	2,003,320.00 13,316.67	3.93%
LOS ANG CAL TAX SR A 2.150 090121 DTD 122116 /CA	Aa2/NRNR Aa2/NRNR	1,000,000	2.15%	09/01/2021		21,500.00 2.14%	0.33% 0.33%	994,250.00 8,820.00	100.307	1,003,070.00 7,106.94	1.97%
ORACLE CORP NTS B/E 01.900% 091521 DTD070716 FC031517 CALL@MW+15BP	Baa2/BBB+/BBB+ NR/NRNR	1,425,000	1.90%	09/15/2021	08/15/2021	27,075.00 1.90%	0.88% 0.21%	1,399,934.25 28,072.50	100.211	1,428,006.75 7,896.88	2.80%
NVIDIA CORP NTS B/E 2.200% 091621 DTD091616 FC031617 CALL@MW+15BP	A2/WD/A- NR/NRNR	1,300,000	2.20%	09/16/2021	08/16/2021	28,600.00 2.19%	1.04% 0.30%	1,304,305.62 -1,146.62	100.243	1,303,159.00 8,262.22	2.55%
CISCO SYSTEMS INC B/E 01.850% 092021 DTD092016 FC032017 CALL@MW+10BP	A1/NR/AA- NR/NRNR	1,000,000	1.85%	09/20/2021	08/20/2021	18,500.00 1.85%	0.81% 0.19%	993,660.00 8,640.00	100.230	1,002,300.00 5,138.89	1.96%
MISSISSIPPI ST TAX SR G BE/R 2.470 110121 DTD 120815 MS	Aa2/AA/AA Aa2/AA/NR	1,450,000	2.47%	11/01/2021		35,815.00 2.45%	0.14% 0.14%	1,451,487.90 9,880.10	100.784	1,461,368.00 5,869.68	2.86%
Total 2021		8,175,000	2.02%	09/14/2021		\$165,490.00 2.02%	0.52% 0.21%	\$8,127,717.77 \$73,505.98		\$8,201,223.75 \$47,591.28	16.07%
Maturing 2022											
PEPSICO INC NTS B/E 02.250% 050222 DTD050217 FC110217 CALL@MW+10BP	A1/MD/AA+ NR/NRNR	1,089,000	2.25%	05/02/2022	04/02/2022	24,502.50 2.22%	0.39% 0.19%	1,087,301.16 18,632.79	101.555	1,105,933.95 3,947.63	2.17%
CATERPILLAR FINL SERVICE 00.950% 051322 DTD051520 FC111320 CALL@MW+15BP	A2/AA NR/NRNR	1,500,000	0.95%	05/13/2022		14,250.00 0.94%	0.15% 0.15%	1,503,297.84 7,082.16	100.692	1,510,380.00 1,860.42	2.96%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.
 Report created on: July 14, 2021



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

Bond holdings - as of June 30, 2021 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$/ Curr. yield (%)	YTM (%) / Modified YTM (%) duration	Adjusted cost basis (\$/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$/ Accr. interest (\$)	% of bond port.
Maturing 2022											
IBM CORP NTS B/E 02.850%	AZ/A/A-	1,500,000	2.85%	05/13/2022		42,750.00	0.22%	1,534,005.09	102.283	1,534,245.00	3.01%
051322 DTD051519 FC111519	NR/NR/NR					2.79%	0.22%	239.91		5,343.75	
CALL@MW+10BP											
QUALCOMM INC NTS B/E 03.000%	AZ/NR/A-	1,000,000	3.00%	05/20/2022		30,000.00	0.20%	1,005,494.40	102.489	1,024,890.00	2.01%
052022 DTD052015 FC112015	NR/NR/NR					2.93%	0.20%	19,395.60		3,333.33	
CALL@MW+15BP											
UNITEDHEALTH GROUP INC	A3/A/A+	1,700,000	3.35%	07/15/2022		56,950.00	0.26%	1,753,240.37	103.216	1,754,672.00	3.44%
03.350% 071522 DTD072315	NR/NR/NR					3.25%	0.26%	1,431.63		26,102.08	
FC011516 CALL@MW+20BP											
HONEYWELL INTL INC NTS	A2/A/A	1,000,000	0.48%	08/19/2022	08/19/2021	4,830.00	0.46%	1,001,091.70	100.031	1,000,310.00	1.96%
00.483% 081922 DTD081920	NR/NR/NR				100.00	0.48%	0.25%	-781.70		1,757.58	
FC021921 CALL@MW+5BP											
WALT DISNEY CO NTS B/E 01.650%	AZ/A/-BBB+	2,300,000	1.65%	09/01/2022		37,950.00	0.30%	2,290,501.00	101.569	2,336,087.00	4.58%
090122 DTD090619 FC030120	NR/NR/NR					1.62%	0.30%	45,586.00		12,544.58	
BANK OF AMER CORP 02.503%	AZ/A/A-	385,000	2.50%	10/21/2022	10/21/2021	9,636.55	1.98%	390,445.98	100.668	387,571.80	0.76%
102122 DTD102116 FC042117	NR/NR/NR				100.00	2.49%	0.33%	-2,874.18		1,847.01	
CALL@MW+20BP											
Total 2022		10,474,000	2.12%	07/02/2022		\$220,869.05	0.34%	\$10,565,377.5		\$10,654,089.75	20.88%
						2.07%	0.24%	\$88,712.21		\$56,736.38	

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$/ Curr. yield (%)	YTM (%) / Modified YTM (%) duration	Adjusted cost basis (\$/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$/ Accr. interest (\$)	% of bond port.
Maturing 2023											
JPMORGAN CHASE & CO NTS	AZ/A/A-	1,150,000	2.97%	01/15/2023	01/15/2022	34,178.00	2.05%	1,174,083.71	101.399	1,166,088.50	2.29%
02.972% 011523 DTD120816	NR/NR/NR				100.00	2.93%	0.38%	-7,995.21		15,664.92	
FC071517 CALL@MW+20BP											
PEPSICO INC NTS B/E 00.750%	A1/WD/A+	1,500,000	0.75%	05/01/2023		11,250.00	0.29%	1,511,980.62	100.843	1,512,645.00	2.96%
050123 DTD050120 FC110120	NR/NR/NR					0.74%	0.29%	664.38		1,843.75	
CALL@MW+10BP											
APPLE INC NTS B/E 00.750%	Aa1/NR/A+	3,000,000	0.75%	05/11/2023		22,500.00	0.29%	3,023,969.72	100.863	3,025,890.00	5.93%
051123 DTD051120 FC111120	NR/NR/NR					0.74%	0.29%	1,920.28		3,062.50	
CALL@MW+10BP											
JOHN DEERE CPTL CORP 00.700%	A2/A/A	1,000,000	0.70%	07/05/2023		7,000.00	0.36%	1,006,922.62	100.686	1,006,860.00	1.97%
070523 DTD060420 FC010521	NR/NR/NR					0.70%	0.36%	-62.62		3,402.78	
MED TERM NTS											
PACCAR FINANCIAL CORP	A1/NR/A+	2,000,000	0.35%	08/11/2023		7,000.00	0.42%	2,000,000.00	99.855	1,997,100.00	3.91%
00.350% 081123 DTD081120	NR/NR/NR					0.35%	0.42%	-2,900.00		2,702.78	
FC021121 MED TERM NTS											
PEPSICO INC NTS B/E 00.400%	A1/NR/A+	600,000	0.40%	10/07/2023		2,400.00	0.36%	602,305.64	100.084	600,504.00	1.18%
100723 DTD100720 FC040721	NR/NR/NR					0.40%	0.36%	-1,801.64		553.33	

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

Report created on: July 14, 2021



EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

Bond holdings - as of June 30, 2021 (continued)

	Effective rating/ Underlying rating (Mdv/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / Modified YTW (%) duration	Adjusted cost basis (\$)/ Unreal. gf (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023											
FFCB BOND 00.290 % DUE 11/02/23	NR/AAA/AA+	2,000,000	0.29%	11/02/2023	11/02/2021	5,800.00	0.38%	1,998,818.00	99.789	1,995,780.00	3.91%
DTD 110220 FC 05022021	NR/NR/NR				100.00	0.29%	0.38%	-3,038.00		934.44	
FHLMC MED TERM NTS 00.350 %	Aaa/AAA/NR	1,200,000	0.35%	11/13/2023	08/13/2021	4,200.00	0.35%	1,199,580.00	100.006	1,200,072.00	2.35%
DUE 111323 DTD 081320 FC	NR/NR/NR				100.00	0.35%	0.30%	492.00		548.33	
11132020											
FANNIE MAE NTS 00.310 % DUE	Aaa/AAA/AA+	2,000,000	0.31%	11/16/2023	11/16/2022	6,200.00	0.27%	1,999,800.00	100.090	2,001,800.00	3.92%
111623 DTD 111620 FC 05162021	NR/NR/NR				100.00	0.31%	0.24%	2,000.00		757.78	
BANK OF NY MELLON CORP	A1/AA-/A	2,000,000	0.35%	12/07/2023	11/07/2023	7,000.00	0.41%	2,001,089.11	99.860	1,997,200.00	3.91%
00.350% 120723 DTD 120720	NR/NR/NR				100.00	0.35%	0.41%	-3,889.11		447.22	
FC060721 NTS B/E											
Total 2023		16,450,000	0.66%	08/13/2023		\$107,528.00	0.46%	\$16,518,549.4		\$16,503,939.50	32.34%
						0.65%	0.34%	\$-14,609.92		\$29,917.83	
Maturing 2024											
US BANCORP MED TERM NTS	A1/A+/A+	300,000	3.38%	02/05/2024	01/05/2024	10,125.00	0.61%	322,115.28	107.105	321,315.00	0.63%
03.375% 020524 DTD020419	NR/NR/NR				100.00	3.15%	0.53%	-800.28		4,078.13	
FACTOR 1.000000000000											
MICROSSOFT CORP NTS B/E	Aaa/AAA/AA	500,000	2.88%	02/06/2024	12/06/2023	14,375.00	0.64%	531,057.22	105.759	528,795.00	1.04%
02.875% 020624 DTD020617	NR/NR/NR				100.00	2.72%	0.49%	-2,262.22		5,750.00	
FC080617 CALL@MW+12.5BP											
APPLE INC NTS B/E 2.850% 051124	Aa1/NR/AA+	400,000	2.85%	05/11/2024	03/11/2024	11,400.00	0.68%	427,190.90	106.136	424,544.00	0.83%
DTD051117 FC111117	NR/NR/NR				100.00	2.69%	0.55%	-2,646.90		1,551.67	
CALL@MW+12.5BP											
JPMORGAN CHASE & CO NTS	A2/AA-/A-	1,800,000	3.63%	05/13/2024		65,250.00	0.65%	1,952,730.85	108.433	1,951,794.00	3.83%
03.625% 051324 DTD051314	NR/NR/NR					3.34%	0.65%	-936.85		8,518.75	
FC111314 B/E											
BB&T CORP NTS B/E 02.500%	A3/A-/A-	1,000,000	2.50%	08/01/2024	07/01/2024	25,000.00	0.73%	1,059,398.85	105.407	1,054,070.00	2.07%
080124 DTD072919 FC020120	NR/NR/NR				100.00	2.37%	0.68%	-5,328.85		10,347.22	
UNITEDHEALTH GROUP INC	A3/AA+	1,000,000	2.38%	08/15/2024		23,750.00	0.69%	1,054,293.08	105.206	1,052,060.00	2.06%
02.375% 081524 DTD072519	NR/NR/NR					2.26%	0.69%	-2,233.08		8,906.25	
CALL@MW+10BP NTS											
SIMON PTY GROUP LP B/E	A3WD/A-	1,900,000	3.38%	10/01/2024	07/01/2024	64,125.00	1.00%	2,046,650.98	107.597	2,044,343.00	4.01%
03.375% 100124 DTD091014	NR/NR/NR				100.00	3.14%	0.81%	-2,307.98		15,853.13	
FC040115 CALL@MW+15BP											
BB&T CORP MED TERM NTS	A3/A-/A-	1,000,000	2.85%	10/26/2024	09/26/2024	28,500.00	0.73%	1,068,055.14	106.935	1,069,350.00	2.10%
02.850% 102624 DTD102617	NR/NR/NR				100.00	2.67%	0.68%	1,294.86		5,066.67	
FC042618 B/E											

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

Report created on: July 14, 2021



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

Bond holdings - as of June 30, 2021 (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 2024												
PNC FINL SERV GRP INC MT 02.200% 110124 DTD110119 FC050120 EXP NTS B/E	A3/A+- NR/NRNR	2,000,000	2.20%	11/01/2024	10/02/2024 100.00	44,000.00 2.10%	0.70% 0.67%	3.13	2,110,257.44 -11,797.44	104.923	2,098,460.00 7,211.11	4.11%
AFIAC INC B/E 03.625% 111524 DTD110714 FC051515 CALL@MW+20BP	A3/A+- NR/NRNR	900,000	3.63%	11/15/2024		32,625.00 3.30%	0.72% 0.72%	3.19	985,646.81 1,500.19	109.683	987,147.00 4,078.13	1.93%
ORACLE CORP NTS B/E 02.950% 111524 DTD110917 FC051518 CALL@MW+15BP	Baa2/BBB+- NR/NRNR	1,000,000	2.95%	11/15/2024	09/15/2024 100.00	29,500.00 2.77%	0.98% 0.89%	3.05	1,066,870.89 -1,700.89	106.517	1,065,170.00 3,687.50	2.09%
TRUIST BANK NTS B/E 02.150% 120624 DTD120619 FC060620	A2/A+- NR/NRNR	1,000,000	2.15%	12/06/2024	11/06/2024 100.00	21,500.00 2.05%	0.78% 0.75%	3.23	1,050,094.96 -3,754.96	104.634	1,046,340.00 1,433.33	2.05%
WAL MART STORES INC NTS 02.650% 121524 DTD102017 FC061518 CALL@MW+10BP	Aa2/AAA NR/NRNR	1,900,000	2.65%	12/15/2024	10/15/2024 100.00	50,350.00 2.49%	0.73% 0.64%	3.15	2,026,806.74 -2,565.74	106.539	2,024,241.00 2,097.92	3.97%
Total 2024		14,700,000	2.87%	09/16/2024		\$420,500.00 2.68%	0.76% 0.69%	2.96	\$15,701,169.1 \$-33,540.14		\$15,667,629.00 \$78,579.79	30.70%
Total Bond Portfolio												
		49,799,000	1.86%	05/30/2023	NA	\$914,387.05 1.79%	0.54% 0.41%	1.68	\$50,912,813.8 \$114,068.13	NA	\$51,026,882.00 \$212,825.29	100% \$51,239,707.29

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

Report created on: July 14, 2021



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

Additional information about your portfolio

as of June 30, 2021

Benchmark composition

Account EX XX120

Blended Index

Start - 05/15/2017: 50% Barclays US Gov 1-3Y; 50% Barclays Govt/Credit 1-5Y
05/15/2017 - 05/31/2018: 100% Barclays Agg Bond
05/31/2018 - 11/04/2019: 100% Barclays Agg Bond
11/04/2019 - Current: 45% Barclays Corp 1-3Y; 55% Barclays Govt/Credit 1-3Y

Blended Index 2

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



Disclosures applicable to accounts at UBS Financial Services Inc.

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

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

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

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

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

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

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

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

Time-weighted Returns for accounts / SWP/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 weights each contribution/withdrawal based upon the day the cash flow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized. This applies to all performance for all assets before 09/30/2010. Advisory assets before 12/31/2010 and SWP sleeves before 04/30/2018.

Time-weighted Returns for accounts / SWP/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 "IPI") 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 or 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 may be subject to review and revision.

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

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

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

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

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

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

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



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

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

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

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

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

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

Change in Value: Represents the change in value of the portfolio during the reporting period, excluding additional/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 'w' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends

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

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

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

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

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

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

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

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

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

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

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

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

Mutual Fund Asset Allocation: If the option to

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

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

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

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

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

This information is supplied by Morningstar, Inc. on a



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

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

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

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

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

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

Estimated Annual Income: The Estimated Annual Income is calculated by summing the previous four dividend/interest rates per share and multiplying by the quantity of shares held in the selected account(s) as of the End Date of Report. For savings product & sweep funds this value is not calculated and is displayed as 0.

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

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

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

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

sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

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

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

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

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

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

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

Gain/Loss 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. 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 gains/loss for Puerto Rico income tax purposes. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

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



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

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

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

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

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

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

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

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

available, an "as of" date is included in the description.

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

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

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Kern Health Systems

Account Number: EBXXX20

Your Financial Advisor
THE COHEN GROUP
Phone: 661-463-3200/800-628-8022

Filtered by: Entry Date 04/01/2021-06/30/2021, Call/Redemption

Entry Date/Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
06/16/21	CALL REDEMPTION	FNMA NTS 00.475 % DUE 061623	FG0E1	2,000,000.00	REDEMPTION	2,000,000.00
06/15/21	CALL REDEMPTION	LAM RESEARCH CORP NTS 2.800% 061521 DTD060716	7516L4	2,000,000.00	REDEMPTION	2,000,000.00
06/11/21	CALL REDEMPTION	FHLMC NTS 00.350 % DUE 121123	FH45V4	2,000,000.00	REDEMPTION	2,000,000.00
05/19/21	CALL REDEMPTION	FHLMC MED TERM NTS 00.310 % DUE 081922	FF8RT1	2,000,000.00	REDEMPTION	2,000,000.00
05/11/21	CALL REDEMPTION	GENL DYNAMICS CORP NTS 03.000% 051121 DTD051118	753HG4	1,000,000.00	REDEMPTION	1,000,000.00
04/19/21	CALL REDEMPTION	BANK OF AMER CORP 02.625% 041921 DTD041916	665QX8	3,143,000.00	REDEMPTION	3,143,000.00

Filtered by: Entry Date 04/01/2021-06/30/2021, Bought

Entry Date/Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
06/17/21	BOUGHT	WAL MART STORES INC NTS 02.650% 121524 DTD102017	904Q64	1,900,000.00	\$106.743	-2,028,956.17
06/17/21	BOUGHT	JPMORGAN CHASE & CO NTS 03.625% 051324 DTD051314	731GX3	1,800,000.00	\$108.591	-1,961,525.50
06/15/21	BOUGHT	SIMON PTY GROUP LP B/E 03.375% 100124 DTD091014	840NQ1	1,900,000.00	\$107.816	2,062,041.50
05/20/21	BOUGHT	PNC FINL SERV GRP INC WT 02.200% 110124 DTD110119	800GM1	2,000,000.00	\$105.695	2,116,711.11
05/13/21	BOUGHT	TRUIST BANK NTS B/E 02.150% 120624 DTD120619	690PB4	1,000,000.00	\$105.198	1,061,595.28
04/20/21	BOUGHT	UNITEDHEALTH GROUP INC 02.375% 081524 DTD072519	8848J2	1,000,000.00	\$105.764	1,062,060.14
04/20/21	BOUGHT	BB&T CORP MED TERM NTS 02.850% 102624 DTD102617	674HH5	1,000,000.00	\$107.199	1,085,923.33
04/20/21	BOUGHT	AFLAC INC B/E 03.625% 111524 DTD110714	656XB1	900,000.00	\$110.058	1,004,750.13

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

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

The information is based upon the market value of your account(s) as of the close of business on June 30, 2021, is subject to daily market fluctuation and in some cases may be rounded for convenience. Your UBS account statements and trade confirmation are the official records of your accounts at UBS. We assign index benchmarks to our asset allocations, strategies in our separately managed accounts and discretionary programs based on our understanding of the allocation, strategy, the investment style and our research. The benchmarks included in this report can differ from those assigned through our research process. As a result, you may find that the performance comparisons may differ, sometimes significantly, from that presented in performance reports and other materials that are prepared and delivered centrally by the Firm. Depending upon the composition of your portfolio and your investment objectives, the indexes used in this report may not be an appropriate measure for comparison purposes, and as such, are represented for illustration only. Your portfolio holdings and performance may vary significantly from the index. Your financial advisor can provide additional information about how benchmarks within this report were selected. You have discussed the receipt of this individually customized report with your Financial Advisor and understand that it is being provided for informational purposes only. If you would like to revoke such consent, and no longer receive this report, please notify your Financial Advisor and/or Branch Manager.

Bank Account Statement
Wells Fargo Bank, N.A.



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

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.

	Amount Last Statement Period	Amount This Statement Period	Portfolio %
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	50,454,713.57	5,639,221.85	4%
Bonds	81,924,774.41	126,081,942.05	96%
Stocks	0.00	0.00	0%
Total Account Value	\$ 132,379,487.98	\$ 131,721,163.90	100%

Value Change Since Last Statement Period \$ (658,324.08)

Percent Decrease Since Last Statement Period 1%

Value Last Year-End \$ 119,017,553.90

Percent Increase Since Last Year-End 11%

Income Summary USD

	This Period	Year-To-Date
Interest	\$ 1,059,031.55	\$ 1,309,107.91
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	1,082.88	6,066.66
Other	0.00	0.00
Income Total	\$ 1,060,114.43	\$ 1,315,174.57

Interest Charged USD

Description	This Period
Debit Interest For June 2021	0.00
Total Interest Charged	\$ 0.00

Money Market Mutual Funds Summary USD

Description	Amount
Opening Balance	\$ 50,454,713.57
Deposits and Other Additions	153,430,845.14
Distributions and Other Subtractions	(198,247,419.74)
Dividends Reinvested	1,082.88
Change in Value	0.00
Closing Balance	\$ 5,639,221.85

Important Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Statements: WFS financial statements are available upon request.

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

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

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

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

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

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

Statement Ending:

KERN HEALTH SYSTEMS

Account Number: [REDACTED]

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

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds USD								
544646E24	LOS ANGELES CA UNIF SCH DIST REF-SER A-2	07/01/21	5.000%	5,000,000.000	100.0000	5,000,000.00		N
7973558G2	SAN DIEGO CA UNIF SCH DIST SER K-2	07/01/21	4.000%	4,650,000.000	100.0000	4,650,000.00		N
69448WU69	PACIFIC LIFE SHORT TERM 4(2) DISCOUNTED COMMERCIAL PAPER	07/06/21	0.000%	2,400,000.000	99.9990	2,399,976.00		
912796H85	US TREASURY BILL	07/06/21	0.000%	10,000,000.000	99.9996	9,999,956.90		
14912DU80	CATERPILLAR FIN SERV CRP DISCOUNTED COMMERCIAL PAPER	07/08/21	0.000%	3,000,000.000	99.9977	2,999,930.01		
24422ERE1	JOHN DEERE CAPITAL CORP	07/12/21	3.900%	1,000,000.000	100.1027	1,001,026.69		N
69372AUC4	PACCAR FINANCIAL CORP DISCOUNTED COMMERCIAL PAPER	07/12/21	0.000%	3,000,000.000	99.9975	2,999,924.01		
69448WUD4	PACIFIC LIFE SHORT TERM 4(2) DISCOUNTED COMMERCIAL PAPER	07/13/21	0.000%	3,000,000.000	99.9978	2,999,934.99		
912796H93	US TREASURY BILL	07/13/21	0.000%	40,000,000.000	99.9985	39,999,400.00		
542424WH5	LONG BEACH CA HARBOR REVENUE NTS-SER C	07/15/21	4.000%	1,955,000.000	100.1416	1,957,768.87		N
91411SUU2	UNIVERSITY OF CALIFORNIA	07/28/21	0.000%	5,000,000.000	99.9915	4,999,576.00		
542433VG9	LONG BEACH CA UNIF SCH DIST ELECTION OF 2008-SER F	08/01/21	5.000%	2,000,000.000	100.3938	2,007,876.20		N
54438CIE6	LOS ANGELES CA CMNTY CLG DIST ELECTION 2016-SER B-1	08/01/21	5.000%	3,000,000.000	100.3360	3,010,080.00		N
61334PBS1	MONTGOMERY CNTY MD SER A	08/01/21	4.000%	3,000,000.000	100.3141	3,009,423.60		N
30229AV22	EXXON MOBIL CORP DISCOUNTED COMMERCIAL PAPER	08/02/21	0.000%	2,000,000.000	99.9945	1,999,890.00		
89236TGS8	TOYOTA MOTOR CREDIT CORP	08/13/21	0.285%	3,000,000.000	100.0174	3,000,520.80		N
713448BW7	PEPSICO INC	08/25/21	3.000%	1,300,000.000	100.4146	1,305,390.27		N
882724SY4	TEXAS ST TRANS	08/26/21	4.000%	3,000,000.000	100.5680	3,017,040.00		N
13063DQA9	CALIFORNIA ST REF	10/01/21	5.000%	1,065,000.000	101.2136	1,077,925.16		N
13059QAM7	CALIFORNIA SCH FIN AUTH REVENU TXBL-2020-21 SCHOOL AND CMNY C	12/30/21	0.220%	3,000,000.000	100.0230	3,000,690.90		N
437076BV3	HOME DEPOT INC	03/01/22	3.250%	3,000,000.000	102.0619	3,061,856.46		N
0258M0EG0	AMERICAN EXPRESS CREDIT	03/03/22	2.700%	3,000,000.000	101.4556	3,043,668.84		Y
717081ER0	PFIZER INC	03/11/22	2.800%	3,000,000.000	101.8174	3,054,521.64		N
13063DLI2	CALIFORNIA ST TXBL-VARIOUS PURPOSE-BID GROUP	04/01/22	2.350%	2,000,000.000	101.6359	2,032,718.40		N

Statement Ending:

KERN HEALTH SYSTEMS

Account Number: [REDACTED]

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								
459200JX0	IBM CORP	05/13/22	2.850%	2,275,000,000	102.2829	2,326,935.02		N
747525AE3	QUALCOMM INC	05/20/22	3.000%	500,000,000	102.4891	512,445.26		N
74460DAB5	PUBLIC STORAGE	09/15/22	2.370%	500,000,000	102.2479	511,239.63		Y
06051GFZ7	BANK OF AMERICA CORP	10/21/22	2.503%	2,050,000,000	100.6680	2,063,694.00		Y
032556EQ1	ANAHEIM CA HSG & PUBLIC IMPT A REFUNDED-REF & IMPT-ELEC UTIL	10/01/34	5.000%	1,000,000,000	101.1981	1,011,981.10		Y
399223BU9	GROSSMONT CA HLTHCARE DIST 2006 ELECTION-SER B	07/15/40	6.125%	3,000,000,000	100.2167	3,006,501.30		Y
797272KV2	SAN DIEGO CA CMNTY CLG DIST ELECTION 2006	08/01/41	5.000%	5,000,000,000	100.4010	5,020,050.00		Y
						126,081,942.05	0.00	

*See important information regarding security pricing on Page 2.

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

Daily Account Activity

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
06/02/21	06/03/21	Security Receipt	30229AV22	EXXON MOBIL CORP DISCOUNTED	2,000,000.00	99.9950000	(1,999,900.00)	0.00	(1,999,900.00)
06/02/21	06/04/21	Security Receipt	61334PBS1	MONTGOMERY CNTY MD SER A	3,000,000.00	100.6260000	(3,018,780.00)	(41,000.00)	(3,059,780.00)
06/03/21	06/07/21	Security Receipt	06051GFZ7	BANK OF AMERICA CORP	2,050,000.00	100.8480000	(2,067,384.00)	(6,556.47)	(2,073,940.47)
06/10/21	06/10/21	Security Receipt	69372AUC4	PACCAR FINANCIAL CORP	3,000,000.00	99.9964440	(2,999,893.33)	0.00	(2,999,893.33)
06/10/21	06/14/21	Security Receipt	54438CYE6	LOS ANGELES CA CMNTY CLG DIST	3,000,000.00	100.6460000	(3,019,380.00)	(55,416.67)	(3,074,796.67)
06/14/21	06/16/21	Security Receipt	544646E24	LOS ANGELES CA UNIF SCH DIST	5,000,000.00	100.2060000	(5,010,300.00)	(114,583.33)	(5,124,883.33)
06/15/21	06/16/21	Security Receipt	7973558G2	SAN DIEGO CA UNIF SCH DIST SER	4,650,000.00	100.1640000	(4,657,626.00)	(85,250.00)	(4,742,876.00)
06/15/21	06/17/21	Security Receipt	032556EQ1	ANAHEIM CA HSG & PUBLIC IMPT A	1,000,000.00	101.4200000	(1,014,200.00)	(10,555.56)	(1,024,755.56)
06/15/21	06/17/21	Security Receipt	797272KV2	SAN DIEGO CA CMNTY CLG DIST	5,000,000.00	100.6060000	(5,030,300.00)	(94,444.44)	(5,124,744.44)
06/18/21	06/18/21	Security Receipt	14912DU80	CATERPILLAR FIN SERV CRP	3,000,000.00	99.9977780	(2,999,933.33)	0.00	(2,999,933.33)
06/23/21	06/24/21	Security Receipt	912796H93	US TREASURY BILL	30,000,000.00	99.9984170	(29,999,525.00)	0.00	(29,999,525.00)
06/23/21	06/25/21	Security Receipt	399223BU9	GROSSMONT CA HLTHCARE DIST	3,000,000.00	100.3360000	(3,010,080.00)	(81,666.67)	(3,091,746.67)
06/23/21	06/25/21	Security Receipt	542424WH5	LONG BEACH CA HARBOR REVENUE	1,955,000.00	100.2180000	(1,959,261.90)	(34,755.56)	(1,994,017.46)
06/25/21	06/28/21	Security Receipt	912796H85	US TREASURY BILL	10,000,000.00	99.9992220	(9,999,922.22)	0.00	(9,999,922.22)

Statement Ending:

KERN HEALTH SYSTEMS

Account Number: ██████████

Daily Account Activity (Continued)

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Transaction Activity USD									
06/29/21	06/30/21	Security Receipt	912796H93	US TREASURY BILL	10,000,000.00	99.9989170	(9,999,891.67)	0.00	(9,999,891.67)
Income / Payment Activity USD									
06/01/21	06/01/21	Matured	64966LP62	NEW YORK NY			3,000,000.00		3,000,000.00
06/01/21	06/01/21	Interest	64966LP62	NEW YORK NY				75,000.00	75,000.00
06/11/21	06/11/21	Matured	69372ATA0	PACCAR FINANCIAL CORP			5,000,000.00		5,000,000.00
06/11/21	06/11/21	Matured	69372ATA0	PACCAR FINANCIAL CORP			0.00		0.00
06/15/21	06/15/21	Matured	677521Y83	OHIO ST			3,285,000.00		3,285,000.00
06/15/21	06/15/21	Matured	677521Y83	OHIO ST			0.00		0.00
06/15/21	06/15/21	Interest	677521Y83	OHIO ST				82,125.00	82,125.00
06/15/21	06/15/21	Matured	6497065F1	NEW YORK CITY NY MUNI WTR FIN			3,000,000.00		3,000,000.00
06/15/21	06/15/21	Matured	6497065F1	NEW YORK CITY NY MUNI WTR FIN			0.00		0.00
06/15/21	06/15/21	Matured	6497065F1	NEW YORK CITY NY MUNI WTR FIN				90,000.00	90,000.00
06/15/21	06/15/21	Matured	91324PDG4	UNITEDHEALTH GROUP INC			3,150,000.00		3,150,000.00
06/15/21	06/15/21	Matured	91324PDG4	UNITEDHEALTH GROUP INC			0.00		0.00
06/15/21	06/15/21	Interest	91324PDG4	UNITEDHEALTH GROUP INC				3,573.23	3,573.23
06/18/21	06/18/21	Matured	50000DTJ5	KOCH INDUSTRIES INC DISCOUNTED			5,000,000.00		5,000,000.00
06/18/21	06/18/21	Matured	50000DTJ5	KOCH INDUSTRIES INC DISCOUNTED			0.00		0.00
06/24/21	06/24/21	Matured	544351PK9	LOS ANGELES CA			5,000,000.00		5,000,000.00
06/24/21	06/24/21	Matured	544351PK9	LOS ANGELES CA			0.00		0.00
06/24/21	06/24/21	Interest	544351PK9	LOS ANGELES CA				189,444.44	189,444.44
06/30/21	06/30/21	Matured	769110CU9	RIVERSIDE CNTY CA TRANS			5,000,000.00		5,000,000.00
06/30/21	06/30/21	Matured	769110CU9	RIVERSIDE CNTY CA TRANS			0.00		0.00
06/30/21	06/30/21	Interest	769110CU9	RIVERSIDE CNTY CA TRANS				199,444.44	199,444.44
06/30/21	06/30/21	Matured	544657HX0	LOS ANGELES CNTY CA TRANS-SER			5,000,000.00		5,000,000.00
06/30/21	06/30/21	Matured	544657HX0	LOS ANGELES CNTY CA TRANS-SER			0.00		0.00
06/30/21	06/30/21	Interest	544657HX0	LOS ANGELES CNTY CA TRANS-SER				194,444.44	194,444.44
06/30/21	06/30/21	Matured	797356AY8	SAN DIEGO CA UNIF SCH DIST			5,000,000.00		5,000,000.00
06/30/21	06/30/21	Matured	797356AY8	SAN DIEGO CA UNIF SCH DIST			0.00		0.00
06/30/21	06/30/21	Interest	797356AY8	SAN DIEGO CA UNIF SCH DIST				225,000.00	225,000.00

Cash Activity USD									
Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts				
06/02/21	06/02/21	ACH/DDA Transaction	DESIGNATED DDA	18,000,000.00					
06/08/21	06/08/21	ACH/DDA Transaction	DESIGNATED DDA	13,000,000.00					
06/10/21	06/10/21	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00					
06/11/21	06/11/21	ACH/DDA Transaction	DESIGNATED DDA		45,000,000.00				

Statement Ending:

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

Daily Account Activity (Continued)

Your investment transactions during this statement period.

Cash Activity USD

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
06/11/21	06/11/21	ACH/DDA Transaction	DESIGNATED DDA	3,000,000.00	45,000,000.00
06/14/21	06/14/21	ACH/DDA Transaction	DESIGNATED DDA	12,000,000.00	
06/15/21	06/15/21	ACH/DDA Transaction	DESIGNATED DDA	3,000,000.00	
06/17/21	06/17/21	ACH/DDA Transaction	DESIGNATED DDA	17,000,000.00	
06/22/21	06/22/21	ACH/DDA Transaction	DESIGNATED DDA	3,000,000.00	
06/28/21	06/28/21	ACH/DDA Transaction	DESIGNATED DDA	17,000,000.00	
06/29/21	06/29/21	ACH/DDA Transaction	DESIGNATED DDA		

Money Market Fund Activity

Morgan Stan TreasSvc 8314

*As of June 30, 2021

USD

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	12.50		12.50000
	Ending Balance		1.0000	12.50		12.50000

Goldman FS Tr Ob Ins 468

*As of June 30, 2021

USD

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	50,452,928.72		50,452,928.72000
06/01/21	Purchase	3,075,000.00000		3,075,000.00		53,527,928.72000
06/01/21	Reinvest	998.15000			998.15	53,528,926.87000
06/02/21	Redemption	(18,000.000000)		(18,000,000.00)		35,528,926.87000
06/03/21	Redemption	(1,999,900.00000)		(1,999,900.00)		33,529,026.87000
06/04/21	Redemption	(3,059,780.00000)		(3,059,780.00)		30,469,246.87000
06/07/21	Redemption	(2,073,940.47000)		(2,073,940.47)		28,395,306.40000
06/08/21	Redemption	(13,000.000000)		(13,000,000.00)		15,395,306.40000
06/10/21	Redemption	(5,000.000000)		(5,000,000.00)		10,395,306.40000
06/10/21	Redemption	(2,999,893.33000)		(2,999,893.33)		7,395,413.07000
06/11/21	Purchase	5,000,000.00000		5,000,000.00		12,395,413.07000

Statement Ending:

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

Money Market Fund Activity (Continued)

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
06/11/21	Purchase	45,000,000.00000		45,000,000.00		57,395,413.07000
06/14/21	Redemption	(3,074,796.67000)		(3,074,796.67)		54,320,616.40000
06/15/21	Purchase	82,125.00000		82,125.00		54,402,741.40000
06/15/21	Purchase	3,285,000.00000		3,285,000.00		57,687,741.40000
06/15/21	Purchase	90,000.00000		90,000.00		57,777,741.40000
06/15/21	Purchase	3,000,000.00000		3,000,000.00		60,777,741.40000
06/15/21	Purchase	3,150,000.00000		3,150,000.00		63,927,741.40000
06/15/21	Purchase	3,753.23000		3,753.23		63,931,494.63000
06/15/21	Purchase	3,573.23000		3,573.23		63,935,067.86000
06/15/21	Redemption	(3,753.23000)		(3,753.23)		63,931,314.63000
06/16/21	Redemption	(9,867,759.33000)		(9,867,759.33)		54,063,555.30000
06/17/21	Redemption	(6,149,500.00000)		(6,149,500.00)		47,914,055.30000
06/17/21	Redemption	(3,000,000.00000)		(3,000,000.00)		44,914,055.30000
06/18/21	Purchase	5,000,000.00000		5,000,000.00		49,914,055.30000
06/18/21	Redemption	(2,999,933.33000)		(2,999,933.33)		46,914,121.97000
06/22/21	Redemption	(17,000,000.00000)		(17,000,000.00)		29,914,121.97000
06/24/21	Redemption	(29,914,121.97000)		(29,914,121.97)		0.00000
06/24/21	Purchase	5,104,041.41000		5,104,041.41		5,104,041.41000
06/25/21	Redemption	(5,085,764.13000)		(5,085,764.13)		18,277.28000
06/25/21	Purchase	30,000,000.00000		30,000,000.00		30,018,277.28000
06/28/21	Redemption	(9,999,922.22000)		(9,999,922.22)		20,018,355.06000
06/28/21	Redemption	(3,000,000.00000)		(3,000,000.00)		17,018,355.06000
06/29/21	Redemption	(17,000,000.00000)		(17,000,000.00)		18,355.06000
06/30/21	Redemption	(18,355.06000)		(18,355.06)		0.00000
06/30/21	Purchase	437,907.83000		437,907.83		437,907.83000
06/30/21	Purchase	5,199,444.44000		5,199,444.44		5,637,352.27000
	Ending Balance		1.0000	5,637,352.27		5,637,352.27000
	JP Morgan UST Plus Inst 3918		Dividend paid this period	7 day* simple yield	30 day* simple yield	Share Balance
	*As of June 30, 2021		84.73	0.010%	0.010%	1,772.35000
	USD					
Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	1,772.35		1,772.35000
06/01/21	Reinvest	84.73000			84.73	1,857.08000
06/11/21	Purchase	45,000,000.00000		45,000,000.00		45,001,857.08000

Statement Ending:

KERN HEALTH SYSTEMS
Account Number: 

Money Market Fund Activity (Continued)

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
06/14/21	Redemption	(3,000,000.000000)		(3,000,000.00)		42,001,857.08000
06/15/21	Redemption	(12,000,000.000000)		(12,000,000.00)		30,001,857.08000
06/25/21	Redemption	(30,000,000.000000)		(30,000,000.00)		1,857.08000
	Ending Balance		1.0000	1,857.08		1,857.08000



PMIA/LAIF Performance Report as of 07/15/21



PMIA Average Monthly Effective Yields⁽¹⁾

Jun	0.262
May	0.315
Apr	0.339

Quarterly Performance Quarter Ended 06/30/21

LAIF Apportionment Rate ⁽²⁾ :	0.33
LAIF Earnings Ratio ⁽²⁾ :	0.00000897371743018
LAIF Fair Value Factor ⁽¹⁾ :	1.00008297
PMIA Daily ⁽¹⁾ :	0.22%
PMIA Quarter to Date ⁽¹⁾ :	0.30%
PMIA Average Life ⁽¹⁾ :	291

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 06/30/21 \$193.3 billion

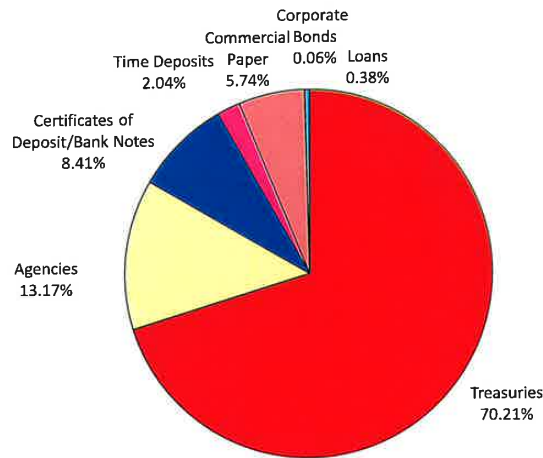


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

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

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



To: KHS Board of Directors

From: Alonso Hurtado, Director of Procurement and Facilities

Date: August 12, 2021

Re: Commercial Cleaning Systems, Inc. Agreement

Background

KHS has been utilizing Commercial Cleaning Systems, Inc. (“CCS”) to provide commercial janitorial services for the Buck Owens location since 2019. The KHS Corporate Services Department has been very satisfied with the quality of services being provided and their ability to provide sanitization services for the prevention of COVID-19.

Discussion

In June 2021, KHS posted an RFP for janitorial services. CCS was selected as the vendor for these services. CCS will provide Commercial Janitorial Services for five days a week.

These services include the cleaning services our 110,000 square feet facility which houses 18 conference rooms, 10 restrooms, stairs and perimeter areas around the building, 48 private offices, 370 cubicles and a break area for approximately 450 employees. In addition, CCS will provide a janitor during working hours that will assist with maintaining KHS common areas. CSS services will include sanitization and additional services for the prevention of COVID-19 transmission.

Financial Impact

Cost for a one-year term will not exceed \$192,000.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

Kern Health Systems

Commercial Janitorial Services

Alonso Hurtado
Director Procurement and Facilities
August 12, 2021



Agenda

- Background
- Request for Proposal
- Scope of Services
- Recommendation
- Questions



Background

- KHS has been utilizing Commercial Cleaning Systems, Inc. (“CCS”) to provide commercial janitorial services for the Buck Owens location since 2019.
- In June 2021, KHS posted an RFP for Commercial Janitorial Services for its facility. KHS received two proposals.



Request for Proposal

VENDOR	PER MONTH	ANNUAL COST
CCS, Inc.	\$ 16,000.00	\$ 192,000.00
Karla's Janitorial	\$ 20,000.00	\$ 240,000.00

- CCS was selected as the vendor for these services based on experience, price, and references. CCS will provide Commercial Janitorial Services for its new facility five days a week.



Scope of Services

- Daily Janitorial Services for KHS four story 110,000 square feet facility
 - 18 conference rooms
 - 10 Restrooms
 - 48 private offices
 - 370 cubicles
 - 3 common areas (board room, break room and training room)
 - Stairs and perimeter areas around the building
- Services include sanitization and additional services for the prevention of COVID-19 transmission
- Additional daily janitor from 9 AM – 3 PM



Recommendation

- Request the Board of Directors authorize the CEO to approve a one-year contract with Commercial Cleaning Systems Inc., in the amount not to exceed \$192,000 for Commercial Janitorial Services.



Questions

Please contact:

Alonso Hurtado
Director Procurement and Facilities
661-664-5000
Alonso.Hurtado@khs-net.com



Proposed administrative contract over \$100,000, August 12, 2021

1. Operational Agreement with Commercial Cleaning Systems, Inc.

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Alonso Hurtado; Director of Procurement and Facilities

c. Background

KHS has been utilizing Commercial Cleaning Systems, Inc. (“CCS”) to provide commercial janitorial services for the Buck Owens location since 2019. The KHS Corporate Services Department has been very satisfied with the quality of services being provided and their ability to provide sanitization services for the prevention of COVID-19.

d. Discussion

In June 2021, KHS posted an RFP for janitorial services. CCS was selected as the vendor for these services. CCS will provide commercial janitorial services for its new facility five days a week. These services include the cleaning services our 110,000 square feet facility which houses 18 conference rooms, 48 private offices, 370 cubicles and a break area for approximately 450 employees. In addition, CCS will provide a janitor during working hours that will assist with maintaining KHS common areas. CSS services will include sanitization and additional services for the prevention of COVID-19 transmission.

e. Fiscal Impact

Not to exceed \$192,000 for one year.

f. Risk Assessment

Janitorial services are required in order to maintain a suitable work environment for KHS employees and members.

g. Attachments

An Agreement at a Glance form is attached.

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

This contract has been approved by Legal.



KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: CS

Department Head: Alonso Hurtado

Vendor Name: Commercial Cleaning Systems, Inc.

Contact name & e-mail: Jaime Jacobo, jjacob@ccsbts.com

What services will this vendor provide to KHS? CCS will provide with Janitorial and Porter services five days a week for 2900 Buck Owens Blvd.

Description of Contract	
<p>Type of Agreement: <u>Professional Services</u></p> <p><input checked="" type="checkbox"/> Contract</p> <p><input type="checkbox"/> Purchase</p> <p><input type="checkbox"/> New agreement</p> <p><input type="checkbox"/> Continuation of Agreement</p> <p><input type="checkbox"/> Addendum</p> <p><input checked="" type="checkbox"/> Amendment No. 2</p> <p><input type="checkbox"/> Retroactive Agreement</p> <p><input checked="" type="checkbox"/> Summary of Quotes and/or Bids attached. <i>Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars (\$50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.</i></p>	<p>Background: <u>In 2018, KHS embarked on building a new facility, located at 2900 Buck Owens Blvd, to accommodate the current and future growth of the business. KHS will leverage CCS to provide commercial janitorial services for this facility.</u></p> <p>Brief Explanation: <u>In June 2021, KHS posted an RFP for commercial janitorial services for its new facility. CCS was selected as the vendor for these services based on experience, price, and references. CCS will provide commercial janitorial services for its new facility five days a week.</u></p>
<p>Brief vendor selection justification: <u>Commercial Cleaning Systems was selected as the vendor based on company experience, price and references.</u></p>	
<p><input type="checkbox"/> Sole source – no competitive process can be performed.</p>	
<p>Brief reason for sole source: _____</p>	
<p><input type="checkbox"/> Conflict of Interest Form is required for this Contract</p>	
<p><input type="checkbox"/> HIPAA Business Associate Agreement is required for this Contract</p>	
Fiscal Impact	
<p>KHS Governing Board previously approved this expense in KHS' FY 2021 Administrative Budget <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES</p>	
<p>Will this require additional funds? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES</p>	
<p>Capital project <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES</p>	
<p>Project type: _____</p>	
<p>Budgeted Cost Center <u>340</u> GL# <u>5510</u></p>	

Form updated 11/21/19

Maximum cost of this agreement not to exceed: \$192,000.00 per one year

Notes:

Contract Terms and Conditions

Effective date: 9/06/21

Termination date: 9/05/22

Explain extension provisions, termination conditions and required notice: Termination clause of thirty (30) days' notice per PSA.

Approvals

Compliance DMHC/DHCS Review:

~~Director of Compliance and Regulatory Affairs~~

~~Date~~

Legal Review:

Legal Counsel

Date

Approved per PSA

Signed 8/24/19

Contract Owner:

Department Head

Date

Purchasing:

Director of Procurement and Facilities

Date

Approved by Alonso Hurtado

per contract meeting 7/28/21

Approved by Alonso Hurtado

per meeting 7/28/21

Reviewed as to Budget:

Chief Financial Officer or Controller

Date

Recommended by the Executive Committee:

Chief Operating Officer

Date

[Signature]

7/28/21

[Signature]

7/28/21

IT Approval:

Chief Information Officer or IT Director

Date

Chief Executive Officer Approval:

Chief Executive Officer

Date

Approved by Richard Pruitt

per contract meeting 7/28/21

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

KHS Board Chairman

Date

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
August 12, 2021**

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date
PAC 07/01/2021				
No Meeting				
PAC 08/04/2021				
Ardent Hospice & Palliative Care of the Valley, Inc	Hopice & Palliative Care	601 High St Ste. E Delano CA 93215		9/1/2021
Evexia Health dba: Inovia Pharmacy	Pharmacy	9902 Brimhall Rd Ste. 100 Bakersfield CA 93312		9/1/2021
Jeffrey S. Sager, MD Medical Corporation dba: Santa Barbara Pulmonary Consultants	Pulmonary Disease	2403 Castillo St Ste. 206 Santa Barbara CA 93105	Change of TIN - Existing Prov	9/1/2021
Komal Desai MD Inc. dba: Rio Bravo Oncology	Radiation Oncology & Hematology Oncology	4500 Morning Dr Ste. 105 Bakersfield CA 93306	Change of Ownership - Existing Prov	9/1/2021
KMD LP dba: San Marino in the Desert	SNF/CLF	2017 W Avenue K13 Lancaster CA 93536		9/1/2021
Pieces Group dba: Napoli in the Desert	SNF/CLF	3731 Tournament Drive Palmdale CA 93551		9/1/2021

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
August 12, 2021**

Legal Name DBA	Specialty	Address	Comments	Term Effective Date
PAC 07/01/2021				
No Meeting				
PAC 08/04/2021				
Gregory A. Stainer, M.D., F.A.C.S., A Professional Medical Corporation	Ophthalmology	215 China Grade Loop Bakersfield CA	Retired	6/18/2021
WeCare Psychology Group Inc.	Mental Health	1430 Truxtun Ave 5th Floor Bakersfield CA	Resigned	6/22/2021
Crystal Rose Home Health Care, Inc.	Home Health	44841 Date Avenue Lancaster CA	Office not operational / Dropped from FFS enrollment	6/23/2021
Bakersfield Upright MRI	MRI Imaging	9802 Stockdale Hwy Ste. 106A Bakersfield CA	Change of Ownership	7/1/2021
West Coast Eye Institute	Ophthalmology	215 China Grade Loop Bakersfield CA	KHS Contractual Termination	7/4/2021
California Cardiac Surgeons	Cardiothoracic Surgery	3838 San Dimas St A-100 Bakersfield CA 93301	Change of Ownership	7/16/2021
BeSpectacled Eye Care Optometric Corp.	Optometry	5603 Auburn Street Ste. A Bakersfield CA	Resigned	7/19/2021



To: KHS Board of Directors

From: Robert Landis, CFO

Date: August 12, 2021

Re: May 2021 Financial Results

The May results reflect a \$474,811 Net Increase in Net Position which is a \$682,850 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$8.2 million favorable variance primarily due to:
 - A) \$4.8 million favorable variance primarily due to higher than expected budgeted membership.
 - B) \$1.0 million favorable variance in the Behavioral Health Integration Incentive Program primarily due to a timing difference of incurred expenses by participating program providers and is offset against amounts included in 2C below.

The objective of the program is to incentivize the improvement of physical and behavioral health outcomes, care delivery efficiency, and patient experience by establishing or expanding a fully integrated and coordinated delivery system designed to meet the care for the whole patient. All funds received from DHCS are directly paid to the three DHCS approved providers.

- C) \$1.0 million favorable variance in MCO Tax Premiums primarily due to receiving revised MCO Tax rates for calendar year 2021 from DHCS and higher than expected budgeted membership.
 - D) \$.8 million favorable variance in Premium-Hospital Directed Payments primarily due to higher than expected membership offset against amounts included in 2E below.
 - E) \$.6 million favorable variance in Rate/Income Adjustments primarily due to retroactive revenue received for the prior year.
- 2) Total Medical Costs reflect a \$8.0 million unfavorable variance primarily due to:
 - A) \$5.2 million unfavorable variance in Inpatient primarily due to higher than expected utilization over the last several months.
 - B) \$1.9 million unfavorable variance in Outpatient Hospital due to higher than expected utilization.

- C) \$.8 million unfavorable variance in Other Medical primarily from Behavioral Health Integration Incentive Program Expense occurring from a timing difference of incurred expenses by participating program providers and is offset against amounts included in 1B above.
- D) \$1.1 million favorable variance in Pharmacy primarily due from formulary modifications that capitalized on new generics that came to market and less costly brands within the same therapeutic class. There was also a timing impact from the lengthening of the day supply per prescription of maintenance medications that occurred beginning in March 2020. Additionally, the Flu Season was not as severe as expected due to increased social distancing, washing hands, wearing masks and an increase in flu vaccine administration due to our efforts in reaching out to our members during the 4th quarter of 2020
- E) \$.8 million unfavorable variance in Hospital Directed Payments primarily due to higher than expected membership offset against amounts included in 1D above.

The May Medical Loss Ratio is 94.9% which is unfavorable to the 93.2% budgeted amount. The May Administrative Expense Ratio is 5.5% which is favorable to the 6.7% budgeted amount.

The results for the 5 months ended May 31, 2021 reflect a Net Increase in Net Position of \$8,715,464. This is a \$9,557,948 favorable variance to budget and includes approximately \$1.1 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.3 % which is slightly unfavorable to the 93.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 6.7% budgeted amount.

**Kern Health Systems
Financial Packet
May 2021**

KHS – Medi-Cal Line of Business

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KHS Group Health Plan – Healthy Families Line of Business

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KHS Administrative Analysis and Other Reporting

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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF MAY 31, 2021			
ASSETS	MAY 2021	APRIL 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 122,347,895	\$ 140,721,084	\$ (18,373,189)
Short-Term Investments	134,643,645	89,951,219	44,692,426
Premiums Receivable - Net	105,682,122	102,839,001	2,843,121
Premiums Receivable - Hospital Direct Payments	275,957,375	294,625,083	(18,667,708)
Interest Receivable	173,916	87,840	86,076
Provider Advance Payment	5,468,548	5,506,518	(37,970)
Other Receivables	1,282,710	1,116,542	166,168
Prepaid Expenses & Other Current Assets	1,844,150	2,205,711	(361,561)
Total Current Assets	\$ 647,400,361	\$ 637,052,998	\$ 10,347,363
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,887,883	1,933,173	(45,290)
Computer Hardware and Software - Net	13,678,855	13,980,339	(301,484)
Building and Building Improvements - Net	34,969,810	35,045,504	(75,694)
Capital Projects in Progress	13,324,442	13,032,352	292,090
Total Capital Assets	\$ 67,951,696	\$ 68,082,074	\$ (130,378)
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,556,621	1,556,621	-
Total Long Term Assets	\$ 1,856,621	\$ 1,856,621	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 3,018,341	\$ 3,018,341	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 720,227,019	\$ 710,010,034	\$ 10,216,985
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	\$ 4,366,553	\$ 4,099,845	266,708
Accrued Other Operating Expenses	1,362,738	1,466,394	(103,656)
Accrued Taxes and Licenses	17,659,424	8,754,282	8,905,142
Claims Payable (Reported)	25,382,584	26,958,004	(1,575,420)
IBNR - Inpatient Claims	38,338,820	36,006,825	2,331,995
IBNR - Physician Claims	15,349,160	14,854,906	494,254
IBNR - Accrued Other Medical	22,047,294	22,163,584	(116,290)
Risk Pool and Withholds Payable	6,974,486	6,433,771	540,715
Statutory Allowance for Claims Processing Expense	2,225,904	2,225,904	-
Other Liabilities	67,641,962	63,575,538	4,066,424
Accrued Hospital Directed Payments	275,957,385	279,625,083	(3,667,698)
Total Current Liabilities	\$ 477,306,310	\$ 466,164,136	\$ 11,142,174
NONCURRENT LIABILITIES:			
Net Pension Liability	7,032,377	8,432,377	(1,400,000)
TOTAL NONCURRENT LIABILITIES	\$ 7,032,377	\$ 8,432,377	\$ (1,400,000)
DEFERRED INFLOWS OF RESOURCES	\$ 86,684	\$ 86,684	\$ -
NET POSITION:			
Net Position - Beg. of Year	227,086,184	227,086,184	-
Increase (Decrease) in Net Position - Current Year	8,715,464	8,240,653	474,811
Total Net Position	\$ 235,801,648	\$ 235,326,837	\$ 474,811
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 720,227,019	\$ 710,010,034	\$ 10,216,985

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MAY 31, 2021			YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
188,036	183,000	5,036	Family Members	924,253	911,000	13,253		
75,207	70,565	4,642	Expansion Members	363,767	352,825	10,942		
15,756	15,230	526	SPD Members	81,794	76,150	5,644		
8,200	7,000	1,200	Other Members	40,341	35,000	5,341		
11,692	10,500	1,192	Kaiser Members	56,789	52,500	4,289		
298,891	286,295	12,596	Total Members - MCAL	1,466,944	1,427,475	39,469		
REVENUES								
34,872,666	32,032,931	2,839,735	Title XIX - Medicaid - Family and Other	168,819,551	159,752,554	9,066,997		
28,728,667	26,523,701	2,204,966	Title XIX - Medicaid - Expansion Members	140,608,676	132,618,504	7,990,172		
16,024,510	15,294,634	729,876	Title XIX - Medicaid - SPD Members	77,655,384	76,473,169	1,182,215		
9,876,747	8,904,649	972,098	Premium - MCO Tax	48,670,040	44,523,244	4,146,796		
14,811,749	14,032,808	778,941	Premium - Hospital Directed Payments	72,847,850	70,040,705	2,807,145		
195,233	166,142	29,091	Investment Earnings And Other Income	272,321	827,212	(554,891)		
-	79,981	(79,981)	Reinsurance Recoveries	-	398,743	(398,743)		
79,899	-	79,899	Rate Adjustments - Hospital Directed Payments	78,295,242	-	78,295,242		
595,656	-	595,656	Rate/Income Adjustments	3,784,173	-	3,784,173		
105,185,127	97,034,845	8,150,282	TOTAL REVENUES	590,953,237	484,634,131	106,319,106		
EXPENSES								
Medical Costs:								
15,744,708	15,135,143	(609,565)	Physician Services	76,084,297	75,514,973	(569,324)		
4,658,383	4,723,998	65,615	Other Professional Services	24,119,696	23,593,921	(525,775)		
5,023,372	5,560,012	536,640	Emergency Room	22,953,790	27,730,771	4,776,981		
20,578,157	15,391,962	(5,186,195)	Inpatient	95,750,313	76,837,854	(18,912,459)		
84,297	79,981	(4,316)	Reinsurance Expense	406,872	398,743	(8,129)		
8,842,725	6,983,754	(1,858,971)	Outpatient Hospital	38,403,672	34,865,807	(3,537,865)		
10,960,637	10,140,521	(820,116)	Other Medical	53,738,323	50,594,408	(3,143,915)		
9,349,484	10,486,088	1,136,604	Pharmacy	47,211,388	52,363,963	5,152,575		
540,715	524,011	(16,705)	Pay for Performance Quality Incentive	2,665,865	2,612,453	(53,413)		
-	-	-	Risk Corridor Expense	-	-	-		
14,811,759	14,032,808	(778,951)	Hospital Directed Payments	72,847,860	70,040,705	(2,807,155)		
597	-	(597)	Hospital Directed Payment Adjustment	77,422,552	-	(77,422,552)		
58,763	-	(58,763)	Non-Claims Expense Adjustment	863,617	-	(863,617)		
449,838	-	(449,838)	IBNR, Incentive, Paid Claims Adjustment	2,927,407	-	(2,927,407)		
91,103,435	83,058,279	(8,045,156)	Total Medical Costs	515,395,652	414,553,597	(100,842,055)		
14,081,692	13,976,566	105,126	GROSS MARGIN	75,557,585	70,080,534	5,477,051		
Administrative:								
2,748,394	2,856,030	107,636	Compensation	13,578,199	14,280,152	701,953		
996,889	1,071,006	74,117	Purchased Services	4,567,235	5,355,030	787,795		
57,943	133,106	75,163	Supplies	309,109	665,531	356,422		
422,382	500,520	78,138	Depreciation	2,121,131	2,502,602	381,471		
230,567	385,959	155,392	Other Administrative Expenses	1,126,210	1,929,796	803,586		
(215)	-	215	Administrative Expense Adjustment	(200,953)	-	200,953		
4,455,960	4,946,622	490,662	Total Administrative Expenses	21,500,931	24,733,111	3,232,180		
95,559,395	88,004,901	(7,554,494)	TOTAL EXPENSES	536,896,583	439,286,707	(97,609,876)		
9,625,732	9,029,944	595,788	OPERATING INCOME (LOSS) BEFORE TAX	54,056,654	45,347,424	8,709,230		
8,905,142	8,904,649	(493)	MCO TAX	44,551,042	44,523,244	(27,798)		
720,590	125,295	595,295	OPERATING INCOME (LOSS) NET OF TAX	9,505,612	824,180	8,681,432		
NONOPERATING REVENUE (EXPENSE)								
-	-	-	Gain on Sale of Assets	-	-	-		
(162,794)	(166,667)	3,873	Provider Recruitment and Retention Grants	(331,234)	(833,333)	502,099		
(82,985)	(166,667)	83,682	Health Home	(458,914)	(833,331)	374,417		
(245,779)	(333,334)	87,555	TOTAL NONOPERATING REVENUE (EXPENSE)	(790,148)	(1,666,664)	876,516		
474,811	(208,039)	682,850	NET INCREASE (DECREASE) IN NET POSITION	8,715,464	(842,484)	9,557,948		
94.9%	93.2%	-1.7%	MEDICAL LOSS RATIO	93.3%	93.1%	-0.3%		
5.5%	6.7%	1.1%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.7%	1.2%		

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED MAY 31, 2021			YEAR-TO-DATE		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT						ACTUAL	BUDGET	VARIANCE
188,036	183,000	5,036	Family Members	924,253	911,000	13,253		
75,207	70,565	4,642	Expansion Members	363,767	352,825	10,942		
15,756	15,230	526	SPD Members	81,794	76,150	5,644		
8,200	7,000	1,200	Other Members	40,341	35,000	5,341		
11,692	10,500	1,192	Kaiser Members	56,789	52,500	4,289		
298,891	286,295	12,596	Total Members - MCAL	1,466,944	1,427,475	39,469		
REVENUES								
177.71	168.59	9.11	Title XIX - Medicaid - Family and Other	175.02	168.87	6.14		
381.99	375.88	6.12	Title XIX - Medicaid - Expansion Members	386.53	375.88	10.66		
1,017.04	1,004.24	12.80	Title XIX - Medicaid - SPD Members	949.40	1,004.24	(54.84)		
34.39	32.29	2.10	Premium - MCO Tax	34.51	32.38	2.13		
51.57	50.88	0.69	Premium - Hospital Directed Payments	51.66	50.94	0.72		
0.68	0.60	0.08	Investment Earnings And Other Income	0.19	0.60	(0.41)		
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)		
0.28	0.00	0.28	Rate Adjustments - Hospital Directed Payments	55.52	0.00	55.52		
2.07	0.00	2.07	Rate/Income Adjustments	2.68	0.00	2.68		
366.24	351.84	14.41	TOTAL REVENUES	419.07	352.47	66.60		
EXPENSES								
Medical Costs:								
54.82	54.88	0.06	Physician Services	53.95	54.92	0.97		
16.22	17.13	0.91	Other Professional Services	17.10	17.16	0.06		
17.49	20.16	2.67	Emergency Room	16.28	20.17	3.89		
71.65	55.81	(15.84)	Inpatient	67.90	55.88	(12.02)		
0.29	0.29	(0.00)	Reinsurance Expense	0.29	0.29	0.00		
30.79	25.32	(5.47)	Outpatient Hospital	27.23	25.36	(1.88)		
38.16	36.77	(1.40)	Other Medical	38.11	36.80	(1.31)		
32.55	38.02	5.47	Pharmacy	33.48	38.08	4.60		
1.88	1.90	0.02	Pay for Performance Quality Incentive	1.89	1.90	0.01		
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00		
51.57	50.88	(0.69)	Hospital Directed Payments	51.66	50.94	(0.72)		
0.00	0.00	(0.00)	Hospital Directed Payment Adjustment	54.90	0.00	(54.90)		
0.20	0.00	(0.20)	Non-Claims Expense Adjustment	0.61	0.00	(0.61)		
1.57	0.00	(1.57)	IBNR, Incentive, Paid Claims Adjustment	2.08	0.00	(2.08)		
317.21	301.16	(16.05)	Total Medical Costs	365.49	301.50	(63.99)		
49.03	50.68	(1.65)	GROSS MARGIN	53.58	50.97	2.61		
Administrative:								
9.57	10.36	0.79	Compensation	9.63	10.39	0.76		
3.47	3.88	0.41	Purchased Services	3.24	3.89	0.66		
0.20	0.48	0.28	Supplies	0.22	0.48	0.26		
1.47	1.81	0.34	Depreciation	1.50	1.82	0.32		
0.80	1.40	0.60	Other Administrative Expenses	0.80	1.40	0.60		
(0.00)	0.00	0.00	Administrative Expense Adjustment	(0.14)	0.00	0.14		
15.52	17.94	2.42	Total Administrative Expenses	15.25	17.99	2.74		
332.73	319.10	(13.63)	TOTAL EXPENSES	380.74	319.49	(61.25)		
33.52	32.74	0.77	OPERATING INCOME (LOSS) BEFORE TAX	38.33	32.98	5.35		
31.01	32.29	1.28	MCO TAX	31.59	32.38	0.79		
2.51	0.45	2.05	OPERATING INCOME (LOSS) NET OF TAX	6.74	0.60	6.14		
NONOPERATING REVENUE (EXPENSE)								
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00		
(0.57)	(0.60)	0.04	Reserve Fund Projects/Community Grants	(0.23)	(0.61)	0.37		
(0.29)	(0.60)	0.32	Health Home	(0.33)	(0.61)	0.28		
(0.86)	(1.21)	0.35	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.56)	(1.21)	0.65		
1.65	(0.75)	2.41	NET INCREASE (DECREASE) IN NET POSITION	6.18	(0.61)	6.79		
94.9%	93.2%	-1.7%	MEDICAL LOSS RATIO	93.3%	93.1%	-0.3%		
5.5%	6.7%	1.1%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.7%	1.2%		

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH MAY 31, 2021															
	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	13 MONTH TOTAL	
ENROLLMENT															
Members - MCAL	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	284,587	287,199	3,555,475	
REVENUES															
Title XIX - Medicaid - Family and Other	28,170,470	30,522,053	29,997,411	30,548,160	30,419,692	33,387,274	30,920,096	32,216,002	33,254,490	33,365,704	33,587,650	33,739,041	34,872,666	415,000,709	
Title XIX - Medicaid - Expansion Members	23,386,527	24,776,875	24,533,357	24,848,094	25,069,155	27,568,938	25,504,052	27,197,954	27,548,311	27,720,576	28,063,951	28,547,171	28,728,667	343,493,628	
Title XIX - Medicaid - SPD Members	14,967,019	15,603,750	15,224,387	15,192,022	15,191,965	14,457,143	16,007,482	15,504,966	15,326,978	15,368,431	15,407,903	15,527,562	16,024,510	199,804,118	
Premium - MCO Tax	7,915,091	8,023,287	8,236,232	8,333,151	8,332,682	9,166,454	8,420,487	8,830,398	9,577,432	9,657,982	9,752,737	9,805,142	9,876,747	115,927,822	
Premium - Hospital Directed Payments	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	14,734,613	14,811,749	134,983,268	
Investment Earnings And Other Income	323,827	62,534	315,583	173,465	(14,474)	151,948	166,556	147,197	4,303	-	(249,580)	205,894	195,233	1,598,957	
Reinsurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rate Adjustments - Hospital Directed Payments	36,524	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	39,990	21,877	78,150,342	3,134	79,899	26,260,902	
Rate/Income Adjustments	444,891	476,588	135,705	291,820	70,321	(582,499)	127,031	226,726	799,886	594,678	1,527,455	266,498	595,656	4,974,756	
TOTAL REVENUES	86,859,012	91,604,031	17,506,553	88,503,816	88,185,134	94,104,369	90,469,419	93,858,589	101,673,293	102,076,001	179,189,761	102,829,055	105,185,127	1,242,044,160	
EXPENSES															
Medical Costs:															
Physician Services	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	13,867,872	12,660,363	14,907,160	14,731,540	15,058,794	15,642,095	15,744,708	182,012,666	
Other Professional Services	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	4,389,484	4,935,401	4,421,552	4,883,941	5,048,627	5,107,193	4,658,383	58,008,064	
Emergency Room	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	4,814,428	4,638,713	3,194,257	4,676,327	4,420,437	4,353,449	4,480,205	5,023,372	56,568,029	
Inpatient	14,410,696	17,115,732	17,082,368	16,635,497	17,879,275	17,137,251	17,212,070	19,183,080	19,853,180	19,321,533	17,577,565	18,419,878	20,578,157	232,406,282	
Reinsurance Expense	69,310	73,356	75,202	76,284	76,523	77,652	84,521	77,390	81,215	80,770	80,461	80,129	84,297	1,017,110	
Outpatient Hospital	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	6,653,372	6,209,999	6,565,195	7,108,674	6,610,422	7,160,111	8,681,740	8,842,725	89,624,978	
Other Medical	10,860,308	9,199,742	11,504,806	9,055,443	14,033,235	12,916,278	10,958,385	13,070,247	10,641,113	10,412,229	11,840,899	9,883,445	10,960,637	145,336,767	
Pharmacy	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	8,717,167	9,651,881	9,100,359	9,049,621	10,299,227	9,412,697	9,349,484	119,559,512	
Pay for Performance Quality Incentive	508,354	519,184	523,464	529,498	529,498	556,200	544,962	-	529,182	529,183	526,070	540,715	540,715	6,377,025	
Risk Corridor Expense	-	4,700,000	(2,000,000)	-	(2,700,000)	-	-	-	-	-	-	-	-	-	
Hospital Directed Payments	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	14,734,613	14,811,759	134,983,278	
Hospital Directed Payment Adjustment	36,524	(10,733)	(52,075,301)	(233,958)	4,234	77	6,596	(1,263)	39,990	21,878	77,356,953	3,134	597	25,148,728	
Non-Claims Expense Adjustment	167,936	(325,027)	(23,790)	(157)	(777,546)	5,124	(209,309)	1,598	287,063	233,372	212,564	71,855	58,763	(297,554)	
IBNR, Incentive, Paid Claims Adjustment	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(5,474)	205,986	316,193	4,787	858,658	1,700,070	(85,946)	449,838	(1,065,043)	
Total Medical Costs	71,626,453	76,311,140	3,228,909	73,696,401	74,755,703	79,333,670	75,939,534	79,392,380	86,772,505	86,383,866	164,164,093	86,971,753	91,103,435	1,049,679,842	
GROSS MARGIN	15,232,559	15,292,891	14,277,644	14,807,415	13,429,431	14,770,699	14,529,885	14,466,209	14,900,788	15,692,135	15,025,668	15,857,302	14,081,692	192,364,318	
Administrative:															
Compensation	2,375,693	2,835,739	2,732,099	2,597,575	2,636,509	2,613,272	2,456,357	2,766,869	2,772,584	2,908,104	2,457,160	2,691,957	2,748,394	34,592,312	
Purchased Services	903,379	1,142,683	859,845	819,771	421,612	689,841	745,537	1,172,530	818,908	824,152	941,200	986,086	996,889	11,322,433	
Supplies	59,208	29,774	71,551	63,919	71,111	34,967	106,489	39,305	57,592	57,416	4,446	131,712	57,943	785,433	
Depreciation	924,253	418,036	417,768	418,389	419,251	419,796	419,850	421,301	422,833	422,834	426,541	426,541	422,382	5,979,775	
Other Administrative Expenses	223,548	345,337	240,778	254,091	296,858	137,960	242,696	351,189	277,245	267,201	102,962	248,235	230,567	3,218,667	
Administrative Expense Adjustment	-	(212,229)	-	-	-	-	-	-	1,407,045	18,296	(271,318)	57,294	(5,010)	(993,863)	
Total Administrative Expenses	4,486,081	4,559,340	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	4,367,458	4,208,389	3,989,603	4,479,521	4,455,960	56,892,483	
TOTAL EXPENSES	76,112,534	80,870,480	7,550,950	77,850,146	78,601,044	83,229,506	79,910,463	85,550,619	91,139,963	90,592,255	168,153,696	91,451,274	95,559,395	1,106,572,325	
OPERATING INCOME (LOSS) BEFORE TAX	10,746,478	10,733,551	9,955,603	10,653,670	9,584,090	10,874,863	10,558,956	8,307,970	10,533,330	11,483,746	11,036,065	11,377,781	9,625,732	135,471,835	
MCO TAX	7,914,997	7,915,244	8,904,648	8,905,117	8,904,649	8,904,648	8,904,649	8,904,649	8,902,943	8,904,649	8,933,228	8,905,080	8,905,142	104,904,501	
OPERATING INCOME (LOSS) NET OF TAX	2,831,481	2,818,307	1,050,955	1,748,553	679,441	1,970,215	1,654,307	(596,679)	1,630,387	2,579,097	2,102,837	2,472,701	720,590	30,567,334	
TOTAL NONOPERATING REVENUE (EXPENSE)	(587,120)	(479,019)	462,756	(687,453)	(176,843)	(1,188,755)	(931,682)	1,433,032	(137,472)	(151,159)	(88,366)	(167,372)	(245,779)	(2,945,232)	
NET INCREASE (DECREASE) IN NET POSITION	2,244,361	2,339,288	1,513,711	1,061,100	502,598	781,460	722,625	836,353	1,492,915	2,427,938	2,014,471	2,305,329	474,811	27,622,102	
MEDICAL LOSS RATIO	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	92.3%	94.9%	92.2%	
ADMINISTRATIVE EXPENSE RATIO	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	5.7%	5.5%	5.9%	

KHS Board of Directors Meeting, August 12, 2021

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF NET REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH MAY 31, 2021														
	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	284,587	287,199	3,555,475
REVENUES														
Title XIX - Medicaid - Family and Other	158.57	169.56	165.45	166.87	166.16	173.40	164.62	168.64	174.01	177.17	172.94	173.28	177.82	169.54
Title XIX - Medicaid - Expansion Members	373.98	388.48	377.98	376.19	379.54	393.46	371.41	384.47	388.83	397.58	382.20	385.72	382.40	381.51
Title XIX - Medicaid - SPD Members	938.61	987.39	981.08	972.23	972.22	945.03	1,012.68	989.03	957.28	816.21	1,005.21	978.42	1,008.27	964.37
Premium - MCO Tax	30.90	30.91	31.47	31.48	29.96	33.64	30.61	31.83	34.39	34.88	34.47	34.45	34.39	32.61
Premium - Hospital Directed Payments	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	51.78	51.57	37.96
Investment Earnings And Other Income	1.26	0.24	1.21	0.66	(0.05)	0.56	0.61	0.53	0.02	0.42	(0.88)	0.72	0.68	0.45
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.14	(0.04)	(198.96)	0.02	0.01	0.00	0.04	(0.01)	0.14	0.08	276.18	0.01	0.28	7.39
Rate/Income Adjustments	1.74	1.84	0.52	1.10	0.25	(2.14)	0.46	0.82	2.87	2.15	5.40	0.94	2.07	1.40
TOTAL REVENUES	339.12	352.88	66.89	334.29	317.10	345.36	328.88	338.29	365.05	368.67	633.24	361.33	366.24	349.33
EXPENSES														
Medical Costs:														
Physician Services	48.53	45.48	51.04	49.61	52.19	51.96	50.41	45.63	53.52	53.21	53.22	54.96	54.82	51.19
Other Professional Services	13.62	13.84	16.89	17.45	17.41	13.97	15.96	17.79	15.88	17.64	17.84	17.95	16.22	16.32
Emergency Room	16.45	12.96	13.95	18.18	17.71	17.67	16.86	11.51	16.79	15.97	15.38	15.74	17.49	15.91
Inpatient	56.26	65.93	65.27	62.83	64.29	62.89	62.57	69.14	71.28	69.78	62.12	64.72	71.65	65.37
Reinsurance Expense	0.27	0.28	0.29	0.29	0.28	0.28	0.31	0.28	0.29	0.29	0.28	0.28	0.29	0.29
Outpatient Hospital	20.30	24.84	24.63	26.04	24.47	24.42	22.58	23.66	25.52	23.87	25.30	30.51	30.79	25.21
Other Medical	42.40	35.44	43.96	34.20	50.46	47.40	39.84	47.11	38.21	37.61	41.84	34.73	38.16	40.88
Pharmacy	33.64	32.03	33.55	34.68	35.34	33.98	31.69	34.79	32.67	32.68	36.40	33.07	32.55	33.63
Pay for Performance Quality Incentive	1.98	2.00	2.00	2.00	1.90	2.04	1.98	0.00	1.90	1.91	1.86	1.90	1.88	1.79
Risk Corridor Expense	0.00	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hospital Directed Payments	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	51.78	51.57	37.96
Hospital Directed Payment Adjustment	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	0.02	(0.00)	0.14	0.08	273.37	0.01	0.00	7.07
Non-Claims Expense Adjustment	0.66	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	0.01	1.03	0.84	0.75	0.25	0.20	(0.08)
IBNR, Incentive, Paid Claims Adjustment	0.05	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	1.14	0.02	3.10	6.01	(0.30)	1.57	(0.30)
Total Medical Costs	279.64	293.97	12.34	278.36	268.81	291.15	276.06	286.15	311.55	311.99	580.14	305.61	317.21	295.23
GROSS MARGIN	59.47	58.91	54.55	55.93	48.29	54.21	52.82	52.14	53.50	56.67	53.10	55.72	49.03	54.10
Administrative:														
Compensation	9.28	10.92	10.44	9.81	9.48	9.59	8.93	9.97	9.95	10.50	8.68	9.46	9.57	9.73
Purchased Services	3.53	4.40	3.29	3.10	1.52	2.53	2.71	4.23	2.94	2.98	3.33	3.46	3.47	3.18
Supplies	0.23	0.11	0.27	0.24	0.26	0.13	0.39	0.14	0.21	0.21	0.02	0.46	0.20	0.22
Depreciation	3.61	1.61	1.60	1.58	1.51	1.54	1.53	1.52	1.52	1.53	1.51	1.50	1.47	1.68
Other Administrative Expenses	0.87	1.33	0.92	0.96	1.07	0.51	0.88	1.27	1.00	0.97	0.36	0.87	0.80	0.91
Administrative Expense Adjustment	0.00	(0.82)	0.00	0.00	0.00	0.00	0.00	5.07	0.07	(0.98)	0.20	(0.02)	(0.00)	0.28
Total Administrative Expenses	17.51	17.56	16.51	15.69	13.83	14.30	14.44	22.20	15.68	15.20	14.10	15.74	15.52	16.00
TOTAL EXPENSES	297.16	311.53	28.85	294.05	282.64	305.45	290.50	308.34	327.23	327.19	594.24	321.35	332.73	311.23
OPERATING INCOME (LOSS) BEFORE TAX	41.96	41.35	38.04	40.24	34.46	39.91	38.39	29.94	37.82	41.48	39.00	39.98	33.52	38.10
MCO TAX	30.90	30.49	34.02	33.64	32.02	32.68	32.37	32.09	31.97	32.16	31.57	31.29	31.01	29.51
OPERATING INCOME (LOSS) NET OF TAX	11.05	10.86	4.02	6.60	2.44	7.23	6.01	(2.15)	5.85	9.31	7.43	8.69	2.51	8.60
TOTAL NONOPERATING REVENUE (EXPENSE)	(2.29)	(1.85)	1.77	(2.60)	(0.64)	(4.36)	(3.39)	5.16	(0.49)	(0.55)	(0.31)	(0.59)	(0.86)	(0.83)
NET INCREASE (DECREASE) IN NET POSITION	8.76	9.01	5.78	4.01	1.81	2.87	2.63	3.01	5.36	8.77	7.12	8.10	1.65	7.77
MEDICAL LOSS RATIO	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	92.3%	94.9%	92.2%
ADMINISTRATIVE EXPENSE RATIO	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	5.7%	5.5%	5.9%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED MAY 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			REVENUES			
			Title XIX - Medicaid - Family & Other			
26,986,849	24,749,254	2,237,595	Premium - Medi-Cal	132,435,081	123,416,564	9,018,517
2,126,708	2,520,887	(394,179)	Premium - Maternity Kick	11,153,627	12,604,435	(1,450,808)
61,155	79,115	(17,960)	Premium - Hep C Kick	205,306	393,910	(188,604)
631,939	489,027	142,912	Premium - BHT Kick	2,947,778	2,434,841	512,937
189,866	176,880	12,986	Premium - Health Home Kick	788,188	880,674	(92,486)
3,622,774	3,481,860	140,914	Premium - Provider Enhancement	17,872,036	17,350,821	521,215
180,487	169,133	11,354	Premium - Ground Emergency Medical Transportation	889,272	843,424	45,848
960,348	274,969	685,379	Premium - Behavioral Health Integration Program	1,976,045	1,369,055	606,990
112,540	91,806	20,734	Other	552,218	458,830	93,388
34,872,666	32,032,931	2,839,735	Total Title XIX - Medicaid - Family & Other	168,819,551	159,752,554	9,066,997
			Title XIX - Medicaid - Expansion Members			
25,789,947	24,002,303	1,787,644	Premium - Medi-Cal	127,135,037	120,011,515	7,123,522
362,406	214,253	148,153	Premium - Maternity Kick	1,818,868	1,071,265	747,603
183,465	202,017	(18,552)	Premium - Hep C Kick	995,954	1,010,084	(14,130)
301,756	356,121	(54,365)	Premium - Health Home Kick	1,363,380	1,780,605	(417,225)
1,520,185	1,455,050	65,135	Premium - Provider Enhancement	7,505,430	7,275,250	230,180
181,787	165,235	16,552	Premium - Ground Emergency Medical Transportation	897,372	826,175	71,197
357,334	102,122	255,212	Premium - Behavioral Health Integration Program	736,245	510,610	225,635
31,787	26,600	5,187	Other	156,390	133,000	23,390
28,728,667	26,523,701	2,204,966	Total Title XIX - Medicaid - Expansion Members	140,608,676	132,618,504	7,990,172
			Title XIX - Medicaid - SPD Members			
14,401,623	13,474,791	926,832	Premium - Medi-Cal	70,440,326	67,373,953	3,066,373
61,155	100,288	(39,133)	Premium - Hep C Kick	183,465	501,438	(317,973)
618,801	763,566	(144,765)	Premium - BHT Kick	2,701,658	3,817,829	(1,116,171)
256,710	351,842	(95,132)	Premium - Health Home Kick	1,194,125	1,759,210	(565,085)
470,233	454,632	15,601	Premium - Provider Enhancement	2,299,978	2,273,160	26,818
135,632	127,475	8,157	Premium - Ground Emergency Medical Transportation	663,396	637,375	26,021
80,356	22,041	58,315	Premium - Behavioral Health Integration Program	172,436	110,205	62,231
16,024,510	15,294,634	729,876	Total Title XIX - Medicaid - SPD Members	77,655,384	76,473,169	1,182,215

CURRENT MONTH			KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED MAY 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
3,699,457	3,061,917	(637,540)	PHYSICIAN SERVICES			
11,103,264	10,566,016	(537,248)	Primary Care Physician Services	16,756,142	15,268,009	(1,488,133)
932,687	1,497,910	565,223	Referral Specialty Services	52,899,115	52,733,460	(165,655)
9,300	9,300	-	Urgent Care & After Hours Advise	6,383,740	7,468,203	1,084,463
15,744,708	15,135,143	(609,565)	Hospital Admitting Team	45,300	45,300	-
			TOTAL PHYSICIAN SERVICES	76,084,297	75,514,973	(569,324)
			OTHER PROFESSIONAL SERVICES			
305,213	294,661	(10,552)	Vision Service Capitation	1,473,157	1,469,037	(4,120)
221,546	212,115	(9,431)	221 - Business Intelligence	1,069,141	1,060,575	(8,566)
602,089	597,920	(4,169)	310 - Health Services - Utilization Management - UM Allocation *	2,969,142	2,989,600	20,458
147,314	189,152	41,838	311 - Health Services - Quality Improvement - UM Allocation *	699,538	945,760	246,222
120,314	123,337	3,023	312 - Health Services - Education - UM Allocation *	580,325	616,683	36,358
76,277	80,283	4,006	313 - Health Services - Pharmacy - UM Allocation *	378,189	401,415	23,226
138,809	210,465	71,656	314 - Health Homes - UM Allocation *	672,807	1,052,325	379,518
269,323	270,692	1,369	315 - Case Management - UM Allocation *	1,342,973	1,353,460	10,487
56,419	56,773	354	616 - Disease Management - UM Allocation *	307,551	283,865	(23,686)
1,204,226	1,252,593	48,367	Behavior Health Treatment	5,933,145	6,252,669	319,524
43,140	189,347	146,207	Mental Health Services	767,583	945,223	177,640
1,473,713	1,246,660	(227,053)	Other Professional Services	7,926,145	6,223,309	(1,702,836)
4,658,383	4,723,998	65,615	TOTAL OTHER PROFESSIONAL SERVICES	24,119,696	23,593,921	(525,775)
5,023,372	5,560,012	536,640	EMERGENCY ROOM	22,953,790	27,730,771	4,776,981
20,578,157	15,391,962	(5,186,195)	INPATIENT HOSPITAL	95,750,313	76,837,854	(18,912,459)
84,297	79,981	(4,316)	REINSURANCE EXPENSE PREMIUM	406,872	398,743	(8,129)
8,842,725	6,983,754	(1,858,971)	OUTPATIENT HOSPITAL SERVICES	38,403,672	34,865,807	(3,537,865)
			OTHER MEDICAL			
1,314,492	1,548,758	234,266	Ambulance and NEMT	6,706,609	7,726,445	1,019,836
707,296	425,387	(281,909)	Home Health Services & CBAS	3,291,564	2,123,694	(1,167,870)
359,626	491,325	131,699	Utilization and Quality Review Expenses	2,080,137	2,456,625	376,488
1,114,812	1,299,960	185,148	Long Term/SNF/Hospice	6,839,556	6,494,278	(345,278)
228,752	394,456	165,704	Health Home Capitation & Incentive	1,368,427	1,969,120	600,693
5,342,952	5,119,662	(223,290)	Provider Enhancement Expense - Prop. 56	26,344,759	25,527,403	(817,356)
494,669	461,843	(32,826)	Provider Enhancement Expense - GEMT	2,096,645	2,306,974	210,329
-	-	-	Provider COVID-19 Expenses	2,125,900	-	(2,125,900)
1,398,038	399,132	(998,906)	Behavioral Health Integration Program	2,884,726	1,989,870	(894,856)
10,960,637	10,140,521	(820,116)	TOTAL OTHER MEDICAL	53,738,323	50,594,408	(3,143,915)
			PHARMACY SERVICES			
8,518,642	9,368,400	849,758	RX - Drugs & OTC	42,552,254	46,782,000	4,229,746
290,418	381,420	91,002	RX - HEP-C	1,309,846	1,905,433	595,587
690,067	769,571	79,504	Rx - DME	4,038,931	3,842,829	(196,102)
(149,643)	(33,302)	116,341	RX - Pharmacy Rebates	(689,643)	(166,299)	523,344
9,349,484	10,486,088	1,136,604	TOTAL PHARMACY SERVICES	47,211,388	52,363,963	5,152,575
540,715	524,011	(16,705)	PAY FOR PERFORMANCE QUALITY INCENTIVE	2,665,865	2,612,453	(53,413)
-	-	-	RISK CORRIDOR EXPENSE	-	-	-
14,811,759	14,032,808	(778,951)	HOSPITAL DIRECTED PAYMENTS	72,847,860	70,040,705	(2,807,155)
597	-	(597)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	77,422,552	-	(77,422,552)
58,763	-	(58,763)	NON-CLAIMS EXPENSE ADJUSTMENT	863,617	-	(863,617)
449,838	-	(449,838)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	2,927,407	-	(2,927,407)
91,103,435	83,058,279	(8,045,156)	Total Medical Costs	515,395,652	414,553,597	(100,842,055)

KHS7/21/2021
Management Use Only

* Medical costs per DMHC regulations

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED MAY 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
PHYSICIAN SERVICES						
12.88	11.10	(1.78)	Primary Care Physician Services	11.88	11.10	(0.78)
38.66	38.31	(0.35)	Referral Specialty Services	37.51	38.35	0.84
3.25	5.43	2.18	Urgent Care & After Hours Advise	4.53	5.43	0.90
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
54.82	54.88	0.06	TOTAL PHYSICIAN SERVICES	53.95	54.92	0.97
OTHER PROFESSIONAL SERVICES						
1.06	1.07	0.01	Vision Service Capitation	1.04	1.07	0.02
0.77	0.77	(0.00)	221 - Business Intelligence	0.76	0.77	0.01
2.10	2.17	0.07	310 - Health Services - Utilization Management - UM Allocation *	2.11	2.17	0.07
0.51	0.69	0.17	311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.69	0.19
0.42	0.45	0.03	312 - Health Services - Education - UM Allocation *	0.41	0.45	0.04
0.27	0.29	0.03	313 - Health Services - Pharmacy - UM Allocation *	0.27	0.29	0.02
0.48	0.76	0.28	314 - Health Homes - UM Allocation *	0.48	0.77	0.29
0.94	0.98	0.04	315 - Case Management - UM Allocation *	0.95	0.98	0.03
0.20	0.21	0.01	616 - Disease Management - UM Allocation *	0.22	0.21	(0.01)
4.19	4.54	0.35	Behavior Health Treatment	4.21	4.55	0.34
0.15	0.69	0.54	Mental Health Services	0.54	0.69	0.14
5.13	4.52	(0.61)	Other Professional Services	5.62	4.53	(1.09)
16.22	17.13	0.91	TOTAL OTHER PROFESSIONAL SERVICES	17.10	17.16	0.06
17.49	20.16	2.67	EMERGENCY ROOM	16.28	20.17	3.89
71.65	55.81	(15.84)	INPATIENT HOSPITAL	67.90	55.88	(12.02)
0.29	0.29	(0.00)	REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.00
30.79	25.32	(5.47)	OUTPATIENT HOSPITAL SERVICES	27.23	25.36	(1.88)
OTHER MEDICAL						
4.58	5.62	1.04	Ambulance and NEMT	4.76	5.62	0.86
2.46	1.54	(0.92)	Home Health Services & CBAS	2.33	1.54	(0.79)
1.25	1.78	0.53	Utilization and Quality Review Expenses	1.48	1.79	0.31
3.88	4.71	0.83	Long Term/SNF/Hospice	4.85	4.72	(0.13)
0.80	1.43	0.63	Health Home Capitation & Incentive	0.97	1.43	0.46
18.60	18.56	(0.04)	Provider Enhancement Expense - Prop. 56	18.68	18.57	(0.12)
1.72	1.67	(0.05)	Provider Enhancement Expense - GEMT	1.49	1.68	0.19
0.00	0.00	0.00	Provider COVID-19 Expenses	1.51	0.00	(1.51)
4.87	1.45	(3.42)	Behavioral Health Integration Program	2.05	1.45	(0.60)
38.16	36.77	(1.40)	TOTAL OTHER MEDICAL	38.11	36.80	(1.31)
PHARMACY SERVICES						
29.66	33.97	4.31	RX - Drugs & OTC	30.18	34.02	3.85
1.01	1.38	0.37	RX - HEP-C	0.93	1.39	0.46
2.40	2.79	0.39	Rx - DME	2.86	2.79	(0.07)
(0.52)	(0.12)	0.40	RX - Pharmacy Rebates	(0.49)	(0.12)	0.37
32.55	38.02	5.47	TOTAL PHARMACY SERVICES	33.48	38.08	4.60
1.88	1.90	0.02	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.89	1.90	0.01
0.00	0.00	0.00	RISK CORRIDOR EXPENSE	0.00	0.00	0.00
51.57	50.88	(0.69)	HOSPITAL DIRECTED PAYMENTS	51.66	50.94	(0.72)
0.00	0.00	(0.00)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	54.90	0.00	(54.90)
0.20	0.00	(0.20)	NON-CLAIMS EXPENSE ADJUSTMENT	0.61	0.00	(0.61)
1.57	0.00	(1.57)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	2.08	0.00	(2.08)
317.21	301.16	(16.05)	Total Medical Costs	365.49	301.50	(63.99)

* Medical costs per DMHC regulations

KHS Board of Directors Meeting, August 12, 2021

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH MAY 31, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES						
Primary Care Physician Services	2,962,264	2,963,060	3,567,494	3,563,867	3,699,457	16,756,142
Referral Specialty Services	10,512,215	10,171,851	9,997,168	11,114,617	11,103,264	52,899,115
Urgent Care & After Hours Advise	1,423,381	1,588,229	1,484,832	954,611	932,687	6,383,740
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	45,300
TOTAL PHYSICIAN SERVICES	14,907,160	14,731,540	15,058,794	15,642,095	15,744,708	76,084,297
OTHER PROFESSIONAL SERVICES						
Vision Service Capitation	294,054	292,442	292,443	289,005	305,213	1,473,157
221 - Business Intelligence	210,663	222,415	197,310	217,207	221,546	1,069,141
310 - Health Services - Utilization Management - UM Allocation *	595,003	563,907	605,345	602,798	602,089	2,969,142
311 - Health Services - Quality Improvement - UM Allocation *	138,388	123,443	154,295	136,098	147,314	699,538
312 - Health Services - Education - UM Allocation *	120,621	124,149	95,259	119,982	120,314	580,325
313 - Health Services - Pharmacy - UM Allocation *	75,046	75,369	75,552	75,945	76,277	378,189
314 - Health Homes - UM Allocation *	120,170	119,317	173,098	121,413	138,809	672,807
315 - Case Management - UM Allocation *	270,657	261,834	281,125	260,034	269,323	1,342,973
616 - Disease Management - UM Allocation *	62,998	58,064	72,219	57,851	56,419	307,551
Behavior Health Treatment	867,517	947,944	1,407,309	1,506,149	1,204,226	5,933,145
Mental Health Services	292,517	181,749	96,618	153,559	43,140	767,583
Other Professional Services	1,373,918	1,913,308	1,598,054	1,567,152	1,473,713	7,926,145
TOTAL OTHER PROFESSIONAL SERVICES	4,421,552	4,883,941	5,048,627	5,107,193	4,658,383	24,119,696
EMERGENCY ROOM	4,676,327	4,420,437	4,353,449	4,480,205	5,023,372	22,953,790
INPATIENT HOSPITAL	19,853,180	19,321,533	17,577,565	18,419,878	20,578,157	95,750,313
REINSURANCE EXPENSE PREMIUM	81,215	80,770	80,461	80,129	84,297	406,872
OUTPATIENT HOSPITAL SERVICES	7,108,674	6,610,422	7,160,111	8,681,740	8,842,725	38,403,672
OTHER MEDICAL						
Ambulance and NEMT	1,400,971	1,208,039	1,444,178	1,338,929	1,314,492	6,706,609
Home Health Services & CBAS	490,933	582,371	853,147	657,817	707,296	3,291,564
Utilization and Quality Review Expenses	228,696	372,499	688,633	430,683	359,626	2,080,137
Long Term/SNF/Hospice	1,616,577	1,132,832	1,933,711	1,041,624	1,114,812	6,839,556
Health Home Capitation & Incentive	211,140	294,005	334,675	299,855	228,752	1,368,427
Provider Enhancement Expense - Prop. 56	5,190,164	5,226,990	5,265,692	5,318,961	5,342,952	26,344,759
Provider Enhancement Expense - GEMT	456,380	456,381	265,311	423,904	494,669	2,096,645
Provider COVID-19 Expenses	674,580	767,440	683,880	-	-	2,125,900
Behaviorial Health Integration Program	371,672	371,672	371,672	371,672	1,398,038	2,884,726
TOTAL OTHER MEDICAL	10,641,113	10,412,229	11,840,899	9,883,445	10,960,637	53,738,323
PHARMACY SERVICES						
RX - Drugs & OTC	8,174,252	8,080,594	9,316,542	8,462,224	8,518,642	42,552,254
RX - HEP-C	245,144	264,815	249,449	260,020	290,418	1,309,846
Rx - DME	815,963	839,212	868,236	825,453	690,067	4,038,931
RX - Pharmacy Rebates	(135,000)	(135,000)	(135,000)	(135,000)	(149,643)	(689,643)
TOTAL PHARMACY SERVICES	9,100,359	9,049,621	10,299,227	9,412,697	9,349,484	47,211,388
PAY FOR PERFORMANCE QUALITY INCENTIVE	529,182	529,183	526,070	540,715	540,715	2,665,865
RISK CORRIDOR EXPENSE	-	-	-	-	-	-
HOSPITAL DIRECTED PAYMENTS	15,121,903	15,230,282	12,949,303	14,734,613	14,811,759	72,847,860
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	39,990	21,878	77,356,953	3,134	597	77,422,552
NON-CLAIMS EXPENSE ADJUSTMENT	287,063	233,372	212,564	71,855	58,763	863,617
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	4,787	858,658	1,700,070	(85,946)	449,838	2,927,407
Total Medical Costs	86,772,505	86,383,866	164,164,093	86,971,753	91,103,435	515,395,652

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH MAY 31, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES						
Primary Care Physician Services	10.64	10.70	12.61	12.52	12.88	11.88
Referral Specialty Services	37.74	36.74	35.33	39.06	38.66	37.51
Urgent Care & After Hours Advise	5.11	5.74	5.25	3.35	3.25	4.53
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	53.52	53.21	53.22	54.96	54.82	53.95
OTHER PROFESSIONAL SERVICES						
Vision Service Capitation	1.06	1.06	1.03	1.02	1.06	1.04
221 - Business Intelligence	0.76	0.80	0.70	0.76	0.77	0.76
310 - Health Services - Utilization Management - UM Allocation *	2.14	2.04	2.14	2.12	2.10	2.11
311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.45	0.55	0.48	0.51	0.50
312 - Health Services - Education - UM Allocation *	0.43	0.45	0.34	0.42	0.42	0.41
313 - Health Services - Pharmacy - UM Allocation *	0.27	0.27	0.27	0.27	0.27	0.27
314 - Health Homes - UM Allocation *	0.43	0.43	0.61	0.43	0.48	0.48
315 - Case Management - UM Allocation *	0.97	0.95	0.99	0.91	0.94	0.95
616 - Disease Management - UM Allocation *	0.23	0.21	0.26	0.20	0.20	0.22
Behavior Health Treatment	3.11	3.42	4.97	5.29	4.19	4.21
Mental Health Services	1.05	0.66	0.34	0.54	0.15	0.54
Other Professional Services	4.93	6.91	5.65	5.51	5.13	5.62
TOTAL OTHER PROFESSIONAL SERVICES	15.88	17.64	17.84	17.95	16.22	17.10
EMERGENCY ROOM	16.79	15.97	15.38	15.74	17.49	16.28
INPATIENT HOSPITAL	71.28	69.78	62.12	64.72	71.65	67.90
REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.28	0.28	0.29	0.29
OUTPATIENT HOSPITAL SERVICES	25.52	23.87	25.30	30.51	30.79	27.23
OTHER MEDICAL						
Ambulance and NEMT	5.03	4.36	5.10	4.70	4.58	4.76
Home Health Services & CBAS	1.76	2.10	3.01	2.31	2.46	2.33
Utilization and Quality Review Expenses	0.82	1.35	2.43	1.51	1.25	1.48
Long Term/SNF/Hospice	5.80	4.09	6.83	3.66	3.88	4.85
Health Home Capitation & Incentive	0.76	1.06	1.18	1.05	0.80	0.97
Provider Enhancement Expense - Prop. 56	18.63	18.88	18.61	18.69	18.60	18.68
Provider Enhancement Expense - GEMT	1.64	1.65	0.94	1.49	1.72	1.49
Provider COVID-19 Expenses	2.42	2.77	2.42	0.00	0.00	1.51
Behavioral Health Integration Program	1.33	1.34	1.31	1.31	4.87	2.05
TOTAL OTHER MEDICAL	38.21	37.61	41.84	34.73	38.16	38.11
PHARMACY SERVICES						
RX - Drugs & OTC	29.35	29.18	32.92	29.74	29.66	30.18
RX - HEP-C	0.88	0.96	0.88	0.91	1.01	0.93
Rx - DME	2.93	3.03	3.07	2.90	2.40	2.86
RX - Pharmacy Rebates	(0.48)	(0.49)	(0.48)	(0.47)	(0.52)	(0.49)
TOTAL PHARMACY SERVICES	32.67	32.68	36.40	33.07	32.55	33.48
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.90	1.91	1.86	1.90	1.88	1.89
RISK CORRIDOR EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
HOSPITAL DIRECTED PAYMENTS	54.29	55.01	45.76	51.78	51.57	51.66
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.14	0.08	273.37	0.01	0.00	54.90
NON-CLAIMS EXPENSE ADJUSTMENT	1.03	0.84	0.75	0.25	0.20	0.61
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.02	3.10	6.01	(0.30)	1.57	2.08
Total Medical Costs	311.55	311.99	580.14	305.61	317.21	365.49

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED MAY 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
482,689	377,031	(105,658)	110 - Executive	1,885,883	1,885,156	(727)
86,601	212,651	126,050	210 - Accounting	921,892	1,063,256	141,364
349,136	362,443	13,307	220 - Management Information Systems	1,813,316	1,812,216	(1,100)
46,180	64,468	18,288	221 - Business Intelligence	58,488	322,340	263,852
261,073	281,931	20,858	222 - Enterprise Development	1,215,614	1,409,655	194,041
459,371	448,524	(10,847)	225 - Infrastructure	1,914,833	2,242,618	327,785
542,410	576,323	33,913	230 - Claims	2,665,017	2,881,615	216,598
127,251	149,779	22,528	240 - Project Management	595,903	748,897	152,994
116,283	101,775	(14,508)	310 - Health Services - Utilization Management	536,581	508,874	(27,707)
20,088	27,902	7,814	311 - Health Services - Quality Improvement	95,428	139,511	44,083
-	55	55	312 - Health Services - Education	59	275	216
145,687	142,146	(3,541)	313- Pharmacy	723,659	710,729	(12,930)
-	6,642	6,642	314 - Health Homes	4,225	33,208	28,983
23,420	22,357	(1,063)	315 - Case Management	116,781	111,784	(4,997)
29,065	29,325	260	616 - Disease Management	158,452	146,626	(11,826)
295,300	323,502	28,202	320 - Provider Network Management	1,379,346	1,617,512	238,166
566,155	656,475	90,320	330 - Member Services	2,889,407	3,282,376	392,969
567,567	702,275	134,708	340 - Corporate Services	2,811,213	3,511,374	700,161
61,212	66,363	5,151	360 - Audit & Investigative Services	312,049	331,815	19,766
21,513	69,250	47,737	410 - Advertising Media	225,102	346,250	121,148
51,803	73,950	22,147	420 - Sales/Marketing/Public Relations	287,158	369,748	82,590
203,371	251,455	48,084	510 - Human Resources	1,091,478	1,257,275	165,797
(215)	-	215	Administrative Expense Adjustment	(200,953)	-	200,953
4,455,960	4,946,622	490,662	Total Administrative Expenses	21,500,931	24,733,111	3,232,180

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED MAY 31, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	YEAR TO DATE 2021
110 - Executive	353,943	483,744	293,288	272,219	482,689	1,885,883
210 - Accounting	203,619	198,129	146,511	287,032	86,601	921,892
220 - Management Information Systems (MIS)	340,212	345,719	394,230	384,019	349,136	1,813,316
221 - Business Intelligence	-	-	-	12,308	46,180	58,488
222 - Enterprise Development	250,306	269,236	185,800	249,199	261,073	1,215,614
225 - Infrastructure	365,340	337,172	345,070	407,880	459,371	1,914,833
230 - Claims	550,124	558,095	460,086	554,302	542,410	2,665,017
240 - Project Management	99,808	119,159	128,304	121,381	127,251	595,903
310 - Health Services - Utilization Management	103,641	120,732	82,239	113,686	116,283	536,581
311 - Health Services - Quality Improvement	18,870	16,833	21,040	18,597	20,088	95,428
312 - Health Services - Education	-	-	-	59	-	59
313- Pharmacy	141,859	137,379	151,340	147,394	145,687	723,659
314 - Health Homes	-	-	4,225	-	-	4,225
315 - Case Management	23,536	22,769	24,444	22,612	23,420	116,781
616 - Disease Management	32,453	29,912	37,220	29,802	29,065	158,452
320 - Provider Network Management	304,995	273,211	231,758	274,082	295,300	1,379,346
330 - Member Services	567,625	586,939	545,846	622,842	566,155	2,889,407
340 - Corporate Services	561,450	559,640	535,874	586,682	567,567	2,811,213
360 - Audit & Investigative Services	68,976	83,366	38,089	60,406	61,212	312,049
410 - Advertising Media	27,368	39,637	81,326	55,258	21,513	225,102
420 - Sales/Marketing/Public Relations	53,401	69,703	46,252	65,999	51,803	287,158
510 - Human Resources	281,636	228,332	179,367	198,772	203,371	1,091,478
Total Department Expenses	4,349,162	4,479,707	3,932,309	4,484,531	4,456,175	21,701,884
ADMINISTRATIVE EXPENSE ADJUSTMENT	18,296	(271,318)	57,294	(5,010)	(215)	(200,953)
Total Administrative Expenses	4,367,458	4,208,389	3,989,603	4,479,521	4,455,960	21,500,931

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF MAY 31, 2021			
ASSETS	MAY 2021	APRIL 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,136,738	\$ 1,136,738	-
Interest Receivable	822	411	411
TOTAL CURRENT ASSETS	\$ 1,137,560	\$ 1,137,149	\$ 411
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	\$ -	\$ -	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,138,066	1,138,066	-
Increase (Decrease) in Net Position - Current Year	(506)	(917)	411
Total Net Position	\$ 1,137,560	\$ 1,137,149	\$ 411
TOTAL LIABILITIES AND NET POSITION	\$ 1,137,560	\$ 1,137,149	\$ 411

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MAY 31, 2021			YEAR-TO-DATE		
ENROLLMENT								
-	-	-	Members			-	-	-
REVENUES								
-	-	-	Premium			-	-	-
411	-	411	Interest			2,057	-	2,057
-	-	-	Other Investment Income			(2,563)	-	(2,563)
411	-	411	TOTAL REVENUES			(506)	-	(506)
EXPENSES								
-	-	-	Medical Costs			-	-	-
-	-	-	IBNR and Paid Claims Adjustment			-	-	-
-	-	-	Total Medical Costs			-	-	-
411	-	411	GROSS MARGIN			(506)	-	(506)
-	-	-	Administrative			-	-	-
-	-	-	Management Fee Expense and Other Admin Exp			-	-	-
-	-	-	Total Administrative Expenses			-	-	-
-	-	-	TOTAL EXPENSES			-	-	-
411	-	411	OPERATING INCOME (LOSS)			(506)	-	(506)
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)			-	-	-
411	-	411	NET INCREASE (DECREASE) IN NET POSITION			(506)	-	(506)
0%	0%	0%	MEDICAL LOSS RATIO			0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO			0%	0%	0%

KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

KERN HEALTH SYSTEMS

MEDI-CAL		2021 MEMBER MONTHS	JAN'21	FEB'21	MAR'21	APR'21	MAY'21	JUN'21	JUL'21	AUG'21	SEP'21	OCT'21	NOV'21	DEC'21
ADULT AND FAMILY														
ADULT	265,408		51,548	53,449	52,941	53,378	54,092	0	0	0	0	0	0	0
CHILD	658,845		131,669	126,764	133,240	133,228	133,944	0	0	0	0	0	0	0
SUB-TOTAL ADULT & FAMILY	924,253		183,217	180,213	186,181	186,606	188,036	0	0	0	0	0	0	0
OTHER MEMBERS														
PARTIAL DUALS - FAMILY	2,594		403	523	529	576	563	0	0	0	0	0	0	0
PARTIAL DUALS - CHILD	-1		0	-1	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	10		2	2	2	2	2	0	0	0	0	0	0	0
BCCTP - TABACCO SETTLEMENT	0		0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)														
SPD FULL DUALS	37,738		7,484	7,591	7,505	7,523	7,635	0	0	0	0	0	0	0
SUBTOTAL OTHER MEMBERS	40,341		7,889	8,115	8,036	8,101	8,200	0	0	0	0	0	0	0
TOTAL FAMILY & OTHER	964,594		191,106	188,328	194,217	194,707	196,236	0	0	0	0	0	0	0
SPD														
SPD (AGED AND DISABLED)	81,794		16,011	18,829	15,328	15,870	15,756	0	0	0	0	0	0	0
MEDI-CAL EXPANSION														
ACA Expansion Adult-Citizen	359,682		70,649	69,251	72,532	73,089	74,161	0	0	0	0	0	0	0
ACA Expansion Duals	4,085		751	472	895	921	1,046	0	0	0	0	0	0	0
SUB-TOTAL MED-CAL EXPANSION	363,767		71,400	69,723	73,427	74,010	75,207	0	0	0	0	0	0	0
TOTAL KAISER	56,789		11,047	11,196	11,349	11,505	11,692	0	0	0	0	0	0	0
TOTAL MEDI-CAL MEMBERS	1,466,944		289,564	288,076	294,321	296,092	298,891	0	0	0	0	0	0	0



To: KHS Board of Directors

From: Robert Landis, CFO

Date: August 12, 2021

Re: June 2021 Financial Results

The June results reflect a \$823,022 Net Increase in Net Position which is a \$1,075,831 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$15.9 million favorable variance primarily due to:
 - A) \$5.5 million favorable variance primarily due to higher than expected budgeted membership.
 - B) \$2.0 million favorable variance in the Behavioral Health Integration Incentive Program primarily due to a timing difference of incurred expenses by participating program providers and is offset against amounts included in 2C below.
 - C) \$1.1 million favorable variance in MCO Tax Premiums primarily due to receiving revised MCO Tax rates for calendar year 2021 from DHCS and higher than expected budgeted membership.
 - D) \$8.1 million favorable variance in Premium-Hospital Directed Payments primarily due to receiving updated rates for calendar year 2021 from DHCS (approximately \$6 million for the period January-May) and higher than expected membership offset against amounts included in 2D below.

- 2) Total Medical Costs reflect a \$15.6 million unfavorable variance primarily due to:
 - A) \$5.3 million unfavorable variance in Inpatient primarily due to higher than expected utilization over the last several months.
 - B) \$1.8 million unfavorable variance in Outpatient Hospital due to higher than expected utilization.
 - C) \$2.3 million unfavorable variance in Other Medical primarily from Behavioral Health Integration Incentive Program Expense occurring from a timing difference of incurred expenses by participating program providers and is offset against amounts included in 1B above.

- D) \$8.1 million unfavorable variance in Hospital Directed Payments primarily due to receiving updated rates for calendar year 2021 from DHCS (approximately \$6 million for the period January-May) and higher than expected membership offset against amounts included in 1D above.
- E) \$2.2 million favorable variance primarily from IBNR Adjustments relating to the prior year.

The June Medical Loss Ratio is 94.6% which is unfavorable to the 93.2% budgeted amount. The June Administrative Expense Ratio is 5.4% which is favorable to the 6.7% budgeted amount.

The results for the 6 months ended June 30, 2021 reflect a Net Increase in Net Position of \$9,538,486. This is a \$10,633,779 favorable variance to budget and includes approximately \$3.2 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.6 % which is unfavorable to the 93.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 6.7% budgeted amount.

**Kern Health Systems
Financial Packet
June 2021**

KHS – Medi-Cal Line of Business

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KHS Group Health Plan – Healthy Families Line of Business

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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF JUNE 30, 2021			
ASSETS	JUNE 2021	MAY 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 79,830,015	\$ 122,347,895	\$ (42,517,880)
Short-Term Investments	177,394,888	134,643,645	42,751,243
Premiums Receivable - Net	106,156,355	105,682,122	474,233
Premiums Receivable - Hospital Direct Payments	298,099,551	275,957,375	22,142,176
Interest Receivable	584,568	173,916	410,652
Provider Advance Payment	5,286,547	5,468,548	(182,001)
Other Receivables	1,015,728	1,282,710	(266,982)
Prepaid Expenses & Other Current Assets	2,222,270	1,844,150	378,120
Total Current Assets	\$ 670,589,922	\$ 647,400,361	\$ 23,189,561
CAPITAL ASSETS - NET OF ACCUM DEP'RE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,841,168	1,887,883	(46,715)
Computer Hardware and Software - Net	13,407,181	13,678,855	(271,674)
Building and Building Improvements - Net	34,894,116	34,969,810	(75,694)
Capital Projects in Progress	13,417,023	13,324,442	92,581
Total Capital Assets	\$ 67,650,194	\$ 67,951,696	\$ (301,502)
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,597,244	1,556,621	40,623
Total Long Term Assets	\$ 1,897,244	\$ 1,856,621	\$ 40,623
DEFERRED OUTFLOWS OF RESOURCES	\$ 3,018,341	\$ 3,018,341	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 743,155,701	\$ 720,227,019	\$ 22,928,682
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	\$ 3,653,652	\$ 4,366,553	(712,901)
Accrued Other Operating Expenses	1,378,654	1,362,738	15,916
Accrued Taxes and Licenses	26,564,073	17,659,424	8,904,649
Claims Payable (Reported)	17,483,523	25,382,584	(7,899,061)
IBNR - Inpatient Claims	34,190,863	38,338,820	(4,147,957)
IBNR - Physician Claims	15,134,753	15,349,160	(214,407)
IBNR - Accrued Other Medical	23,891,464	22,047,294	1,844,170
Risk Pool and Withholds Payable	7,520,158	6,974,486	545,672
Statutory Allowance for Claims Processing Expense	2,157,367	2,225,904	(68,537)
Other Liabilities	69,337,902	67,641,962	1,695,940
Accrued Hospital Directed Payments	298,099,561	275,957,385	22,142,176
Total Current Liabilities	\$ 499,411,970	\$ 477,306,310	\$ 22,105,660
NONCURRENT LIABILITIES:			
Net Pension Liability	7,032,377	7,032,377	-
TOTAL NONCURRENT LIABILITIES	\$ 7,032,377	\$ 7,032,377	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 86,684	\$ 86,684	\$ -
NET POSITION:			
Net Position - Beg. of Year	227,086,184	227,086,184	-
Increase (Decrease) in Net Position - Current Year	9,538,486	8,715,464	823,022
Total Net Position	\$ 236,624,670	\$ 235,801,648	\$ 823,022
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 743,155,701	\$ 720,227,019	\$ 22,928,682

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JUNE 30, 2021			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
189,407	183,400	6,007	Family Members	1,113,660	1,094,400	19,260		
76,037	70,565	5,472	Expansion Members	439,804	423,390	16,414		
15,645	15,230	415	SPD Members	97,439	91,380	6,059		
8,220	7,000	1,220	Other Members	48,561	42,000	6,561		
11,852	10,500	1,352	Kaiser Members	68,641	63,000	5,641		
301,161	286,695	14,466	Total Members - MCAL	1,768,105	1,714,170	53,935		
REVENUES								
35,878,342	32,074,141	3,804,201	Title XIX - Medicaid - Family and Other	204,697,893	191,826,695	12,871,198		
29,533,533	26,523,701	3,009,832	Title XIX - Medicaid - Expansion Members	170,142,209	159,142,205	11,000,004		
15,971,978	15,294,634	677,344	Title XIX - Medicaid - SPD Members	93,627,362	91,767,803	1,859,559		
9,961,634	8,904,649	1,056,985	Premium - MCO Tax	58,631,674	53,427,893	5,203,782		
22,138,233	14,045,142	8,093,091	Premium - Hospital Directed Payments	94,986,083	84,085,846	10,900,237		
(408,458)	166,492	(574,950)	Investment Earnings And Other Income	(136,137)	993,704	(1,129,841)		
-	80,097	(80,097)	Reinsurance Recoveries	-	478,839	(478,839)		
4,445	-	4,445	Rate Adjustments - Hospital Directed Payments	78,299,687	-	78,299,687		
(93,658)	-	(93,658)	Rate/Income Adjustments	3,690,515	-	3,690,515		
112,986,049	97,088,854	15,897,195	TOTAL REVENUES	703,939,286	581,722,985	122,216,301		
EXPENSES								
Medical Costs:								
16,190,717	15,151,218	(1,039,499)	Physician Services	92,275,014	90,666,191	(1,608,823)		
4,460,451	4,726,605	266,154	Other Professional Services	28,580,147	28,320,526	(259,621)		
5,040,670	5,566,942	526,272	Emergency Room	27,994,460	33,297,713	5,303,253		
20,739,625	15,404,157	(5,335,468)	Inpatient	116,489,938	92,242,012	(24,247,926)		
82,530	80,097	(2,433)	Reinsurance Expense	489,402	478,839	(10,563)		
8,800,023	6,989,050	(1,810,973)	Outpatient Hospital	47,203,695	41,854,857	(5,348,838)		
12,430,651	10,151,341	(2,279,310)	Other Medical	66,168,974	60,745,749	(5,423,225)		
10,442,688	10,492,736	50,048	Pharmacy	57,654,076	62,856,699	5,202,623		
545,673	524,771	(20,903)	Pay for Performance Quality Incentive	3,211,538	3,137,223	(74,315)		
-	-	-	Risk Corridor Expense	-	-	-		
22,138,233	14,045,142	(8,093,091)	Hospital Directed Payments	94,986,093	84,085,846	(10,900,247)		
3,943	-	(3,943)	Hospital Directed Payment Adjustment	77,426,495	-	(77,426,495)		
46,953	-	(46,953)	Non-Claims Expense Adjustment	910,570	-	(910,570)		
(2,226,487)	-	2,226,487	IBNR, Incentive, Paid Claims Adjustment	700,920	-	(700,920)		
98,695,670	83,132,058	(15,563,612)	Total Medical Costs	614,091,322	497,685,655	(116,405,667)		
14,290,379	13,956,796	333,583	GROSS MARGIN	89,847,964	84,037,330	5,810,634		
Administrative:								
2,731,289	2,881,030	149,741	Compensation	16,309,488	17,161,182	851,694		
985,876	1,071,006	85,130	Purchased Services	5,553,111	6,426,036	872,925		
85,576	133,106	47,530	Supplies	394,685	798,637	403,952		
425,837	500,520	74,683	Depreciation	2,546,968	3,003,122	456,154		
233,637	385,959	152,322	Other Administrative Expenses	1,359,847	2,315,755	955,908		
(63,654)	-	63,654	Administrative Expense Adjustment	(264,607)	-	264,607		
4,398,561	4,971,622	573,061	Total Administrative Expenses	25,899,492	29,704,733	3,805,241		
103,094,231	88,103,680	(14,990,551)	TOTAL EXPENSES	639,990,814	527,390,388	(112,600,426)		
9,891,818	8,985,174	906,644	OPERATING INCOME (LOSS) BEFORE TAX	63,948,472	54,332,598	9,615,874		
8,904,648	8,904,649	1	MCO TAX	53,455,690	53,427,893	(27,798)		
987,170	80,525	906,645	OPERATING INCOME (LOSS) NET OF TAX	10,492,782	904,705	9,588,077		
NONOPERATING REVENUE (EXPENSE)								
-	-	-	Gain on Sale of Assets	-	-	-		
(81,396)	(166,667)	85,271	Provider Recruitment and Retention Grants	(412,630)	(1,000,000)	587,370		
(82,752)	(166,667)	83,915	Health Home	(541,666)	(999,998)	458,332		
(164,148)	(333,334)	169,186	TOTAL NONOPERATING REVENUE (EXPENSE)	(954,296)	(1,999,998)	1,045,702		
823,022	(252,809)	1,075,831	NET INCREASE (DECREASE) IN NET POSITION	9,538,486	(1,095,293)	10,633,779		
94.6%	93.2%	-1.5%	MEDICAL LOSS RATIO	93.6%	93.1%	-0.5%		
5.4%	6.7%	1.3%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.7%	1.2%		

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED JUNE 30, 2021	YEAR-TO-DATE		
				ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
189,407	183,400	6,007	Family Members	1,113,660	1,094,400	19,260
76,037	70,565	5,472	Expansion Members	439,804	423,390	16,414
15,645	15,230	415	SPD Members	97,439	91,380	6,059
8,220	7,000	1,220	Other Members	48,561	42,000	6,561
11,852	10,500	1,352	Kaiser Members	68,641	63,000	5,641
301,161	286,695	14,466	Total Members - MCAL	1,768,105	1,714,170	53,935
REVENUES						
181.55	168.46	13.09	Title XIX - Medicaid - Family and Other	176.13	168.80	7.32
388.41	375.88	12.53	Title XIX - Medicaid - Expansion Members	386.86	375.88	10.98
1,020.90	1,004.24	16.66	Title XIX - Medicaid - SPD Members	960.88	1,004.24	(43.36)
34.43	32.24	2.19	Premium - MCO Tax	34.50	32.36	2.14
76.52	50.85	25.67	Premium - Hospital Directed Payments	55.89	50.93	4.97
(1.41)	0.60	(2.01)	Investment Earnings And Other Income	(0.08)	0.60	(0.68)
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)
0.02	0.00	0.02	Rate Adjustments - Hospital Directed Payments	46.07	0.00	46.07
(0.32)	0.00	(0.32)	Rate/Income Adjustments	2.17	0.00	2.17
390.54	351.52	39.01	TOTAL REVENUES	414.21	352.31	61.90
EXPENSES						
Medical Costs:						
55.96	54.86	(1.11)	Physician Services	54.30	54.91	0.61
15.42	17.11	1.70	Other Professional Services	16.82	17.15	0.33
17.42	20.16	2.73	Emergency Room	16.47	20.17	3.69
71.69	55.77	(15.91)	Inpatient	68.55	55.86	(12.68)
0.29	0.29	0.00	Reinsurance Expense	0.29	0.29	0.00
30.42	25.30	(5.11)	Outpatient Hospital	27.78	25.35	(2.43)
42.97	36.75	(6.21)	Other Medical	38.94	36.79	(2.15)
36.10	37.99	1.90	Pharmacy	33.92	38.07	4.14
1.89	1.90	0.01	Pay for Performance Quality Incentive	1.89	1.90	0.01
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00
76.52	50.85	(25.67)	Hospital Directed Payments	55.89	50.93	(4.97)
0.01	0.00	(0.01)	Hospital Directed Payment Adjustment	45.56	0.00	(45.56)
0.16	0.00	(0.16)	Non-Claims Expense Adjustment	0.54	0.00	(0.54)
(7.70)	0.00	7.70	IBNR, Incentive, Paid Claims Adjustment	0.41	0.00	(0.41)
341.14	300.99	(40.15)	Total Medical Costs	361.34	301.41	(59.93)
49.39	50.53	(1.14)	GROSS MARGIN	52.87	50.90	1.97
Administrative:						
9.44	10.43	0.99	Compensation	9.60	10.39	0.80
3.41	3.88	0.47	Purchased Services	3.27	3.89	0.62
0.30	0.48	0.19	Supplies	0.23	0.48	0.25
1.47	1.81	0.34	Depreciation	1.50	1.82	0.32
0.81	1.40	0.59	Other Administrative Expenses	0.80	1.40	0.60
(0.22)	0.00	0.22	Administrative Expense Adjustment	(0.16)	0.00	0.16
15.20	18.00	2.80	Total Administrative Expenses	15.24	17.99	2.75
356.35	318.99	(37.36)	TOTAL EXPENSES	376.58	319.40	(57.18)
34.19	32.53	1.66	OPERATING INCOME (LOSS) BEFORE TAX	37.63	32.91	4.72
30.78	32.24	1.46	MCO TAX	31.45	32.36	0.90
3.41	0.29	3.12	OPERATING INCOME (LOSS) NET OF TAX	6.17	0.55	5.63
NONOPERATING REVENUE (EXPENSE)						
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00
(0.28)	(0.60)	0.32	Reserve Fund Projects/Community Grants	(0.24)	(0.61)	0.36
(0.29)	(0.60)	0.32	Health Home	(0.32)	(0.61)	0.29
(0.57)	(1.21)	0.64	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.56)	(1.21)	0.65
2.84	(0.92)	3.76	NET INCREASE (DECREASE) IN NET POSITION	5.61	(0.66)	6.28
94.6%	93.2%	-1.5%	MEDICAL LOSS RATIO	93.6%	93.1%	-0.5%
5.4%	6.7%	1.3%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.7%	1.2%

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH JUNE 30, 2021													JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	JUNE 2021	13 MONTH TOTAL
ENROLLMENT																										
Members - MCAL	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	284,587	287,199	289,309	3,588,650												
REVENUES																										
Title XIX - Medicaid - Family and Other	30,522,053	29,997,411	30,548,160	30,419,692	33,387,274	30,920,896	32,216,002	33,254,490	33,365,704	33,597,650	33,739,941	34,872,666	35,879,242	422,708,581												
Title XIX - Medicaid - Expansion Members	24,776,875	24,533,357	24,848,094	25,069,155	27,568,938	25,504,052	27,197,954	27,548,311	27,720,576	28,063,951	28,547,171	28,728,667	29,533,533	349,640,634												
Title XIX - Medicaid - SPD Members	15,603,750	15,224,387	15,192,022	15,191,965	14,457,143	16,007,482	15,504,966	15,326,978	15,368,431	15,407,903	15,527,562	16,024,510	15,971,978	200,809,077												
Premium - MCO Tax	8,023,287	8,236,232	8,333,151	8,332,682	9,166,454	8,420,487	8,830,398	9,577,432	9,657,982	9,752,737	9,805,142	9,876,747	9,961,634	117,974,365												
Premium - Hospital Directed Payments	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	14,734,613	14,811,749	22,138,233	145,506,838												
Investment Earnings And Other Income	62,534	315,583	173,465	(14,474)	151,948	166,556	147,197	4,303	116,471	(249,580)	205,894	195,233	(408,458)	866,672												
Reinsurance Recoveries	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	39,990	21,877	78,150,342	3,134	79,899	4,445	26,228,823												
Rate Adjustments - Hospital Directed Payments	476,588	135,705	291,820	70,321	(582,499)	127,031	226,726	799,886	594,678	1,527,455	266,498	595,656	(93,658)	4,436,207												
TOTAL REVENUES	91,604,031	17,506,553	88,503,816	88,185,134	94,104,369	90,469,419	93,858,589	101,673,293	102,076,001	179,189,761	102,829,055	105,185,127	112,986,649	1,268,171,197												
EXPENSES																										
Medical Costs	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	13,867,872	12,660,363	14,907,160	14,731,540	15,058,794	15,642,095	15,744,708	16,190,717	185,773,475												
Physician Services	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	4,389,484	4,935,401	4,421,552	4,883,941	5,048,627	5,107,193	4,658,383	4,460,451	58,979,107												
Other Professional Services	3,363,172	3,651,975	4,813,363	4,926,659	4,814,428	4,638,713	3,194,257	4,627,327	4,420,437	4,533,449	4,480,205	5,023,372	5,040,670	57,996,427												
Emergency Room	17,115,732	17,082,368	16,635,497	17,879,275	17,137,251	17,212,070	19,183,080	19,853,180	19,321,533	17,577,565	18,419,878	20,578,157	20,739,625	238,735,211												
Inpatient	73,356	75,202	76,284	76,523	77,652	84,521	77,390	81,215	80,770	80,461	80,129	84,297	82,530	1,030,330												
Reinsurance Expense	6,447,664	6,446,825	6,894,371	6,804,640	6,653,372	6,209,999	6,565,195	7,108,674	6,610,422	7,160,111	8,681,740	8,842,725	8,800,023	93,225,761												
Outpatient Hospital	9,199,742	11,504,806	9,055,443	14,033,235	12,916,278	10,958,385	13,070,247	10,641,113	10,412,229	11,840,899	9,883,445	10,900,637	12,430,651	146,907,110												
Other Medical	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	8,717,167	9,651,881	9,100,359	9,049,621	10,299,227	9,412,697	9,349,484	10,442,688	121,385,909												
Pharmacy	519,184	523,464	529,498	529,498	556,200	544,962	529,182	529,183	526,070	540,715	540,715	545,673	6,414,344													
Pay for Performance Quality Incentive	4,700,000	(2,000,000)	-	(2,700,000)	-	-	-	-	-	-	-	-	-	-												
Risk Corridor Expense	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	14,734,613	14,811,759	22,138,233	145,506,848												
Hospital Directed Payments	(10,733)	(52,075,301)	(233,958)	4,234	77	6,596	(1,263)	39,990	21,878	77,356,953	3,134	597	3,943	25,116,147												
Hospital Directed Payment Adjustment	(325,027)	(23,790)	(157)	(777,546)	5,124	(209,309)	1,598	287,063	233,372	212,564	71,855	58,763	46,953	(418,537)												
Non-Claims Expense Adjustment	(626,819)	344,451	(120,764)	(4,217,566)	(5,474)	205,986	316,193	4,787	858,658	1,700,070	(85,946)	449,838	(2,226,487)	(3,303,073)												
IBNR, Incentive, Paid Claims Adjustment	76,311,140	3,228,909	73,696,401	74,755,703	79,333,670	75,939,534	79,392,380	86,772,505	86,383,866	164,164,093	86,971,753	91,103,435	98,695,670	1,076,749,059												
TOTAL MEDICAL COSTS	15,292,891	14,277,644	14,807,415	13,429,431	14,770,699	14,529,885	14,466,209	14,900,788	15,692,135	15,025,668	15,857,302	14,081,692	14,290,379	191,422,138												
GROSS MARGIN																										
Administrative	2,835,739	2,732,099	2,897,575	2,636,509	2,613,272	2,456,357	2,766,869	2,772,584	2,908,104	2,457,160	2,691,957	2,748,394	2,731,289	34,947,908												
Compensation	1,142,683	859,845	819,771	421,612	689,841	745,537	1,172,530	818,908	824,152	941,200	986,086	996,889	985,876	11,404,930												
Purchased Services	29,774	71,551	63,919	71,111	34,967	106,489	39,305	57,592	57,416	4,446	131,712	57,943	85,576	811,801												
Supplies	418,036	417,768	418,389	419,251	419,796	419,850	421,301	422,833	422,834	426,541	426,541	422,382	425,837	5,481,359												
Depreciation	345,337	240,778	254,091	296,858	137,960	242,696	351,189	277,245	267,201	102,962	248,235	230,567	235,637	3,228,756												
Other Administrative Expenses	(212,229)	-	-	-	-	-	1,407,045	18,296	(271,318)	57,294	(5,010)	(215)	(63,654)	930,209												
Administrative Expense Adjustment	4,559,340	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	4,367,458	4,208,389	3,989,603	4,479,521	4,455,960	4,398,561	56,804,963												
TOTAL ADMINISTRATIVE EXPENSES	80,870,480	7,550,950	77,850,146	78,601,044	83,229,506	79,910,463	85,550,619	91,139,963	90,592,255	168,153,696	91,451,274	95,559,395	103,094,231	1,133,554,022												
OPERATING INCOME (LOSS) BEFORE TAX	10,733,551	9,955,603	10,653,670	9,584,090	10,874,863	10,558,956	8,307,970	10,533,330	11,483,746	11,036,065	11,377,781	9,625,732	9,891,818	134,617,175												
MCO TAX	7,915,244	8,904,648	8,905,117	8,904,649	8,904,648	8,904,649	8,904,649	8,902,943	8,904,649	8,933,228	8,905,080	8,905,142	8,904,648	96,989,504												
OPERATING INCOME (LOSS) NET OF TAX	2,818,307	1,050,955	1,748,553	679,441	1,970,215	1,654,307	(596,679)	1,630,387	2,579,097	2,102,837	2,472,701	720,590	987,170	37,627,671												
TOTAL NONOPERATING REVENUE (EXPENSE)	(479,019)	462,756	(687,453)	(176,843)	(1,188,755)	(931,682)	1,433,032	(137,472)	(151,159)	(88,366)	(167,372)	(245,779)	(164,148)	(2,522,260)												
NET INCREASE (DECREASE) IN NET POSITION	2,339,288	1,513,711	1,061,100	502,598	781,460	722,625	836,353	1,492,915	2,427,938	2,014,471	2,305,329	474,811	823,022	35,105,411												
MEDICAL LOSS RATIO	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	92.3%	94.9%	94.6%	92.6%												
ADMINISTRATIVE EXPENSE RATIO	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	5.7%	5.3%	5.4%	5.8%												

KHS Board of Directors Meeting, August 12, 2021

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH JUNE 30, 2021	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	JUNE 2021	13 MONTH TOTAL
MEMBERS - MCAL	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	284,587	287,199	289,309	3,588,650
REVENUES														
Title XIX - Medicaid - Family and Other	169.56	165.45	166.87	166.16	173.40	164.62	168.64	174.01	177.17	172.94	173.28	177.71	181.55	171.28
Title XIX - Medicaid - Expansion Members	388.48	377.98	376.19	379.54	393.46	371.41	384.47	385.83	397.58	382.20	385.72	381.99	388.41	382.57
Title XIX - Medicaid - SPD Members	987.39	981.08	972.23	972.22	945.03	1,012.68	989.03	957.28	816.21	1,005.21	978.42	1,017.24	1,020.90	971.27
Premium - MCO Tax	30.91	31.47	31.48	29.96	33.64	30.61	31.83	34.39	34.88	34.47	34.45	34.39	34.43	32.87
Premium - Hospital Directed Payments	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	51.78	51.57	76.52	40.55
Investment Earnings And Other Income	0.24	1.21	0.66	(0.05)	0.56	0.61	0.53	0.02	0.42	(0.88)	0.72	0.68	(1.41)	0.24
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	(0.04)	(198.96)	0.02	0.01	0.00	0.04	(0.01)	0.14	0.08	276.18	0.01	0.28	0.02	7.31
Rate/Income Adjustments	1.84	0.52	1.10	0.25	(2.14)	0.46	0.82	2.87	2.15	5.40	0.94	2.07	(0.32)	1.24
TOTAL REVENUES	352.88	66.89	334.29	317.10	345.36	328.88	338.29	365.05	368.67	633.24	361.33	366.24	390.54	353.38
EXPENSES														
Medical Costs:														
Physician Services	45.48	51.04	49.61	52.19	51.96	50.41	45.63	53.52	53.21	53.22	54.96	54.82	55.96	51.77
Other Professional Services	13.04	16.89	17.45	17.41	13.97	15.96	17.79	15.88	17.64	17.84	17.95	16.22	15.42	16.43
Emergency Room	12.96	13.95	18.18	17.71	17.67	16.86	11.51	16.79	15.97	15.38	15.74	17.49	17.42	15.99
Inpatient	65.93	65.27	62.83	64.29	62.89	62.57	69.14	71.28	69.78	62.12	64.72	71.65	71.69	66.53
Reinsurance Expense	0.28	0.29	0.29	0.28	0.28	0.31	0.28	0.29	0.29	0.28	0.28	0.29	0.29	0.29
Outpatient Hospital	24.84	24.63	26.04	24.47	24.42	22.58	23.66	25.52	23.87	25.30	30.51	30.79	30.42	25.98
Other Medical	35.44	43.96	34.20	50.46	47.40	39.84	47.11	38.21	37.61	41.84	34.73	38.16	42.97	40.94
Pharmacy	32.03	33.55	34.68	35.34	33.98	31.69	34.79	32.67	32.68	36.40	33.07	32.55	36.10	33.82
Pay for Performance Quality Incentive	2.00	2.00	2.00	1.90	2.04	1.98	0.00	1.90	1.91	1.86	1.90	1.88	1.89	1.79
Risk Corridor Expense	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hospital Directed Payments	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	51.78	51.57	76.52	40.55
Hospital Directed Payment Adjustment	(0.04)	(198.96)	(0.88)	0.02	0.00	0.02	(0.00)	0.14	0.08	273.37	0.01	0.00	0.01	7.00
Non-Claims Expense Adjustment	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	0.01	1.03	0.84	0.75	0.25	0.20	0.16	(0.12)
IBNR, Incentive, Paid Claims Adjustment	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	1.14	0.02	3.10	6.01	(0.30)	1.57	(7.70)	(0.92)
Total Medical Costs	293.97	12.34	278.36	268.81	291.15	276.06	286.15	311.55	311.99	580.14	305.61	317.21	341.14	300.04
GROSS MARGIN	58.91	54.55	55.93	48.29	54.21	52.82	52.14	53.50	56.67	53.10	55.72	49.03	49.39	53.34
Administrative:														
Composition	10.92	10.44	9.81	9.48	9.59	8.93	9.97	9.95	10.50	8.68	9.46	9.57	9.44	9.74
Purchased Services	4.40	3.29	3.10	1.52	2.53	2.71	4.23	2.94	2.98	3.33	3.46	3.47	3.41	3.18
Supplies	0.11	0.27	0.24	0.26	0.13	0.39	0.14	0.21	0.21	0.02	0.46	0.20	0.30	0.23
Depreciation	1.61	1.60	1.58	1.51	1.54	1.53	1.52	1.52	1.53	1.51	1.50	1.47	1.47	1.53
Other Administrative Expenses	1.33	0.92	0.96	1.07	0.51	0.88	1.27	1.00	0.97	0.36	0.87	0.80	0.81	0.90
Administrative Expense Adjustment	(0.82)	0.00	0.00	0.00	0.00	0.00	0.00	0.07	(0.98)	0.20	(0.02)	(0.00)	(0.22)	0.26
Total Administrative Expenses	17.56	16.51	15.69	13.83	14.30	14.44	22.20	15.68	15.20	14.10	15.74	15.52	15.20	15.83
TOTAL EXPENSES	311.53	28.85	294.05	282.64	305.45	290.50	308.34	327.23	327.19	594.24	321.35	332.73	356.35	315.87
OPERATING INCOME (LOSS) BEFORE TAX	41.35	38.04	40.24	34.46	39.91	38.39	29.94	37.82	41.48	39.00	39.98	33.52	34.19	37.51
MCO TAX	30.49	34.02	33.64	32.02	32.68	32.37	32.09	31.97	32.16	31.57	31.29	31.01	30.78	27.03
OPERATING INCOME (LOSS) NET OF TAX	10.86	4.02	6.60	2.44	7.23	6.01	(2.15)	5.85	9.31	7.43	8.69	2.51	3.41	10.49
TOTAL NONOPERATING REVENUE (EXPENSE)	(1.85)	1.77	(2.60)	(0.64)	(4.36)	(3.39)	5.16	(0.49)	(0.55)	(0.31)	(0.59)	(0.86)	(0.57)	(0.70)
NET INCREASE (DECREASE) IN NET POSITION	9.01	5.78	4.01	1.81	2.87	2.63	3.01	5.36	8.77	7.12	8.10	1.65	2.84	9.78
MEDICAL LOSS RATIO	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	92.3%	94.9%	94.6%	92.6%
ADMINISTRATIVE EXPENSE RATIO	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	5.7%	5.5%	5.4%	5.8%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED JUNE 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
REVENUES						
Title XIX - Medicaid - Family & Other						
27,025,593	24,782,225	2,243,368	Premium - Medi-Cal	159,460,674	148,198,789	11,261,885
2,352,358	2,520,887	(168,529)	Premium - Maternity Kick	13,505,985	15,125,322	(1,619,337)
52,419	79,282	(26,863)	Premium - Hep C Kick	257,725	473,192	(215,467)
695,453	490,057	205,396	Premium - BHT Kick	3,643,231	2,924,898	718,333
161,013	177,252	(16,239)	Premium - Health Home Kick	949,201	1,057,926	(108,725)
3,643,628	3,487,708	155,920	Premium - Provider Enhancement	21,515,664	20,838,529	677,135
181,394	169,357	12,037	Premium - Ground Emergency Medical Transportation	1,070,666	1,012,781	57,885
1,653,517	275,548	1,377,969	Premium - Behavioral Health Integration Program	3,629,562	1,644,603	1,984,959
112,967	91,826	21,141	Other	665,185	550,656	114,529
35,878,342	32,074,141	3,804,201	Total Title XIX - Medicaid - Family & Other	204,697,893	191,826,695	12,871,198
Title XIX - Medicaid - Expansion Members						
26,302,538	24,002,303	2,300,235	Premium - Medi-Cal	153,437,575	144,013,818	9,423,757
335,055	214,253	120,802	Premium - Maternity Kick	2,153,923	1,285,518	868,405
227,148	202,017	25,131	Premium - Hep C Kick	1,223,102	1,212,101	11,001
281,091	356,121	(75,030)	Premium - Health Home Kick	1,644,471	2,136,726	(492,255)
1,550,610	1,455,050	95,560	Premium - Provider Enhancement	9,056,040	8,730,300	325,740
185,424	165,235	20,189	Premium - Ground Emergency Medical Transportation	1,082,796	991,410	91,386
619,259	102,122	517,137	Premium - Behavioral Health Integration Program	1,355,504	612,732	742,772
32,408	26,600	5,808	Other	188,798	159,600	29,198
29,533,533	26,523,701	3,009,832	Total Title XIX - Medicaid - Expansion Members	170,142,209	159,142,205	11,000,004
Title XIX - Medicaid - SPD Members						
14,243,150	13,474,791	768,359	Premium - Medi-Cal	84,683,476	80,848,743	3,834,733
61,155	100,288	(39,133)	Premium - Hep C Kick	244,620	601,726	(357,106)
680,645	763,566	(82,921)	Premium - BHT Kick	3,382,303	4,581,395	(1,199,092)
249,831	351,842	(102,011)	Premium - Health Home Kick	1,443,956	2,111,052	(667,096)
465,060	454,632	10,428	Premium - Provider Enhancement	2,765,038	2,727,792	37,246
134,140	127,475	6,665	Premium - Ground Emergency Medical Transportation	797,536	764,850	32,686
137,997	22,041	115,956	Premium - Behavioral Health Integration Program	310,433	132,246	178,187
15,971,978	15,294,634	677,344	Total Title XIX - Medicaid - SPD Members	93,627,362	91,767,803	1,859,559

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED JUNE 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
3,720,742	3,066,075	(654,667)	Primary Care Physician Services	20,476,884	18,334,084	(2,142,800)
11,178,950	10,575,678	(603,272)	Referral Specialty Services	64,078,065	63,309,138	(768,927)
1,282,025	1,500,465	218,440	Urgent Care & After Hours Advise	7,665,765	8,968,668	1,302,903
9,000	9,000	-	Hospital Admitting Team	54,300	54,300	-
16,190,717	15,151,218	(1,039,499)	TOTAL PHYSICIAN SERVICES	92,275,014	90,666,191	(1,608,823)
			OTHER PROFESSIONAL SERVICES			
298,817	295,087	(3,730)	Vision Service Capitation	1,771,974	1,764,124	(7,850)
203,314	212,115	8,801	221 - Business Intelligence	1,272,455	1,272,690	235
619,127	597,920	(21,207)	310 - Health Services - Utilization Management - UM Allocation *	3,588,269	3,587,520	(749)
146,837	189,152	42,315	311 - Health Services - Quality Improvement - UM Allocation *	846,375	1,134,912	288,537
125,926	123,337	(2,589)	312 - Health Services - Education - UM Allocation *	706,251	740,020	33,769
74,167	80,283	6,116	313 - Health Services - Pharmacy - UM Allocation *	452,356	481,698	29,342
140,463	210,465	70,002	314 - Health Homes - UM Allocation *	813,270	1,262,790	449,520
261,708	270,692	8,984	315 - Case Management - UM Allocation *	1,604,681	1,624,152	19,471
55,347	56,773	1,426	616 - Disease Management - UM Allocation *	362,898	340,638	(22,260)
1,186,572	1,253,622	67,050	Behavior Health Treatment	7,119,717	7,506,292	386,575
72,194	189,498	117,304	Mental Health Services	839,777	1,134,721	294,944
1,275,979	1,247,660	(28,319)	Other Professional Services	9,202,124	7,470,969	(1,731,155)
4,460,451	4,726,605	266,154	TOTAL OTHER PROFESSIONAL SERVICES	28,580,147	28,320,526	(259,621)
5,040,670	5,566,942	526,272	EMERGENCY ROOM	27,994,460	33,297,713	5,303,253
20,739,625	15,404,157	(5,335,468)	INPATIENT HOSPITAL	116,489,938	92,242,012	(24,247,926)
82,530	80,097	(2,433)	REINSURANCE EXPENSE PREMIUM	489,402	478,839	(10,563)
8,800,023	6,989,050	(1,810,973)	OUTPATIENT HOSPITAL SERVICES	47,203,695	41,854,857	(5,348,838)
			OTHER MEDICAL			
1,189,224	1,550,492	361,268	Ambulance and NEMT	7,895,833	9,276,937	1,381,104
964,318	425,711	(538,607)	Home Health Services & CBAS	4,255,882	2,549,405	(1,706,477)
509,705	491,325	(18,380)	Utilization and Quality Review Expenses	2,589,842	2,947,950	358,108
1,301,188	1,300,511	(677)	Long Term/SNF/Hospice	8,140,744	7,794,790	(345,954)
341,280	394,772	53,492	Health Home Capitation & Incentive	1,709,707	2,363,891	654,184
5,386,833	5,126,753	(260,080)	Provider Enhancement Expense - Prop. 56	31,731,592	30,654,156	(1,077,436)
527,330	462,067	(65,263)	Provider Enhancement Expense - GEMT	2,623,975	2,769,041	145,066
-	-	-	Provider COVID-19 Expenses	2,125,900	-	(2,125,900)
2,210,773	399,711	(1,811,062)	Behavioral Health Integration Program	5,095,499	2,389,580	(2,705,919)
12,430,651	10,151,341	(2,279,310)	TOTAL OTHER MEDICAL	66,168,974	60,745,749	(5,423,225)
			PHARMACY SERVICES			
9,049,899	9,374,400	324,501	RX - Drugs & OTC	51,602,153	56,156,400	4,554,247
365,687	381,586	15,899	RX - HEP-C	1,675,533	2,287,019	611,486
1,035,049	770,073	(264,976)	Rx - DME	5,073,980	4,612,902	(461,078)
(7,947)	(33,323)	(25,376)	RX - Pharmacy Rebates	(697,590)	(199,622)	497,968
10,442,688	10,492,736	50,048	TOTAL PHARMACY SERVICES	57,654,076	62,856,699	5,202,623
545,673	524,771	(20,903)	PAY FOR PERFORMANCE QUALITY INCENTIVE	3,211,538	3,137,223	(74,315)
-	-	-	RISK CORRIDOR EXPENSE	-	-	-
22,138,233	14,045,142	(8,093,091)	HOSPITAL DIRECTED PAYMENTS	94,986,093	84,085,846	(10,900,247)
3,943	-	(3,943)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	77,426,495	-	(77,426,495)
46,953	-	(46,953)	NON-CLAIMS EXPENSE ADJUSTMENT	910,570	-	(910,570)
(2,226,487)	-	2,226,487	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	700,920	-	(700,920)
88,695,670	83,132,058	(15,563,612)	Total Medical Costs	614,091,322	497,685,655	(116,405,667)

KHS7/29/2021
Management Use Only

* Medical costs per DMHC regulations

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED JUNE 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
PHYSICIAN SERVICES						
12.86	11.10	(1.76)	Primary Care Physician Services	12.05	11.10	(0.95)
38.64	38.29	(0.35)	Referral Specialty Services	37.70	38.34	0.64
4.43	5.43	1.00	Urgent Care & After Hours Advise	4.51	5.43	0.92
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
55.96	54.86	(1.11)	TOTAL PHYSICIAN SERVICES	54.30	54.91	0.61
OTHER PROFESSIONAL SERVICES						
1.03	1.07	0.04	Vision Service Capitation	1.04	1.07	0.03
0.70	0.77	0.07	221 - Business Intelligence	0.75	0.77	0.02
2.14	2.16	0.02	310 - Health Services - Utilization Management - UM Allocation *	2.11	2.17	0.06
0.51	0.68	0.18	311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.69	0.19
0.44	0.45	0.01	312 - Health Services - Education - UM Allocation *	0.42	0.45	0.03
0.26	0.29	0.03	313 - Health Services - Pharmacy - UM Allocation *	0.27	0.29	0.03
0.49	0.76	0.28	314 - Health Homes - UM Allocation *	0.48	0.76	0.29
0.90	0.98	0.08	315 - Case Management - UM Allocation *	0.94	0.98	0.04
0.19	0.21	0.01	616 - Disease Management - UM Allocation *	0.21	0.21	(0.01)
4.10	4.54	0.44	Behavior Health Treatment	4.19	4.55	0.36
0.25	0.69	0.44	Mental Health Services	0.49	0.69	0.19
4.41	4.52	0.11	Other Professional Services	5.41	4.52	(0.89)
15.42	17.11	1.70	TOTAL OTHER PROFESSIONAL SERVICES	16.82	17.15	0.33
17.42	20.16	2.73	EMERGENCY ROOM	16.47	20.17	3.69
71.69	55.77	(15.91)	INPATIENT HOSPITAL	68.55	55.86	(12.68)
0.29	0.29	0.00	REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.00
30.42	25.30	(5.11)	OUTPATIENT HOSPITAL SERVICES	27.78	25.35	(2.43)
OTHER MEDICAL						
4.11	5.61	1.50	Ambulance and NEMT	4.65	5.62	0.97
3.33	1.54	(1.79)	Home Health Services & CBAS	2.50	1.54	(0.96)
1.76	1.78	0.02	Utilization and Quality Review Expenses	1.52	1.79	0.26
4.50	4.71	0.21	Long Term/SNF/Hospice	4.79	4.72	(0.07)
1.18	1.43	0.25	Health Home Capitation & Incentive	1.01	1.43	0.43
18.62	18.56	(0.06)	Provider Enhancement Expense - Prop. 56	18.67	18.57	(0.11)
1.82	1.67	(0.15)	Provider Enhancement Expense - GEMT	1.54	1.68	0.13
0.00	0.00	0.00	Provider COVID-19 Expenses	1.25	0.00	(1.25)
7.64	1.45	(6.19)	Behavioral Health Integration Program	3.00	1.45	(1.55)
42.97	36.75	(6.21)	TOTAL OTHER MEDICAL	38.94	36.79	(2.15)
PHARMACY SERVICES						
31.28	33.94	2.66	RX - Drugs & OTC	30.36	34.01	3.65
1.26	1.38	0.12	RX - HEP-C	0.99	1.39	0.40
3.58	2.79	(0.79)	Rx - DME	2.99	2.79	(0.19)
(0.03)	(0.12)	(0.09)	RX - Pharmacy Rebates	(0.41)	(0.12)	0.29
36.10	37.99	1.90	TOTAL PHARMACY SERVICES	33.92	38.07	4.14
1.89	1.90	0.01	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.89	1.90	0.01
0.00	0.00	0.00	RISK CORRIDOR EXPENSE	0.00	0.00	0.00
76.52	50.85	(25.67)	HOSPITAL DIRECTED PAYMENTS	55.89	50.93	(4.97)
0.01	0.00	(0.01)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	45.56	0.00	(45.56)
0.16	0.00	(0.16)	NON-CLAIMS EXPENSE ADJUSTMENT	0.54	0.00	(0.54)
(7.70)	0.00	7.70	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.41	0.00	(0.41)
341.14	300.99	(40.15)	Total Medical Costs	361.34	301.41	(59.93)

* Medical costs per DMHC regulations

KHS Board of Directors Meeting, August 12, 2021

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH JUNE 30, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	JUNE 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES							
Primary Care Physician Services	2,962,264	2,963,060	3,567,494	3,563,867	3,699,457	3,720,742	20,476,884
Referral Specialty Services	10,512,215	10,171,851	9,997,168	11,114,617	11,103,264	11,178,950	64,078,065
Urgent Care & After Hours Advise	1,423,381	1,588,229	1,484,832	954,611	932,687	1,282,025	7,665,765
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000	54,300
TOTAL PHYSICIAN SERVICES	14,907,160	14,731,540	15,058,794	15,642,095	15,744,708	16,190,717	92,275,014
OTHER PROFESSIONAL SERVICES							
Vision Service Capitation	294,054	292,442	292,443	289,005	305,213	298,817	1,771,974
221 - Business Intelligence	210,663	222,415	197,310	217,207	221,546	203,314	1,272,455
310 - Health Services - Utilization Management - UM Allocation *	595,003	563,907	605,345	602,798	602,089	619,127	3,588,269
311 - Health Services - Quality Improvement - UM Allocation *	138,388	123,443	154,295	136,098	147,314	146,837	846,375
312 - Health Services - Education - UM Allocation *	120,621	124,149	95,259	119,982	120,314	125,926	706,251
313 - Health Services - Pharmacy - UM Allocation *	75,046	75,369	75,552	75,945	76,277	74,167	452,356
314 - Health Homes - UM Allocation *	120,170	119,317	173,098	121,413	138,809	140,463	813,270
315 - Case Management - UM Allocation *	270,657	261,834	281,125	260,034	269,323	261,708	1,604,681
616 - Disease Management - UM Allocation *	62,998	58,064	72,219	57,851	56,419	55,347	362,898
Behavior Health Treatment	867,517	947,944	1,407,309	1,506,149	1,204,226	1,186,572	7,119,717
Mental Health Services	292,517	181,749	96,618	153,559	43,140	72,194	839,777
Other Professional Services	1,373,918	1,913,308	1,598,054	1,567,152	1,473,713	1,275,979	9,202,124
TOTAL OTHER PROFESSIONAL SERVICES	4,421,552	4,883,941	5,048,627	5,107,193	4,658,383	4,460,451	28,580,147
EMERGENCY ROOM	4,676,327	4,420,437	4,353,449	4,480,205	5,023,372	5,040,670	27,994,460
INPATIENT HOSPITAL	19,853,180	19,321,533	17,577,565	18,419,878	20,578,157	20,739,625	116,489,938
REINSURANCE EXPENSE PREMIUM	81,215	80,770	80,461	80,129	84,297	82,530	489,402
OUTPATIENT HOSPITAL SERVICES	7,108,674	6,610,422	7,160,111	8,681,740	8,842,725	8,800,023	47,203,695
OTHER MEDICAL							
Ambulance and NEMT	1,400,971	1,208,039	1,444,178	1,338,929	1,314,492	1,189,224	7,895,833
Home Health Services & CBAS	490,933	582,371	853,147	657,817	707,296	964,318	4,255,882
Utilization and Quality Review Expenses	228,696	372,499	688,633	430,683	359,626	509,705	2,589,842
Long Term/SNF/Hospice	1,616,577	1,132,832	1,933,711	1,041,624	1,114,812	1,301,188	8,140,744
Health Home Capitation & Incentive	211,140	294,005	334,675	299,855	228,752	341,280	1,709,707
Provider Enhancement Expense - Prop. 56	5,190,164	5,226,990	5,265,692	5,318,961	5,342,952	5,386,833	31,731,592
Provider Enhancement Expense - GEMT	456,380	456,381	265,311	423,904	494,669	527,330	2,623,975
Provider COVID-19 Expenses	674,580	767,440	683,880	-	-	-	2,125,900
Behavioral Health Integration Program	371,672	371,672	371,672	371,672	1,398,038	2,210,773	5,095,499
TOTAL OTHER MEDICAL	10,641,113	10,412,229	11,840,899	9,883,445	10,960,637	12,430,651	66,168,974
PHARMACY SERVICES							
RX - Drugs & OTC	8,174,252	8,080,594	9,316,542	8,462,224	8,518,642	9,049,899	51,602,153
RX - HEP-C	245,144	264,815	249,449	260,020	290,418	365,687	1,675,533
Rx - DME	815,963	839,212	868,236	825,453	690,067	1,035,049	5,073,980
RX - Pharmacy Rebates	(135,000)	(135,000)	(135,000)	(135,000)	(149,643)	(7,947)	(697,590)
TOTAL PHARMACY SERVICES	9,100,359	9,049,621	10,299,227	9,412,697	9,349,484	10,442,688	57,654,076
PAY FOR PERFORMANCE QUALITY INCENTIVE	529,182	529,183	526,070	540,715	540,715	545,673	3,211,538
RISK CORRIDOR EXPENSE	-	-	-	-	-	-	-
HOSPITAL DIRECTED PAYMENTS	15,121,903	15,230,282	12,949,303	14,734,613	14,811,759	22,138,233	94,986,093
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	39,990	21,878	77,356,953	3,134	597	3,943	77,426,495
NON-CLAIMS EXPENSE ADJUSTMENT	287,063	233,372	212,564	71,855	58,763	46,953	910,570
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	4,787	858,658	1,700,070	(85,946)	449,838	(2,226,487)	700,920
Total Medical Costs	86,772,505	86,383,866	164,164,093	86,971,753	91,103,435	98,695,670	614,091,322

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH JUNE 30, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	JUNE 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES							
Primary Care Physician Services	10.64	10.70	12.61	12.52	12.88	12.86	12.05
Referral Specialty Services	37.74	36.74	35.33	39.06	38.66	38.64	37.70
Urgent Care & After Hours Advise	5.11	5.74	5.25	3.35	3.25	4.43	4.51
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	53.52	53.21	53.22	54.96	54.82	55.96	54.30
OTHER PROFESSIONAL SERVICES							
Vision Service Capitation	1.06	1.06	1.03	1.02	1.06	1.03	1.04
221 - Business Intelligence	0.76	0.80	0.70	0.76	0.77	0.70	0.75
310 - Health Services - Utilization Management - UM Allocation *	2.14	2.04	2.14	2.12	2.10	2.14	2.11
311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.45	0.55	0.48	0.51	0.51	0.50
312 - Health Services - Education - UM Allocation *	0.43	0.45	0.34	0.42	0.42	0.44	0.42
313 - Health Services - Pharmacy - UM Allocation *	0.27	0.27	0.27	0.27	0.27	0.26	0.27
314 - Health Homes - UM Allocation *	0.43	0.43	0.61	0.43	0.48	0.49	0.48
315 - Case Management - UM Allocation *	0.97	0.95	0.99	0.91	0.94	0.90	0.94
616 - Disease Management - UM Allocation *	0.23	0.21	0.26	0.20	0.20	0.19	0.21
Behavior Health Treatment	3.11	3.42	4.97	5.29	4.19	4.10	4.19
Mental Health Services	1.05	0.66	0.34	0.54	0.15	0.25	0.49
Other Professional Services	4.93	6.91	5.65	5.51	5.13	4.41	5.41
TOTAL OTHER PROFESSIONAL SERVICES	15.88	17.64	17.84	17.95	16.22	15.42	16.82
EMERGENCY ROOM	16.79	15.97	15.38	15.74	17.49	17.42	16.47
INPATIENT HOSPITAL	71.28	69.78	62.12	64.72	71.65	71.69	68.55
REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.28	0.28	0.29	0.29	0.29
OUTPATIENT HOSPITAL SERVICES	25.52	23.87	25.30	30.51	30.79	30.42	27.78
OTHER MEDICAL							
Ambulance and NEMT	5.03	4.36	5.10	4.70	4.58	4.11	4.65
Home Health Services & CBAS	1.76	2.10	3.01	2.31	2.46	3.33	2.50
Utilization and Quality Review Expenses	0.82	1.35	2.43	1.51	1.25	1.76	1.52
Long Term/SNF/Hospice	5.80	4.09	6.83	3.66	3.88	4.50	4.79
Health Home Capitation & Incentive	0.76	1.06	1.18	1.05	0.80	1.18	1.01
Provider Enhancement Expense - Prop. 56	18.63	18.88	18.61	18.69	18.60	18.62	18.67
Provider Enhancement Expense - GEMT	1.64	1.65	0.94	1.49	1.72	1.82	1.54
Provider COVID-19 Expenses	2.42	2.77	2.42	0.00	0.00	0.00	1.25
Behaviorial Health Integration Program	1.33	1.34	1.31	1.31	4.87	7.64	3.00
TOTAL OTHER MEDICAL	38.21	37.61	41.84	34.73	38.16	42.97	38.94
PHARMACY SERVICES							
RX - Drugs & OTC	29.35	29.18	32.92	29.74	29.66	31.28	30.36
RX - HEP-C	0.88	0.96	0.88	0.91	1.01	1.26	0.99
Rx - DME	2.93	3.03	3.07	2.90	2.40	3.58	2.99
RX - Pharmacy Rebates	(0.48)	(0.49)	(0.48)	(0.47)	(0.52)	(0.03)	(0.41)
TOTAL PHARMACY SERVICES	32.67	32.68	36.40	33.07	32.55	36.10	33.92
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.90	1.91	1.86	1.90	1.88	1.89	1.89
RISK CORRIDOR EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HOSPITAL DIRECTED PAYMENTS	54.29	55.01	45.76	51.78	51.57	76.52	55.89
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.14	0.08	273.37	0.01	0.00	0.01	45.56
NON-CLAIMS EXPENSE ADJUSTMENT	1.03	0.84	0.75	0.25	0.20	0.16	0.54
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.02	3.10	6.01	(0.30)	1.57	(7.70)	0.41
Total Medical Costs	311.55	311.99	580.14	305.61	317.21	341.14	361.34

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED JUNE 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
358,282	402,031	43,749	110 - Executive	2,244,165	2,287,187	43,022
198,636	212,651	14,015	210 - Accounting	1,120,528	1,275,907	155,379
376,280	362,443	(13,837)	220 - Management Information Systems	2,189,596	2,174,659	(14,937)
24,115	64,468	40,353	221 - Business Intelligence	82,603	386,808	304,205
252,105	281,931	29,826	222 - Enterprise Development	1,467,719	1,691,586	223,867
352,463	448,524	96,061	225 - Infrastructure	2,267,296	2,691,142	423,846
526,593	576,323	49,730	230 - Claims	3,191,610	3,457,939	266,329
189,626	149,779	(39,847)	240 - Project Management	785,529	898,676	113,147
100,257	101,775	1,518	310 - Health Services - Utilization Management	636,838	610,649	(26,189)
27,421	27,902	481	311 - Health Services - Quality Improvement	122,849	167,413	44,564
-	55	55	312 - Health Services - Education	59	330	271
151,338	142,146	(9,192)	313- Pharmacy	874,997	852,875	(22,122)
-	6,642	6,642	314 - Health Homes	4,225	39,850	35,625
22,757	22,357	(400)	315 - Case Management	139,538	134,141	(5,397)
28,513	29,325	812	616 - Disease Management	186,965	175,951	(11,014)
262,297	323,502	61,205	320 - Provider Network Management	1,641,643	1,941,015	299,372
559,817	656,475	96,658	330 - Member Services	3,449,224	3,938,852	489,628
540,444	702,275	161,831	340 - Corporate Services	3,351,657	4,213,649	861,992
61,445	66,363	4,918	360 - Audit & Investigative Services	373,494	398,177	24,683
152,571	69,250	(83,321)	410 - Advertising Media	377,673	415,500	37,827
57,056	73,950	16,894	420 - Sales/Marketing/Public Relations	344,214	443,698	99,484
220,199	251,455	31,256	510 - Human Resources	1,311,677	1,508,730	197,053
(63,654)	-	63,654	Administrative Expense Adjustment	(264,607)	-	264,607
4,398,561	4,971,622	573,061	Total Administrative Expenses	25,899,492	29,704,733	3,805,241

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED JUNE 30, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	JUNE 2021	YEAR TO DATE 2021
110 - Executive	353,943	483,744	293,288	272,219	482,689	358,282	2,244,165
210 - Accounting	203,619	198,129	146,511	287,032	86,601	198,636	1,120,528
220 - Management Information Systems (MIS)	340,212	345,719	394,230	384,019	349,136	376,280	2,189,596
221 - Business Intelligence	-	-	-	12,308	46,180	24,115	82,603
222 - Enterprise Development	250,306	269,236	185,800	249,199	261,073	252,105	1,467,719
225 - Infrastructure	365,340	337,172	345,070	407,880	459,371	352,463	2,267,296
230 - Claims	550,124	558,095	460,086	554,302	542,410	526,593	3,191,610
240 - Project Management	99,808	119,159	128,304	121,381	127,251	189,626	785,529
310 - Health Services - Utilization Management	103,641	120,732	82,239	113,686	116,283	100,257	636,838
311 - Health Services - Quality Improvement	18,870	16,833	21,040	18,597	20,088	27,421	122,849
312 - Health Services - Education	-	-	-	59	-	-	59
313 - Pharmacy	141,859	137,379	151,340	147,394	145,687	151,338	874,997
314 - Health Homes	-	-	4,225	-	-	-	4,225
315 - Case Management	23,536	22,769	24,444	22,612	23,420	22,757	139,538
616 - Disease Management	32,453	29,912	37,220	29,802	29,065	28,513	186,965
320 - Provider Network Management	304,995	273,211	231,758	274,082	295,300	262,297	1,641,643
330 - Member Services	567,625	586,939	545,846	622,842	566,155	559,817	3,449,224
340 - Corporate Services	561,450	559,640	535,874	586,682	567,567	540,444	3,351,657
360 - Audit & Investigative Services	68,976	83,366	38,089	60,406	61,212	61,445	373,494
410 - Advertising Media	27,368	39,637	81,326	55,258	21,513	152,571	377,673
420 - Sales/Marketing/Public Relations	53,401	69,703	46,252	65,999	51,803	57,056	344,214
510 - Human Resources	281,636	228,332	179,367	198,772	203,371	220,199	1,311,677
Total Department Expenses	4,349,162	4,479,707	3,932,309	4,484,531	4,456,175	4,462,215	26,164,099
ADMINISTRATIVE EXPENSE ADJUSTMENT	18,296	(271,318)	57,294	(5,010)	(215)	(63,654)	(264,607)
Total Administrative Expenses	4,367,458	4,208,389	3,989,603	4,479,521	4,455,960	4,398,561	25,899,492

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF JUNE 30, 2021			
ASSETS	JUNE 2021	MAY 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,136,738	\$ 1,136,738	-
Interest Receivable	924	822	102
TOTAL CURRENT ASSETS	\$ 1,137,662	\$ 1,137,560	\$ 102
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	\$ -	\$ -	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,138,066	1,138,066	-
Increase (Decrease) in Net Position - Current Year	(404)	(506)	102
Total Net Position	\$ 1,137,662	\$ 1,137,560	\$ 102
TOTAL LIABILITIES AND NET POSITION	\$ 1,137,662	\$ 1,137,560	\$ 102

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JUNE 30, 2021			YEAR-TO-DATE		
ENROLLMENT								
-	-	-	Members			-	-	-
REVENUES								
-	-	-	Premium			-	-	-
102	-	102	Interest			2,159	-	2,159
-	-	-	Other Investment Income			(2,563)	-	(2,563)
102	-	102	TOTAL REVENUES			(404)	-	(404)
EXPENSES								
-	-	-	Medical Costs			-	-	-
-	-	-	IBNR and Paid Claims Adjustment			-	-	-
-	-	-	Total Medical Costs			-	-	-
102	-	102	GROSS MARGIN			(404)	-	(404)
-	-	-	Administrative			-	-	-
-	-	-	Management Fee Expense and Other Admin Exp			-	-	-
-	-	-	Total Administrative Expenses			-	-	-
-	-	-	TOTAL EXPENSES			-	-	-
102	-	102	OPERATING INCOME (LOSS)			(404)	-	(404)
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)			-	-	-
102	-	102	NET INCREASE (DECREASE) IN NET POSITION			(404)	-	(404)
0%	0%	0%	MEDICAL LOSS RATIO			0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO			0%	0%	0%

KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

KERN HEALTH SYSTEMS

MEDI-CAL		2021 MEMBER MONTHS	JAN'21	FEB'21	MAR'21	APR'21	MAY'21	JUN'21	JUL'21	AUG'21	SEP'21	OCT'21	NOV'21	DEC'21
ADULT AND FAMILY														
ADULT	320,275		51,548	53,449	52,941	53,378	54,092	54,867	0	0	0	0	0	0
CHILD	793,385		131,669	126,764	133,240	133,228	133,944	134,540	0	0	0	0	0	0
SUB-TOTAL ADULT & FAMILY	1,113,660		183,217	180,213	186,181	186,606	188,036	189,407	0	0	0	0	0	0
OTHER MEMBERS														
PARTIAL DUALS - FAMILY	3,170		403	523	529	576	563	576	0	0	0	0	0	0
PARTIAL DUALS - CHILD	-1		0	-1	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	14		2	2	2	2	2	4	0	0	0	0	0	0
BCCTP - TABACCO SETTLEMENT	0		0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)														
SPD FULL DUALS	45,378		7,484	7,591	7,505	7,523	7,635	7,640	0	0	0	0	0	0
SUBTOTAL OTHER MEMBERS	48,561		7,889	8,115	8,036	8,101	8,200	8,220	0	0	0	0	0	0
TOTAL FAMILY & OTHER	1,162,221		191,106	188,328	194,217	194,707	196,236	197,627	0	0	0	0	0	0
SPD														
SPD (AGED AND DISABLED)	97,439		16,011	18,829	15,328	15,870	15,756	15,645	0	0	0	0	0	0
MEDI-CAL EXPANSION														
ACA Expansion Adult-Citizen	434,587		70,649	69,251	72,532	73,089	74,161	74,905	0	0	0	0	0	0
ACA Expansion Duals	5,217		751	472	895	921	1,046	1,132	0	0	0	0	0	0
SUB-TOTAL MED-CAL EXPANSION	439,804		71,400	69,723	73,427	74,010	75,207	76,037	0	0	0	0	0	0
TOTAL KAISER	68,641		11,047	11,196	11,349	11,505	11,692	11,852	0	0	0	0	0	0
TOTAL MEDI-CAL MEMBERS	1,768,105		289,564	288,076	294,321	296,092	298,891	301,161	0	0	0	0	0	0

**KERN HEALTH
SYSTEMS**

May AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO ****	437,793.93	2,168,836.20	MAY 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	294,413.44	2,168,836.20	MAR. & APR. 2021 PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	137,365.99	344,405.34	APR. & MAY 2021 VOLUNTARY LIFE, AD&D, DENTAL	VARIOUS
T2726	DST PHARMACY SOLUTIONS, INC.	114,846.09	562,582.68	APR. 2021 PHARMACY CLAIMS	PHARMACY
T4982	NGC US, LLC	96,000.00	867,745.88	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER & DISEASE MANAGEMENT & QUALITY IMPROVEMENT INCENTIVES	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	73,940.00	349,390.00	APR. & MAY 2021 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T4353	TWE SOLUTIONS, INC. ****	73,165.00	87,518.01	INTRUSION DETECTION/PROTECTION ANNUAL SOFTWARE LICENSE AND SUPPORT	CAPITAL PROJECT
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	72,098.51	242,881.37	APR. 2021 PROFESSIONAL SERVICES	VARIOUS
T4165	SHI INTERNATIONAL CO.	69,477.65	124,821.35	SOFTWARE LICENSES - CISCO IVR LICENSES, PROOFPOINT LICENSES	MIS INFRASTRUCTURE
T4391	OMNI FAMILY HEALTH ****	65,917.15	228,322.19	FEB. & MAR. 2021 SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T4483	INFUSION AND CLINICAL SERVICES, INC. ****	54,471.30	125,327.24	MAR. & APR., 2021 HEALTH HOMES GRANT	COMMUNITY GRANTS
T1180	LANGUAGE LINE SERVICES INC.	52,636.70	176,799.50	MAR. & APR., 2021 INTERPRETATION SERVICES	MEMBER SERVICES
T2458	HEALTHCARE FINANCIAL, INC	45,000.00	220,000.00	MAR. & APR., 2021 PROFESSIONAL SERVICES	ADMINISTRATION

**KERN·HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4699	ZeOMEGA, INC. ****	44,690.14	44,690.14	2021 JIVA ENHANCEMENTS	MIS INFRASTRUCTURE
T4582	HEALTHX, INC.	41,576.00	215,880.00	MAY 2021 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T1272	COFFEY COMMUNICATIONS INC. ****	37,877.55	56,686.73	SPRING 2021 MEMBER NEWSLETTER & MAY 2021 WEBSITE MAINTENANCE	HEALTH EDUCATION/ MARKETING
T5107	CITRIX SYSTEMS, INC. ****	37,350.00	37,350.00	ANNUAL SERVICE RENEWAL	MIS INFRASTRUCTURE
T5185	HOUSING AUTHORITY COUNTY OF KERN ****	36,850.00	63,150.00	JAN. & FEB. 2021, HOUSING AUTHORITY GRANT	UTILIZATION MANAGEMENT - UM WELLNESS
T5109	RAND EMPLOYMENT SOLUTIONS	36,554.39	251,351.00	APR. & MAY 2021 TEMPORARY HELP - MS (5), MIS; (1) UM; (1) HE (1)	VARIOUS
T2961	SOLUTION BENCH, LLC ****	33,814.59	46,414.59	2021 M FILES SUBSCRIPTION	MIS INFRASTRUCTURE
T1128	HALL LETTER SHOP, INC.	26,256.45	57,861.02	MEMBER COVID -19 FLYER & MAIL PREP & NEW MEMBER PACKETS	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	25,573.15	117,040.64	APR. 2021 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T5345	DEVVIO INC ****	23,250.00	23,250.00	ANNUAL SOFTWARE & HARDWARE DEVVTRACE WEARABLES & GATEWAYS - CONTRACT TRACING	CAPITAL PROJECT
T5344	SIGNATURE STAFF RESOURCES LLC	22,770.00	55,752.00	APR. 2021 PROFESSIONAL SERVICES	PROJECT MANAGEMENT
T4193	STRIA LLC	21,566.57	152,743.15	APR. & MAY, 2021 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T4733	UNITED STAFFING ASSOCIATES	21,282.40	88,886.44	APR. & MAY 2021 TEMPORARY HELP - (2) MS; (1) HHP; (1) HE	VARIOUS
T4960	ZELIS CLAIMS INTEGRITY, LLC ****	20,690.28	64,392.01	APR. 2021 POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS

**KERN HEALTH
SYSTEMS**

May AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4460	PAYSPAN, INC	20,380.49	85,000.67	APR. 2021 ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T5337	CAZADOR CONSULTING GROUP INC ****	19,637.12	24,807.78	APR. & MAY 2021 TEMPORARY HELP - (4) MS	VARIOUS
T3011	OFFICE ALLY, INC.	18,493.50	92,010.50	APR. 2021 EDI CLAIM PROCESSING	CLAIMS
T4967	ADMINISTRATIVE SOLUTIONS, INC.	17,875.10	104,679.79	MAY 2021 FSA EMPLOYEE PREMIUM	HUMAN RESOURCES
T5022	SVAM INTERNATIONAL INC	17,600.00	117,176.00	APR. 2021 PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T2167	PG&E	17,152.23	98,654.83	APR./MAY 2021 - USAGE/UTILITIES	CORPORATE SERVICES
T1861	CERIDIAN HCM, INC.	17,136.40	108,775.12	APR. & MAY 2021 MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T5145	CCS ENGINEERING FRESNO INC.,	16,545.64	92,053.84	APR. & MAY 2021 JANITORIAL SERVICES	CORPORATE SERVICES
T5201	JAC SERVICES, INC. ****	16,422.00	31,152.00	SPRING MAINTENANCE - AIR CONDITIONING	CORPORATE SERVICES
T5005	CRAYON SOFTWARE EXPERTS LLC ****	14,282.00	718,561.49	APR. 2021 AZURE OVERAGES	MIS INFRASTRUCTURE
T4792	KP LLC ****	12,536.30	39,828.21	APR. 2021 SUPPORT, POSTPARTUM & PRENATAL MAILINGS	HEALTH EDUCATION/ MARKETING

**KERN·HEALTH
SYSTEMS**

May AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4501	ALLIED UNIVERSAL SECURITY SERVICES	12,263.68	73,216.35	APR. & MAY 2021 ONSITE SECURITY	CORPORATE SERVICES
T2941	KERN PRINT SERVICES INC. ****	11,624.64	19,702.67	SUPPLIES - ENVELOPES	CORPORATE SERVICES
T4503	VISION SERVICE PLAN ****	11,036.09	27,696.72	APR., & MAY 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T1189	APPLE ONE INC, EMPLOYMENT SERVICES *****	10,452.38	42,938.68	APR. & MAY 2021 TEMPORARY HELP - (1) MS	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO ****	10,184.83	52,467.29	MAY 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	HUMAN RESOURCES
		<u>2,260,849.68</u>			
	TOTAL VENDORS OVER \$10,000	2,260,849.68			
	TOTAL VENDORS UNDER \$10,000	191,208.07			
	TOTAL VENDOR EXPENSES- MAY	<u>\$ 2,452,057.75</u>			

Note:

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

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	2,168,836.20	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	1,082,252.66	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T4982	NGC US, LLC	867,745.88	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	HEALTH EDUCATION
T2704	MCG HEALTH LLC	742,147.77	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T5005	CRAYON SOFTWARE EXPERTS LLC	718,561.49	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T3130	OPTUMINSIGHT, INC.	630,066.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T2726	DST PHARMACY SOLUTIONS, INC.	562,582.68	PHARMACY CLAIMS	PHARMACY
T4237	FLUIDEDGE CONSULTING, INC.	349,390.00	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	344,405.34	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE PREMIUM	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	251,351.00	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	242,881.37	PROFESSIONAL SERVICES	VARIOUS
T4391	OMNI FAMILY HEALTH	228,322.19	SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T2458	HEALTHCARE FINANCIAL, INC.	220,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	217,442.81	HEALTH HOME GRANT	COMMUNITY GRANTS
T4582	HEALTHX, INC.	215,880.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T1180	LANGUAGE LINE SERVICES INC.	176,799.50	INTERPRETATION SERVICES	MEMBER SERVICES

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4193	STRIA LLC	152,743.15	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T2584	UNITED STATES POSTAL SVC.-HASLER	150,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T4483	INFUSION AND CLINICAL SERVICES, INC.	125,327.24	HEALTH HOMES GRANT	COMMUNITY GRANT
T4165	SHI INTERNATIONAL CO.	124,821.35	SOFTWARE LICENSES	MIS INFRASTRUCTURE
T5022	SVAM INTERNATIONAL INC	117,176.00	PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	117,040.64	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T1861	CERIDIAN HCM, INC.	108,775.12	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4967	ADMINISTRATIVE SOLUTIONS, INC.	104,679.79	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T5111	ENTISYS 360	100,206.28	ANNUAL DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T2850	QUEST SOFTWARE INC.	99,995.00	SQL LICENSE / SPOTLIGHT SOFTWARE	MIS INFRASTRUCTURE
T2167	PG&E	98,654.83	USAGE/UTILITIES	CORPORATE SERVICES
T5145	CCS ENGINEERING FRESNO INC.,	92,053.84	JANITORIAL SERVICES	CORPORATE SERVICES
T3011	OFFICE ALLY, INC.	92,010.50	EDI CLAIM PROCESSING	CLAIMS
T4733	UNITED STAFFING ASSOCIATES	88,886.44	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T4353	TWE SOLUTIONS, INC.	87,518.01	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T4460	PAYSPAN, INC	85,000.67	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T3448	SYNERGY HEALTHCARE, INC.	84,100.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY	75,925.82	2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	73,216.35	ONSITE SECURITY	CORPORATE SERVICES
T3449	CDW GOVERNMENT	71,275.85	ANNUAL ADOBE TEAM LICENSING	MIS INFRASTRUCTURE
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	65,000.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4960	ZELIS CLAIMS INTEGRITY, LLC	64,392.01	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T5185	HOUSING AUTHORITY COUNTY OF KERN	63,150.00	2020 HOUSING AUTHORITY GRANT	UTILIZATION MANAGEMENT - UM WELLNESS
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	60,338.69	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T4963	LINKEDIN CORPORATION	58,250.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T1128	HALL LETTER SHOP, INC.	57,861.02	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PACKETS & POSTERS	VARIOUS
T1272	COFFEY COMMUNICATIONS INC.	56,686.73	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T5344	SIGNATURE STAFF RESOURCES LLC	55,752.00	PROJECT MANAGEMENT CONSULTING	PROJECT MANAGEMENT
T4396	KAISER FOUNDATION HEALTH-DHMO	52,467.29	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	49,950.00	2020 AUDIT FEES	FINANCE
T2961	SOLUTION BENCH, LLC	46,414.59	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T4699	ZEOMEGA, INC*****	44,690.14	PROFESSIONAL SERVICES AND TRAVEL EXP.	UM
T1189	APPLE ONE INC. EMPLOYMENT SERVICES	42,938.68	TEMPORARY HELP	MIS ADMINISTRATION

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4781	EDRINGTON HEALTH CONSULTING, LLC	41,275.00	CONSULTING SERVICES	ADMINISTRATION
T4792	KP LLC	39,828.21	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY
T5340	GARTNER INC	38,500.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T4563	SPH ANALYTICS	38,108.20	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T4261	KAISER FOUNDATION HEALTH PLAN - TX PPO	37,474.24	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T5107	CITRIX SYSTEMS, INC*****	37,350.00	ANNUAL LICENSE AND SUPPORT FEES	MIS INFRASTRUCTURE
T5292	ALL'S WELL HEALTH CARE SERVICES	37,179.00	TEMPORARY HELP	VARIOUS
T4182	THE LAMAR COMPANIES	36,000.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T4785	COMMGAP	34,957.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T5121	TPx COMMUNICATIONS	34,935.93	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T1022	UNUM LIFE INSURANCE CO.	33,515.60	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T5329	RELAY NETWORK, LLC	33,333.35	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	33,199.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5325	WADE A MCNAIR	32,995.00	LEADABILITY PROGRAM FACILITATION-CONSULTING SERVICES/ONSITE TRAINING	HUMAN RESOURCES
T4731	LOGMEIN USA, INC.	31,933.35	INTERNET SERVICES	MIS INFRASTRUCTURE
T5132	TIME WARNER CABLE LLC	31,542.63	INTERNET SERVICES	MIS INFRASTRUCTURE
T5201	JAC SERVICES, INC.	31,152.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4657	DAPONDE SIMPSON ROWE PC	30,937.50	LEGAL FEES	VARIOUS

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4503	VISION SERVICE PLAN	27,696.72	EMPLOYEE HEALTH BENEFITS	VARIOUS
T2407	KAISER FOUNDATION HEALTH -COBRA	26,558.92	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T5269	KERN COMMUNITY FOUNDATION	26,311.00	ANNUAL CONTRIBUTION - KERN CONNECTED COMMUNITY NETWORK MGMT FEE	UTILIZATION MANAGEMENT-OUTREACH
T1655	KERN,KKXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG,KVEC,KS TT,KRQK,KPAT,	26,000.00	DIGITAL ADS	MARKETING
T5298	TOTALMED, INC.	25,591.00	DIRECT PLACEMENT FEES	HUMAN RESOURCES
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	25,000.01	COMMUNITY SPONSORSHIP	ADMINISTRATION
T5337	CAZADOR CONSULTING GROUP INC	24,807.78	TEMPORARY HELP	VARIOUS
T3986	JACQUELYN S. JANS	24,600.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.	24,075.03	HARDWARE BOARD ROOM REMOTE VIDEO CONFERENCING	MIS INFRASTRUCTURE
T5345	DEVVIO INC*****	23,250.00	ANNUAL SOFTWARE & HARDWARE DEVVTRACE WEARABLES & GATEWAYS - CONTRACT TRACING	MIS INFRASTRUCTURE/CAPITAL PROJECT
T4873	L5 HEALTHCARE SOLUTIONS, INC.	23,115.00	ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	CLAIMS
T2413	TREK IMAGING INC	22,732.11	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T2441	LAURA J. BREZINSKI	22,650.00	MARKETING MATERIALS	MARKETING
T2446	AT&T MOBILITY	21,184.17	CELLULAR PHONE / INTERNET USAGE	MIS INFRASTRUCTURE
T5334	PACIFIC INTERPRETERS, INCORPORATED	20,785.11	INTERPRETATION SERVICES	HEALTH EDUCATION
T2941	KERN PRINT SERVICES INC*****	19,702.67	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4607	AGILITY RECOVERY SOLUTIONS INC.	19,055.00	PROFESSIONAL SERVICES	ADMINISTRATION

KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	17,855.86	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS	17,500.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	15,936.00	CONSULTING SERVICES	ADMINISTRATION
T4216	NEXSTAR BROADCASTING INC*****	15,575.00	ADVERTISEMENT - MEDIA	MARKETING
T4195	SCRIPPS MEDIA, INC DBA KERO-TV*****	14,935.00	ADVERTISEMENT - TELEVISION	MARKETING
T4389	EXACT STAFF, INC.	13,998.52	TEMPORARY HELP	VARIOUS
T1326	WALKER-LEWIS RENTS	13,011.51	COVID-19 TESTING SITE EQUIPMENT	MARKETING
T2790	KERN COUNTY DEPT OF PUBLIC HEALTH	12,915.00	INFLUENZA VACCINATION SPONSORSHIP	MARKETING
T2938	SAP AMERICA, INC	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T1183	MILLIMAN USA*****	12,195.50	CY2019/2020 RDT & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T2969	AMERICAN BUSINESS MACHINES INC	11,540.51	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC*****	11,200.00	COVID-19 TESTING	HUMAN RESOURCES
T4577	LA CAMPESINA, KBDS, KUFW, KMXV, KSEA, KBHH, KYLI, KCEC, KNAI*****	11,187.00	ADVERTISEMENT - RADIO	MARKETING
T5099	PROGRESS SOFTWARE CORPORATION	10,968.02	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO., INC.	10,745.45	2021 BUILDING MAINTENANCE	CORPORATE SERVICE
T5159	AT&T CORP*****	10,742.67	INTERNET SERVICES	MIS INFRASTRUCTURE

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T2840	ATALASOFT, INC.	10,254.00	ANNUAL DOTIMAGE DOCUMENT IMAGING MAINTENANCE	MIS INFRASTRUCTURE
T2918	STINSON'S*****	10,226.12	2021 OFFICE SUPPLIES	VARIOUS
T4932	SPECTRUM REACH (MEDIA)*****	10,200.00	ADVERTISEMENT - TELEVISION	MARKETING
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC	10,025.00	ADVERTISEMENT - TELEVISION	MARKETING
		<u>13,141,613.43</u>		
	TOTAL VENDORS OVER \$10,000	13,141,613.43		
	TOTAL VENDORS UNDER \$10,000	434,029.80		
	TOTAL VENDOR EXPENSES- MAY	<u>\$13,575,643.23</u>		

Note:

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

KERN·HEALTH SYSTEMS

June AP Vendor Report

Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	870,019.05	3,038,855.25	JUN. & JUL., 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T3130	OPTUMINSIGHT, INC ****	413,110.00	1,043,176.00	ANNUAL LICENSE SOFTWARE EASYGROUP & INCREMENTAL LICENSE -YR 3	MIS INFRASTRUCTURE
T4350	COMPUTER ENTERPRISE INC.	185,083.12	1,267,335.78	MAY & JUN. 2021 PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T4982	NGC US, LLC	167,000.00	1,034,745.88	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER & DISEASE MANAGEMENT & QUALITY IMPROVEMENT INCENTIVES	VARIOUS
T2726	DST PHARMACY SOLUTIONS, INC.	112,995.61	675,578.29	MAY 2021 PHARMACY CLAIMS	PHARMACY
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	69,272.90	413,678.24	JUN. 2021 VOLUNTARY LIFE, AD&D, DENTAL	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	59,835.00	409,225.00	MAY & JUN. 2021 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T1180	LANGUAGE LINE SERVICES INC.	52,336.60	229,136.10	MAY 2021 INTERPRETATION SERVICES	MEMBER SERVICES
T5344	SIGNATURE STAFF RESOURCES LLC	48,300.00	104,052.00	MAY & JUN., 2021 PROFESSIONAL SERVICES	PROJECT MANAGEMENT
T2458	HEALTHCARE FINANCIAL, INC	45,500.00	265,500.00	MAY 2021 PROFESSIONAL SERVICES	ADMINISTRATION
T4582	HEALTHX, INC.	41,576.00	257,456.00	JUN. 2021 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	39,512.13	282,393.50	MAY 2021 PROFESSIONAL SERVICES	VARIOUS

**KERN HEALTH
SYSTEMS**

June AP Vendor Report

Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5076	MERIDIAN HEALTH SYSTEMS, P.C. ****	33,280.00	98,280.00	APR. & MAY, 2021 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4391	OMNI FAMILY HEALTH	30,821.91	259,144.10	APR. & MAY 2021 SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T5337	CAZADOR CONSULTING GROUP INC	30,553.80	55,361.58	MAY & JUN. 2021 TEMPORARY HELP - (7) MS	VARIOUS
T5185	HOUSING AUTHORITY COUNTY OF KERN	28,600.00	91,750.00	MAR. & APR. 2021, HOUSING AUTHORITY GRANT	UTILIZATION MANAGEMENT - UM WELLNESS
T4657	DAPONDE SIMPSON ROWE PC ****	28,190.50	59,128.00	APR. 2021 LEGAL FEES	VARIOUS
T5022	SVAM INTERNATIONAL INC	26,925.00	144,101.00	MAY 2021 PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T5109	RAND EMPLOYMENT SOLUTIONS	26,874.72	278,225.72	MAY & JUN. 2021 TEMPORARY HELP - MS (2), MIS; (1) UM; (1) HE (1)	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING ****	24,056.98	84,395.67	MAY & JUN. 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4261	KAISER FOUNDATION HEALTH PLAN-TX PPO ****	23,918.04	61,392.28	JUN. & JUL., 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	22,633.96	111,520.40	MAY & JUN. 2021 TEMPORARY HELP - (2) MS; (1) HHP; (1) HE	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	22,343.11	139,383.75	MAY 2021 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T2167	PG&E	21,715.06	120,369.89	MAY/JUN. 2021 - USAGE/UTILITIES	CORPORATE SERVICES
T1408	DELL MARKETING L.P. ****	21,339.67	26,945.65	(82) MONITORS	MIS INFRASTRUCTURE
T4963	LINKEDIN CORPORATION ****	20,025.00	78,275.00	ANNUAL RECRUITER SERVICES	HUMAN RESOURCES

KERN • HEALTH SYSTEMS

June AP Vendor Report

Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4605	KERVILLE UNION SCHOOL DISTRICT ****	19,500.00	19,500.00	COMMUNITY GRANT & FINAL 2019/2020 WALLACE ELEM SCHOOL WELLNESS GRANT PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T1861	CERIDIAN HCM, INC.	18,754.08	127,529.20	MAY & JUN. 2021 MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4967	ADMINISTRATIVE SOLUTIONS, INC.	18,633.44	123,313.23	JUN. 2021 FSA EMPLOYEE PREMIUM	HUMAN RESOURCES
T4460	PAYSPAN, INC	18,613.69	103,614.36	MAY 2021 ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T2135	BAKERSFIELD CITY SCHOOL DISTRICT ****	17,455.00	26,205.00	CURRAN MIDDLE SCHOOL WELLNESS GRANT 2019/2020 FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T5013	ELIZA CORPORATION ****	17,040.00	17,080.00	HEALTH RISK ASSESSMENT ANNUAL RENEWAL	CASE MANAGEMENT
T4193	STRIA LLC	16,671.31	169,414.46	MAY & JUN., 2021 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	16,308.50	89,524.85	JUN. 2021 ONSITE SECURITY	CORPORATE SERVICES
T1097	NCQA ****	15,835.25	16,895.25	HEDIS, VOL 2 QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION	QUALITY IMPROVEMENT
T2787	SAGE SOFTWARE, INC ****	15,819.93	15,819.93	2020-21 SAGE300 ERP SILVER BUSINESS ANNUAL LICENSE	FINANCE
T4396	KAISER FOUNDATION HEALTH-DHMO	15,740.18	68,207.47	JUN. & JUL., 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T2578	AMERICAN HEART ASSOCIATION - KERN COUNTY ****	15,000.00	15,000.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T1022	UNUM LIFE INSURANCE CO. ****	14,069.20	47,584.80	JUN. & JUL. 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS

KERN·HEALTH SYSTEMS

June AP Vendor Report

Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4216	NEXSTAR BROADCASTING INC ****	11,035.00	26,610.00	FEB. & MAY 2021 TV ADVERTISING	MARKETING
T4503	VISION SERVICE PLAN	10,957.62	38,654.34	JUN. & JUL., 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	10,233.63	53,172.31	MAY & JUN. 2021 TEMPORARY HELP - (1) MS	VARIOUS
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC ****	10,057.74	27,913.60	MAR. & APR. 2021 EDI CLAIM PROCESSING (RELAY)	CLAIMS
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN ****	10,000.00	10,000.00	COMMUNITY GRANTS	MARKETING
		2,737,542.73			
	TOTAL VENDORS OVER \$10,000	2,737,542.73			
	TOTAL VENDORS UNDER \$10,000	337,324.15			
	TOTAL VENDOR EXPENSES- JUNE	\$ 3,074,866.88			

Note:

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

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	3,038,855.25	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	1,267,335.78	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T3130	OPTUMINSIGHT, INC.	1,043,176.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4982	NGC US, LLC	1,034,745.88	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	HEALTH EDUCATION
T2704	MCG HEALTH LLC	742,147.77	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T5005	CRAYON SOFTWARE EXPERTS LLC	718,561.49	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T2726	DST PHARMACY SOLUTIONS, INC.	675,578.29	PHARMACY CLAIMS	PHARMACY
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	413,678.24	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE PREMIUM	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	409,225.00	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	278,225.72	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	282,393.50	PROFESSIONAL SERVICES	VARIOUS
T2458	HEALTHCARE FINANCIAL, INC.	265,500.00	PROFESSIONAL SERVICES	ADMINISTRATION
T4391	OMNI FAMILY HEALTH	259,144.10	SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T4582	HEALTHX, INC.	257,456.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T1180	LANGUAGE LINE SERVICES INC.	229,136.10	INTERPRETATION SERVICES	MEMBER SERVICES
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	217,442.81	HEALTH HOME GRANT	COMMUNITY GRANTS

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4193	STRIA LLC	169,414.46	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T4483	INFUSION AND CLINICAL SERVICES, INC.	125,327.24	HEALTH HOMES GRANT	COMMUNITY GRANT
T2584	UNITED STATES POSTAL SVC.-HASLER	150,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5022	SVAM INTERNATIONAL INC	144,101.00	PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	139,383.75	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4165	SHI INTERNATIONAL CO.	128,818.06	SOFTWARE LICENSES	MIS INFRASTRUCTURE
T1861	CERIDIAN HCM, INC.	127,529.20	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4967	ADMINISTRATIVE SOLUTIONS, INC.	123,313.23	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T2167	PG&E	120,369.89	USAGE/UTILITIES	CORPORATE SERVICES
T4733	UNITED STAFFING ASSOCIATES	111,520.40	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T2850	QUEST SOFTWARE INC.	109,598.00	SQL LICENSE / SPOTLIGHT SOFTWARE	MIS INFRASTRUCTURE
T5344	SIGNATURE STAFF RESOURCES LLC	104,052.00	PROJECT MANAGEMENT CONSULTING	PROJECT MANAGEMENT
T4460	PAYSPAN, INC	103,614.36	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T5111	ENTISYS 360	100,206.28	ANNUAL DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	98,280.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T5145	CCS ENGINEERING FRESNO INC.,	97,103.84	JANITORIAL SERVICES	CORPORATE SERVICES
T3011	OFFICE ALLY, INC.	92,010.50	EDI CLAIM PROCESSING	CLAIMS

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T5185	HOUSING AUTHORITY COUNTY OF KERN	91,750.00	2020 HOUSING AUTHORITY GRANT	UTILIZATION MANAGEMENT - UM WELLNESS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	89,524.85	ONSITE SECURITY	CORPORATE SERVICES
T4353	TWE SOLUTIONS, INC.	87,518.01	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	84,395.67	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T3448	SYNERGY HEALTHCARE, INC.	84,100.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T4963	LINKEDIN CORPORATION	78,275.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY	75,925.82	2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T3449	CDW GOVERNMENT	72,660.28	ANNUAL ADOBE TEAM LICENSING	MIS INFRASTRUCTURE
T4396	KAISER FOUNDATION HEALTH-DHMO	68,207.47	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4960	ZELIS CLAIMS INTEGRITY, LLC	67,536.96	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T1128	HALL LETTER SHOP, INC.	64,843.73	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PACKETS & POSTERS	VARIOUS
T4261	KAISER FOUNDATION HEALTH PLAN - TX PPO	61,392.28	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T1272	COFFEY COMMUNICATIONS INC.	60,642.91	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T4657	DAPONDE SIMPSON ROWE PC	59,128.00	LEGAL FEES	VARIOUS
T5337	CAZADOR CONSULTING GROUP INC	55,361.58	TEMPORARY HELP	VARIOUS

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	53,172.31	TEMPORARY HELP	MIS ADMINISTRATION
T4563	SPH ANALYTICS	38,108.20	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	49,950.00	2020 AUDIT FEES	FINANCE
T1022	UNUM LIFE INSURANCE CO.	47,584.80	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T2961	SOLUTION BENCH, LLC	46,414.59	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T4699	ZEOMEGA, INC	45,740.14	PROFESSIONAL SERVICES AND TRAVEL EXP.	UM
T4781	EDRINGTON HEALTH CONSULTING, LLC	43,943.75	CONSULTING SERVICES	ADMINISTRATION
T4792	KP LLC	43,583.19	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY
T5121	TPx COMMUNICATIONS	42,009.89	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T4182	THE LAMAR COMPANIES	41,315.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T5329	RELAY NETWORK, LLC	40,000.02	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T4785	COMMGAP	39,538.75	INTERPRETATION SERVICES	HEALTH EDUCATION
T5132	TIME WARNER CABLE LLC	38,928.90	INTERNET SERVICES	MIS INFRASTRUCTURE
T4503	VISION SERVICE PLAN	38,654.34	EMPLOYEE HEALTH BENEFITS	VARIOUS
T5340	GARTNER INC	38,500.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T5107	CITRIX SYSTEMS, INC	37,350.00	ANNUAL LICENSE AND SUPPORT FEES	MIS INFRASTRUCTURE
T5292	ALL'S WELL HEALTH CARE SERVICES	37,179.00	TEMPORARY HELP	VARIOUS
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	25,000.01	COMMUNITY SPONSORSHIP	ADMINISTRATION

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	33,199.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5325	WADE A MCNAIR	32,995.00	LEADABILITY PROGRAM FACILITATION-CONSULTING SERVICES/ONSITE TRAINING	HUMAN RESOURCES
T4731	LOGMEIN USA, INC.	31,933.35	INTERNET SERVICES	MIS INFRASTRUCTURE
T5201	JAC SERVICES, INC.	31,152.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T2413	TREK IMAGING INC	29,861.54	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T2407	KAISER FOUNDATION HEALTH -COBRA	29,771.68	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T3986	JACQUELYN S. JANS	29,600.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	27,913.60	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T1408	DELL MARKETING L.P. ****	26,945.65	HARDWARE & COMPUTER EQUIPMENT	MIS INFRASTRUCTURE
T4216	NEXSTAR BROADCASTING INC	26,610.00	ADVERTISEMENT - MEDIA	MARKETING
T2441	LAURA J. BREZINSKI	26,500.00	MARKETING MATERIALS	MARKETING
T5269	KERN COMMUNITY FOUNDATION	26,311.00	ANNUAL CONTRIBUTION - KERN CONNECTED COMMUNITY NETWORK MGMT FEE	UTILIZATION MANAGEMENT- OUTREACH
T2135	BAKERSFIELD CITY SCHOOL DISTRICT ****	26,205.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T1655	KERN,KKXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG,KVEC,KS TT,KRQK,KPAT,	26,000.00	DIGITAL ADS	MARKETING
T2446	AT&T MOBILITY	25,744.41	CELLULAR PHONE / INTERNET USAGE	MIS INFRASTRUCTURE
T5298	TOTALMED, INC.	25,591.00	DIRECT PLACEMENT FEES	HUMAN RESOURCES
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.	24,075.03	HARDWARE BOARD ROOM REMOTE VIDEO CONFERENCING	MIS INFRASTRUCTURE

KERN·HEALTH SYSTEMS

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Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to Date	Description	Department
T5334	PACIFIC INTERPRETERS, INCORPORATED	21,443.57	INTERPRETATION SERVICES	HEALTH EDUCATION
T5345	DEVVIO INC	23,250.00	ANNUAL SOFTWARE & HARDWARE DEVVTRACE WEARABLES & GATEWAYS - CONTRACT TRACING	MIS INFRASTRUCTURE/CAPITAL PROJECT
T4873	L5 HEALTHCARE SOLUTIONS, INC.	23,115.00	ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	CLAIMS
T4607	AGILITY RECOVERY SOLUTIONS INC.	22,842.00	PROFESSIONAL SERVICES	ADMINISTRATION
T2941	KERN PRINT SERVICES INC	19,702.67	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T4605	KERVILLE UNION SCHOOL DISTRICT ****	19,500.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T2969	AMERICAN BUSINESS MACHINES INC	19,247.72	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS	17,500.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T5013	ELIZA CORPORATION ****	17,080.00	202 DATA MANAGEMENT FEE	CASE MANAGEMENT
T1097	NCQA ****	16,895.25	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDIATION	QUALITY IMPROVEMENT
T2918	STINSON'S	16,310.10	2021 OFFICE SUPPLIES	VARIOUS
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	15,936.00	CONSULTING SERVICES	ADMINISTRATION
T2787	SAGE SOFTWARE, INC	15,819.93	2020-21 SAGE300 ERP SILVER BUSINESS ANNUAL LICENSE	FINANCE
T1183	MILLIMAN USA	15,059.25	CY2019/2020 RDT & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC	15,025.00	ADVERTISEMENT - TELEVISION	MARKETING
T2578	AMERICAN HEART ASSOCIATION - KERN COUNTY ****	15,000.00	COMMUNITY ACTIVITIES-SPONSORSHIP	ADMINISTRATION
T4195	SCRIPPS MEDIA, INC DBA KERO-TV	14,935.00	ADVERTISEMENT - TELEVISION	MARKETING

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Year to Date AP Vendor Report
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Vendor No.	Vendor Name	Year-to Date	Description	Department
T1326	WALKER-LEWIS RENTS	14,926.34	COVID-19 TESTING SITE EQUIPMENT	MARKETING
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO., INC.	14,745.45	2021 BUILDING MAINTENANCE	CORPORATE SERVICE
T4389	EXACT STAFF, INC.	13,998.52	TEMPORARY HELP	VARIOUS
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA ****	13,347.94	EMPLOYEE PREMIUM	ADMINISTRATION
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC	12,960.00	COVID-19 TESTING	HUMAN RESOURCES
T2790	KERN COUNTY DEPT OF PUBLIC HEALTH	12,915.00	INFLUENZA VACCINATION SPONSORSHIP	MARKETING
T5159	AT&T CORP	12,532.52	INTERNET SERVICES	MIS INFRASTRUCTURE
T2938	SAP AMERICA, INC	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T4228	THE SSI GROUP, LLC ****	12,121.60	EDI CLAIM PROCESSING	CLAIMS
T3084	KERN COUNTY-COUNTY COUNSEL ****	12,015.30	LEGAL FEES	ADMINISTRATION
T4577	LA CAMPESINA, KBDS, KUFW, KMXV, KSEA, KBHH, KYLI, KCEC, KNAI	12,000.00	ADVERTISEMENT - RADIO	MARKETING
T5161	INTEGRATED HEALTHCARE ASSOCIATION ****	11,653.75	ADVERTISEMENT - FILMING SERVICES	MARKETING
T5099	PROGRESS SOFTWARE CORPORATION	10,968.02	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T4993	LEGALSHIELD ****	10,267.46	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T2840	ATALASOFT, INC.	10,254.00	ANNUAL DOTIMAGE DOCUMENT IMAGING MAINTENANCE	MIS INFRASTRUCTURE
T4932	SPECTRUM REACH (MEDIA)	10,200.00	ADVERTISEMENT - TELEVISION	MARKETING
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN ****	10,000.00	COMMUNITY GRANTS	MARKETING
		<u>16,088,763.56</u>		
	TOTAL VENDORS OVER \$10,000	16,088,763.56		
	TOTAL VENDORS UNDER \$10,000	561,746.55		
	TOTAL VENDOR EXPENSES - JUNE	<u><u>\$16,650,510.11</u></u>		

Note:

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

KHS Board of Directors Meeting, August 12, 2021

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
January							
Poppyrock Designs	\$46,200.00	Yes	MRK	Louie Iturriria	Graphic design of KHS-KFHC member & provider MKT materials	1/1/2021	12/31/2021
Symplr/Cactus	\$35,700.00	Yes	IT	Richard Pruitt	Annual SaaS Application manager & the DEA State license monitor	1/6/2021	1/5/2022
HD Dynamics	\$50,000.00	Yes	PR	Emily Duran	Consulting Services	1/1/2021	12/31/2021
LinkedIn	\$52,000.00	Yes	HR	Anita Martin	Online training for managed learners	1/1/2021	12/31/2021
Jacquelyn Jans	\$60,000.00	Yes	MRK	Louie Iturriria	Marketing and Corporate Image Consulting	1/1/2021	12/31/2021
February							
CDW-G	\$54,287.48	Yes	IT	Richard Pruitt	Dell 5420 (25) laptops and (25) Dockbolt stations	2/24/2021	2/24/2025
SPH Analytics	\$87,010.00	Yes	PR	Emily Duran	Custom provider satisfaction survey	2/11/2021	12/31/2021
Lamar	\$41,595.00	Yes	MRK	Louie Iturriria	Production of 5 Billboard advertisement	1/25/2021	1/24/2022
LifeSigns	\$80,000.00	Yes	HE	Isabel Silva	ASL interpreting services for KHS members	2/23/2021	2/22/2023
Quest Software	\$99,995.00	Yes	IT	Richard Pruitt	Unlimited Enterprise Spotlight on SQL server licenses	2/1/2021	1/31/2026
PMO Partners	\$97,152.00	Yes	PM	Angela Ahsan	Professional consulting services	2/11/2021	6/18/2021
March							
Gartner	\$38,500.00	Yes	IT	Richard Pruitt	One (1) license for individual access advisor	3/1/2021	2/28/2022
SHI	\$33,432.79	Yes	IT	Richard Pruitt	Co-termed support for all Fortinet-Fortigate security appliances	3/15/2021	12/31/2022
April							
Citrix	\$37,350.00	Yes	IT	Richard Pruitt	Maintenance and support for Citrix licenses	4/2/2021	4/1/2022
SHI	\$58,469.60	Yes	IT	Richard Pruitt	Cisco SMARTnet renewal	4/22/2021	4/22/2022
TWE Solutions	\$73,165.00	Yes	IT	Richard Pruitt	Cortex XDR Pro licenses	4/23/2021	4/22/2022
Presidio	\$47,225.00	Yes	IT	Richard Pruitt	Security Program Assessment services	4/23/2021	4/22/2022
May							
Entisys360	\$99,999.00	Yes	IT	Richard Pruitt	Xi Leap Cloud Services co-termed	5/26/2021	5/26/2022

KHS Board of Directors Meeting, August 12, 2021

2021 TECHNOLOGY CONSULTING RESOURCES																		
ITEM	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD	TOTAL	REMAINING BALANCE
8	Project Name																	
1	Project Portfolio Management System	CAP	\$154,562	\$0	\$0	\$18,400	\$0	\$16,000	\$43,040								\$77,440	\$77,122
2	Community Based Organization Referral System	CAP	\$359,653	\$0	\$0	\$0	\$0	\$10,925	\$55,209								\$66,134	\$293,519
3	Enterprise Logging System	CAP	\$333,996	\$12,036	\$15,200	\$0	\$17,600	\$0	\$0								\$44,836	\$289,160
4	Interoperability	CAP	\$162,044	\$4,944	\$0	\$0	\$0	\$0	\$0								\$4,944	\$157,100
5	Enterprise Data Warehouse System	CAP	\$673,553	\$87,957	\$94,932	\$104,117	\$111,364	\$68,480	\$29,040								\$495,890	\$177,663
6	Major Organ Transplants	CAP	\$62,000															\$62,000
7	Enhanced Care Management	CAP	\$344,000															\$344,000
8	Staff Augmentation	EXP	\$1,918,488	\$142,543	\$142,108	\$174,994	\$156,367	\$160,220	\$166,264								\$942,496	\$975,992
	Totals:	Totals	\$4,008,296	\$247,480	\$252,240	\$297,511	\$285,331	\$255,625	\$293,553	\$0	\$0	\$0	\$0	\$0		\$1,631,740	\$2,376,556	

Updated 7/21/21



TO: KHS Board of Directors
FROM: Alan Avery, COO
DATE: August 12, 2021
RE: 2nd Quarter 2021 Operations Report

Kern Health Systems Operational Departments continue to meet the regulatory and health plan performance goals during the 2nd Quarter of 2021. This continued trend during the COVID-19 pandemic ensures provider claims are processed in a timely and accurate manner, member inquiries and questions are adequately addressed and all plan operational units are working efficiently and effectively together while the majority of staff are working remotely in their respective homes.

Claims

Incoming provider claims receipts for the 2nd Quarter of 2021 increased by 13,000 claims, continuing to follow the growth trend of the past three quarters, reaching 840,553 claims received during the quarter. Even though claim receipts increased, we continue to benefit from claims being submitted electronically 98% of the time with only 2% of the claims received on paper. These paper claims are forwarded to a local partner (Stria) who scans the paper claims and converts them into an electronic file format making them easier to upload electronically into the KHS claims workflow. Auto adjudication of claims, meaning claims received and processed without any manual intervention, continues to follow the past two quarters trend—reaching an average of 85%. These combined processes have greatly decreased processing time, improved quality and increased timely payments to providers. This effort is an ongoing work in progress by the combined focus of the Claims and Provider Network Management staff which allows us to improve our overall processing efficiency. The claims department continues to meet and often exceeds all regulatory payment requirements for the quarter—including claims processing timeliness and inventory measures.

Member Services

Member calls into the KHS Member Services Call Center continued to increase slightly by 2% during the 2nd Quarter at 65,968 calls, but still significantly under the pre-COVID call volume of 77,000 calls. As reported earlier in the year, Member Services has implemented a new software improvement system called “Screen Pop”. Simultaneously with the member call, Screen Pop populates staff’s computer screens with key member information. This information includes the members name, Medi-Cal and KHS ID numbers, date of birth, phone numbers and eligibility status. Recently Gaps in Care along with COVID vaccination status have been added. The Gaps in Care listed include wellness checkups, well-women checkups, prescription refills, asthma, diabetes, high blood pressure wellness checks, child vaccinations, pre-natal & post-partum visits, and newborn wellness exams. The representative confirms the accuracy of this information along with discussing the Gaps in Care and vaccination status—often offering to schedule appointments and transportation for both. Some callers can have more than one Gap In Care including being alerted to dependent family member Gaps in Care.

All key performance metrics (abandonment rate and average speed to answer) continue to be met even though we experienced a slight increase in the average talk time metric which we attribute to expanded customer service discussions being held with the members regarding their GAPS in Care and COVID vaccination status.

The top five reasons for members calling Member Services continues to remain the same-(1) New Member questions (2) PCP changes, (3) Demographic updates/changes (4) ID Card replacement requests and (5) authorization referral status. All the top five reasons for incoming calls could easily be handled by the member via the Member Portal, therefore, we continue to encourage members to sign onto the portal and use the self-service tools.

During the 2nd quarter, Member Services received 2,740 new member portal account enrollments, for a total of 38,858 member accounts. This equates to over 13% of our members with online accounts compared to industry standard of 4%. Member Service Representatives continue to encourage members to sign up for a member portal account whenever they call.

Provider Relations

A few small revisions were made to the Provider Network Quarterly Report. In addition to reporting the percentage of growth of the primary care and specialty care provider network, total numbers for each provider type will be reported as well. The PCP network for the 2nd Quarter reached 439 providers, adding 22 providers (5.28% increase) during the quarter. From a regulatory perspective, there are 16 core specialists that we must report. These specialists include: Cardiology, Dermatology, Endocrinology, ENT, Gastroenterology, General Surgery,

Hematology, HIV/AIDS/Infectious Disease, Nephrology, Neurology, Oncology, Ophthalmology, Orthopedic Surgery, Physical Medicine, Psychiatry and Pulmonology. In these core specialty categories, a slight decrease occurred with 15 or 3.4% dropping out. Our complete contracted provider network (PCP + Core Specialists + All others) = 2,539. The primary reasons for attrition were the provider left the group practice or their contract was not renewed.

Another measurement added to the Provider Network Quarterly Report is network adequacy. This measurement is based on a provider to member ratio. For PCP's, the ratio is one PCP for every 2,000 members. We currently have one PCP for every 1,742 members, thus exceeding the requirement. For Core Specialists, the ratio is one Specialists for every 1,200 members. We currently are reporting one for every 620 members, clearly exceeding the requirement.

The last key provider network indicator monitored and reported is PCP and Specialty care appointment availability. Non-urgent PCP appointments must be available within 10 days. Currently it is within 3 days for the 2nd Quarter. Non-urgent appointments with a specialist must be available within 15 days. Currently, it is just over 11 days.

Human Resources

Despite working remote, during the second quarter, Human Resources (HR) continued to conduct staff recruitment, new employee orientation and training functions for the organization. With the pandemic still in force, the HR staff provided oversight and monitoring of employee COVID incidents, exposure contact tracing, scheduling COVID testing and reporting positive cases to our workmen's compensation carrier. The good news, incidences were very few and most exposure didn't reveal infection following testing. In addition, HR is finalizing a Safe Return-to-Work Plan which will outline the process by which staff will begin to return the building in three phases starting on September 13th.

During the 2nd Quarter KHS staffing remained at 425 employees compared to a budget of 449. Employee turnover is 10.38% year to date.

Grievance Report

Formal Grievances during the 2nd Quarter increased by 72 grievances or 12% over the previous quarter. The three categories that made up that increase included Access to Care, Quality of Service and Potential Inappropriate Care. No significant issues/trends were identified in any of these three categories as the numbers appear consistent year over year.

Exempt Grievances on the other hand increased by 391 grievances during the quarter. Exempt grievances are primarily simple service-related complaints, usually when the member doesn't want to file a Formal complaint. They can usually be easily resolved the same day without significant research or follow up. These include such things as PCP changes or complaints about the physical nature of the office or staff. The Grievance Department tracks and trends these by

provider and results are reviewed by the KHS Physicians Advisory Committee as part of the recredentialing process. We are not overly concerned with the sizeable increase in exempt grievance, as we attribute the increase to the gradual increase in member calls into Member Services, the continued growth of new members and members returning to their primary and specialty care providers. However, we will continue to monitor closely monthly to identify any unusual trends.

Part two of the Grievance Report is the disposition of the formal grievances. This report indicates what decisions were made by the KHS Grievance Committee regarding the Formal grievances. The reporting format changed during 2020 following a DMHC audit and we recommended changing our workflow and forwarding all Potential Inappropriate Care (PIC) grievances to the KHS Quality Department for further review, investigation and resolution. As the report indicates, 183 PIC Formal Grievances were forwarded to the Quality Department, 132 were investigated and QI upheld the decision by the Grievance Committee, 48 cases required further review by the QI department and 3 cases were overturned and upheld the position of the member. The other major category was Medical Necessity where 308 cases were reported, 195 cases where the decision of the Grievance Committee was upheld, and 81 grievance decisions were reversed in favor of the member and 32 cases were still under review. The Quality Department has not identified any trends that need to be addressed. Generally speaking, the primary reason for overturning the original decision of the grievance occurs when we receive additional supporting documentation from the member or the provider.

Transportation Update

Transportation activity during the 2nd quarter followed a similar decreasing trend from the 1st Quarter, with 70,643 rides provided. Two positive areas to report are the increase use of the new service line provided by Golden Empire Transit (GET) via their OnDemand Van where we experienced a doubling of ridership—from 3303 in the 1st quarter to 7619 in the second quarter. In addition, members increased use of their own initiative by arranging rides and seeking reimbursement. That volume increased by almost 40%. All other transportation options had minor decreases. Overall, the use of transportation services continues at 50% of pre-COVID activity.

Requested Action

Receive and File.



2021 2nd Quarter Operational Report

Alan Avery
Chief Operating Officer

2nd Quarter 2021 Claims Department Indicators

Activity	Goal	2 nd Quarter	Status	1 st Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter
Claims Received		840,553		827,140	812,995	752,017	667,768
Electronic	95%	98%		98%	98%	96%	94%
Paper	5%	2%		2%	2%	4%	6%
Claims Processed Within 30 days	90%	98%		99%	99%	96%	96%
Claims Processed within 45 days	95%	99%		99%	99%	99%	99%
Claims Processed within 90 days	99%	99%		99%	99%	99%	99%
Claims Inventory-Under 30 days	96%	99%		99%	99%	99%	98%
31-45 days	<3%	<1%		<1%	<1%	<1%	1%
Over 45 days	<1%	0		<1%	<1%	<1%	1%
Auto Adjudication	85%	85%		85%	85%	84%	80%
Audited Claims with Errors	<3%	1%		2%	2%	2%	2%
Claims Disputes	<5%	1%		1%	1%	1%	1%

2nd Quarter 2021 Member Service Indicators

Activity	Goal	2 nd Quarter	Status	1 st Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter
Incoming Calls		65,968		64,320	61,469	66,882	57,207
Abandonment Rate	<5%	2%		1.4%	1.19%	2.6%	1.0%
Avg. Answer Speed	<2:00	:26		:16	:11	:26	:05
Average Talk Time	<8:00	8:13		8:06	7:50	7:52	7:38
Top Reasons for Member Calls	Trend	<ol style="list-style-type: none"> 1. New Member 2. Demographic 3. ID Card 4. PCP Change 5. Referrals 		Same	Same	Same	Same
Outbound Calls	Trend	69,608		66,148	63,979	78,915	86,206
# of Walk Ins	Trend	0		0	0	0	0
Member Portal Accounts-Q/Total	4%	2740 38,858 (13.34%)		3062 36,025 12.65%	2948 33,053 (11.8%)	3347 30,106 (11.19%)	2500 26,758 (10.3%)

2nd Quarter Provider Network Indicators

Activity	Goal	2 nd Quarter	Status	1 st Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter
Provider Counts							
# of PCP		439		417	408	408	404
% Growth		5.28%		2.21%	0%	.99%	.75%
# of Specialist		426		441	447	445	443
% Growth		[3.40%]		[1.34%]	.45%	.45%	.45%
FTE PCP Ratio	1:2000	1:1742		1:1798	1:1773	1:1733	1:1694
FTE Physician Ratio	1:1200	1:620		1:614	1:571	1:542	1:542
PCP	< 10 days	3.0 Days		2.3 days	5.2 days	9.0 days	9.8 Days
Specialty	< 15 days	11.4 Days		10.5 days	5.7 days	8.5 Days	5.4 Days

2nd Quarter Human Resources Indicators

Activity	Budget	2 nd Quarter	Status	1 st Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter
Staffing Count	449	425		425	422	422	423
Employee Turnover	12%	10.38%		7.55%	6.68	6.69%	5.28%
Turnover Reasons	Voluntary Involuntary Retired Deceased	63.64% 22.73% 4.54% 9.09%		75% 12.5% 0 12.5	85.8% 7.1% 7.1%	80.94% 9.53% 9.53%	72.8% 18.1% 8.1%

2nd Quarter 2021 Grievance Report

Category	2 nd Quarter 2021	Status	Issue	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Access to Care	90		Appointment Availability	77	72	52	33
Coverage Dispute	0		Authorizations and Pharmacy	0	0	0	0
Medical Necessity	308		Questioning denial of service	308	317	288	246
Other Issues	20		Miscellaneous	11	14	10	11
Potential Inappropriate Care	183		Questioning services provided. All cases forwarded to Quality Dept.	156	200	263	207
Quality of Service	31		Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department	8	7	5	8
Total Formal Grievances	632			560	610	618	505
Exempt**	1570		Exempt Grievances-	1179	1050	1041	989
Total Grievances (Formal & Exempt)	2202			1739	1660	1659	1494

Additional Insights-Formal Grievance Detail

Issue	2 nd Quarter Grievances	Upheld Plan Decision	Further Review by Quality	Overtaken Ruled for Member	Still Under Review
Access to Care	59	33	0	22	4
Coverage Dispute	0	0	0	0	0
Specialist Access	31	19	0	11	1
Medical Necessity	308	195	0	81	32
Other Issues	20	11	0	7	2
Potential Inappropriate Care	183	132	48	3	0
Quality of Service	31	18	0	10	3
Total	632	408	48	134	42

2nd Quarter 2021 Transportation Update

Operational Statistics	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
ALC Calls	69,978	77,033	81,672	81,359	73,726
One Way Rides Scheduled	70,643	73,836	79,456	78,988	70,522
NMT	34,256	41,433	46,071	48,245	40,956
Bus Passes Distributed	833	670	869	989	1,055
GET Van Share	7619	3303	3725	1094	
Ride Share Rides	25,804	37,460	41,477	46,162	39,901
No Shows	3669	3156	3640	3396	3,613
NEMT	36,387	32,403	33,385	30,743	29,566
Van Rides Scheduled	35,797	31,626	32,636	29,958	28,981
Gurney Rides Scheduled	590	777	749	785	585
Member Reimbursement	2377	1707	1834	1930	1,752
ALC Admin Expense	\$387,345.71	\$415,080.00	\$444,850.78	\$459,741.50	\$414,731



To: KHS Board of Directors

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

Date: August 12, 2021

Re: CMO BOARD REPORT

Medical Cost and Utilization Trend Analyses: (Attachment A)

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

The utilization of professional services between February 2021 through June 2021 showed a steady increase which indicates our members are going back to care. The increase is more significant among the SPD Aid category as expected because they are a high medical care need population.

The top reason for professional services utilization for all Aid categories combined is for wellness and prevention: running at 53 VISITS/1000 members in June 2021 vs. 29 VISITS/1000 members for June 2020. Higher utilization for these services indicates providers are seeing patients for more routine care focused on screenings and health maintenance.

The Overall (all aid categories) PMPM cost is stable, even though it remains higher than goal for the SPDs. As we roll out population health management (PHM) in 2022 and 2023 we should see a downward trend in cost for all Aid categories. PHM enables addressing members' social determinants of health that contribute to member illness especially the SPDs and Expansion members, who represent our sicker populations.

Pharmacy

The monthly cost and utilization per enrollee for all aid categories is at or below budget since the beginning of 2021. Since prescription drugs follow physician visits, the lower pharmacy cost can partially be attributed to fewer office visits. As professional services increase and utilization returns to pre-pandemic levels, pharmacy cost is expected to go up as well. Our chronically ill members utilization of the pharmacy benefit has not materially change during the pandemic which is good news. This means, members on maintenance medication were able to continue receiving medicine uninterrupted. Telehealth (phone visits) and home Rx delivery services helped to assure members receive their prescriptions even when they couldn't leave their homes. This will continue for the time being.

Inpatient Services

The combined overall PMPM cost for hospitalization is slightly over budget for all aide categories. While hospital utilization is running below budget, the daily cost for a hospital stay is higher than budget. This is due to lower lengths of stay since budgeted average daily cost is based on total cost of admission divided by expected days in the hospital. Because we are experiencing fewer days on average for each hospital stay, average cost per day is higher since most hospital cost occurs early in the admission and drops during the recovery phase. Another factor contributing to hire daily cost is level of care. We will continue watching this trend to assure that the patient is accessing care at the most appropriate level for their needs.

Most admissions continue to be at BMH. (**Attachment B**).

Hospital Outpatient

We saw an increase in utilization of hospital outpatient services starting in February 2021 as many hospitals started doing outpatient surgeries again. Hospital outpatient utilization has leveled up since March 2021. We continue to work with our hospitalist teams to increase use of observation units for patient who do not need to be in an acute hospital for more than 72 hours. The observation stays are considered and counted as outpatient hospital services for reporting.

Emergency Room (ER)

The PMPM cost and number of ER visits have been at or below budget for all Aid categories since the beginning of the pandemic. We saw some increase in utilization in March 2021 but that has leveled slightly. The most frequent diagnosis for the ER for all AID categories in June 2021 is disorders of the urinary system compared to 2020 when it was related to COVID-19 related symptoms.

Most of the ER visits are occurring at BMH (**Attachment D**). Note, ER services show an increase but the average number of visits for each 1000 members enrolled decreases. This is because membership has increased at a faster pace than ER utilization. Since we are paid on members and not utilization, actual ER cost per member remains below budget. We will continue to observe this closely since enrollment eventually will plateau.

Obstetric Metrics: (Attachment C)

Most of our deliveries are occurring at BMH with KM a close second. The report shows a drop in deliveries. This is due to delay in claims. Usually, it can take 45 days to receive a claim after a delivery. When we look at our inpatient data, we see that the number of deliveries is consistent with pre-pandemic levels.

Deputy Chief Medical Officer

KHS hired a Deputy Chief Medical Officer (DCMO) who will begin work on Sept. 14th. The position was created to aid the CMO with overseeing the delivery of health care services to our membership which has grown 300% since 2014. As KHS begins implementation of California Advancing and Innovating Medi-Cal (CalAIM), we must assure that our network of over 2500 providers deliver quality, medically appropriate, cost effective care to our more than 300,000 enrollees. Moreover, CalAIM expects health plans to meet the clinical and behavioral needs of members no matter how complex or diverse the case. This must be evident in all CalAIM programs including Population Health Management, Enhanced Care Management, In lieu of Services and Major Organ Transplants. This responsibility will be shared between the DCMO and leadership in and outside of health services.

Specifically, the DCMO role will contribute in the following ways:

- Assist with design and implementation of CalAIM program components
- Provide clinical leadership over the health plan's quality performance
- Serve as physician leader on information and data development to measure the health plan's effectiveness in meeting cost and quality objectives.
- Along with CMO serve as the clinical liaison with network providers for collaboration on population health management programs, services, and activities to assure network buy-in and cooperation.

To meet these requirements, KHS hired Dr. Soham (Steve) Shah, as its new Deputy Chief Medical Officer. Dr. Shah is A Board-Certified Internist. He is also Certified by the American Association of Physician Leaders (AAPL) in Physician Leadership.

In addition to his clinical expertise, Dr. Shah completed a fellowship in Clinical Informatics and has extensive experience in predictive/data analytics and modeling applied to Population Health, Value Based Care, and health plan operations. His most recent position was Vice President of Clinical Informatics and Quality Management for a Management Services Organization (MSO). The MSO provides a variety of medical coverage health plans including Medicare, Medicare Advantage and Medi-Cal in California.

Dr. Shaw's experience working as a clinical executive with MSO will bring a new perspective to the Health Services management team. Under the leadership of the CMO and alongside the Chief Health Services Officer, he will help assure KHS meets its responsibilities and obligations to members, providers and the State as we embark on the greatest change in Medi-Cal in more than a generation known as CalAIM.



Kern Health Systems

KHS Medical Management Performance Dashboard (Critical Performance Measurements)



Governed Reporting System

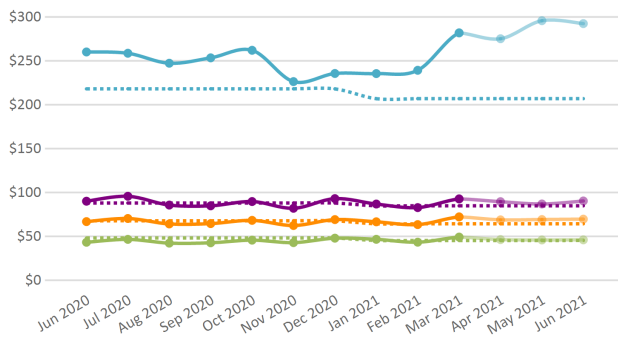


Physician Services

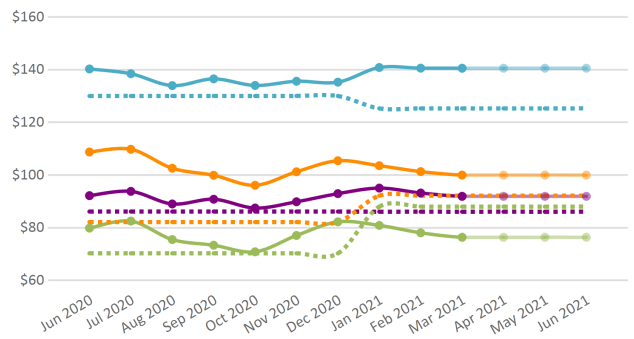
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

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

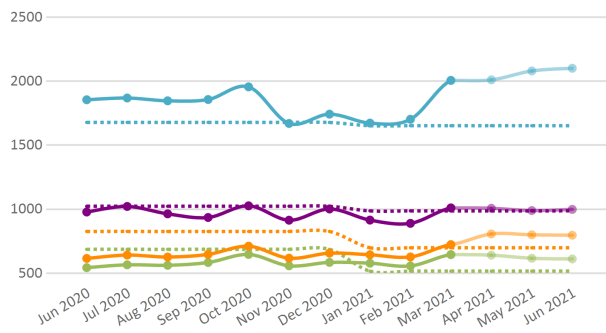
Professional Services Incurred by Aid Group PMPM



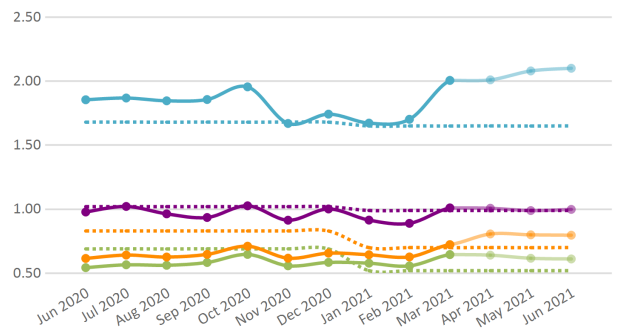
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group





Governed Reporting System

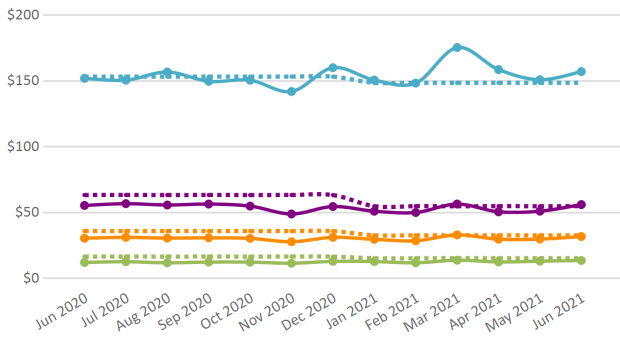


Pharmacy

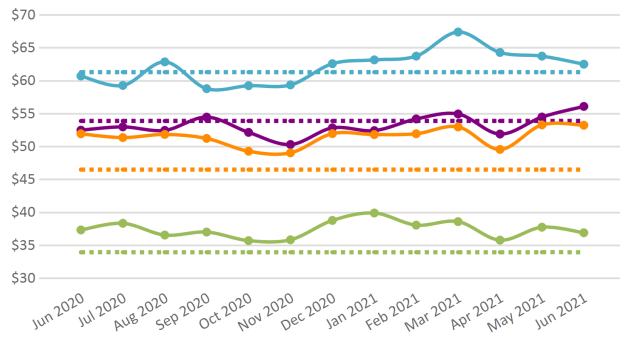
(Includes: Claims paid by PBM)

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

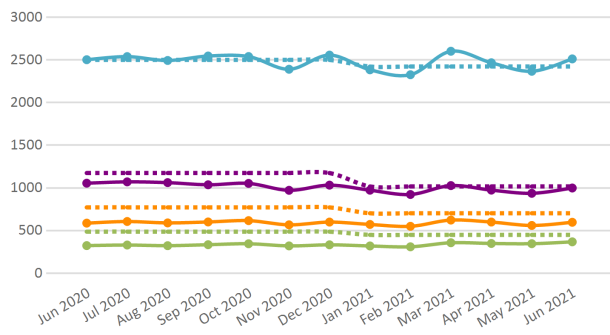
Pharmacy Services Incurred by Aid Group PMPM



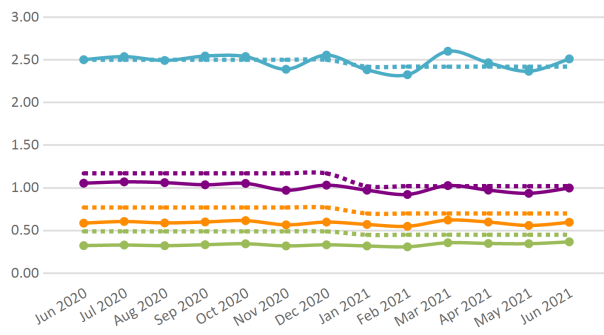
Cost per Script by Aid Group



Incurred Scripts per 1,000 per Month by Aid Group



Pharmacy Services Incurred per Member per Month by Aid Group





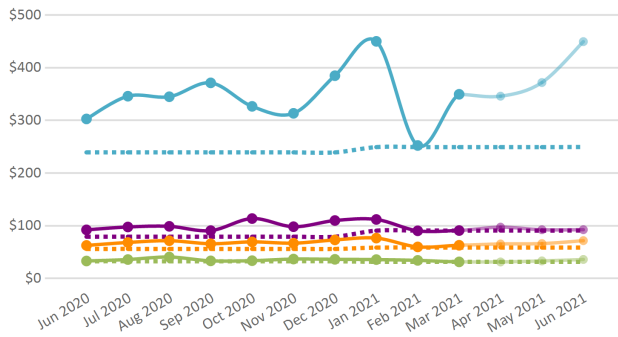
Governed Reporting System

Inpatient

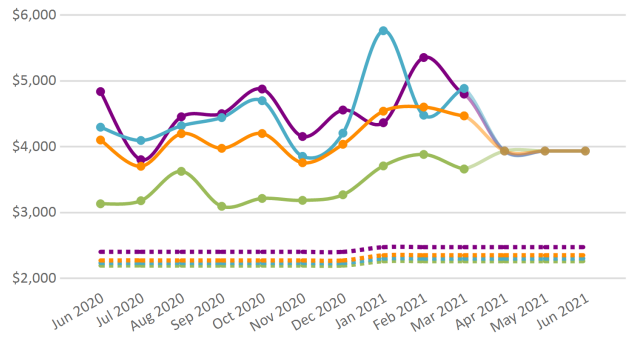
(Includes: Inpatient Hospital Claims)

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

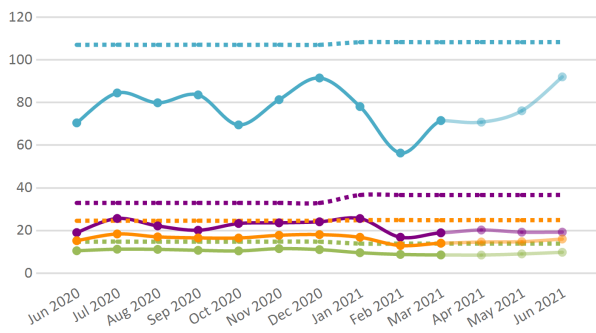
Inpatient Services Incurred by Aid Group PMPM



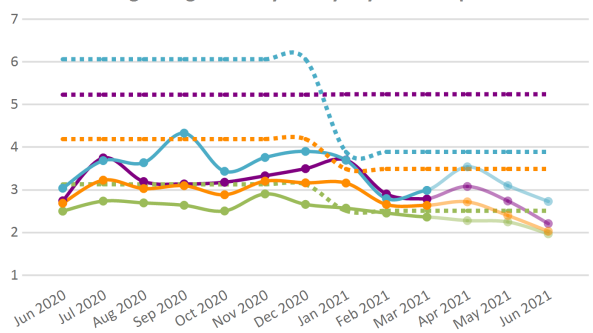
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group





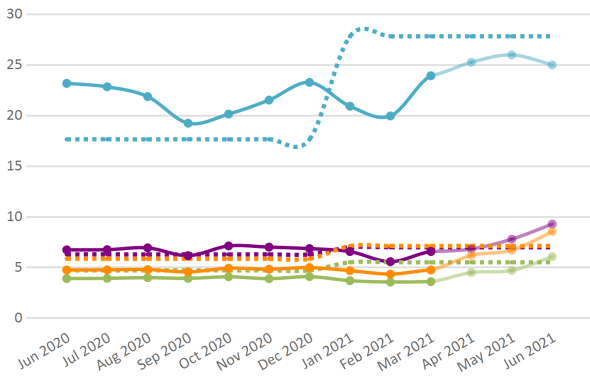
Governed Reporting System

Inpatient

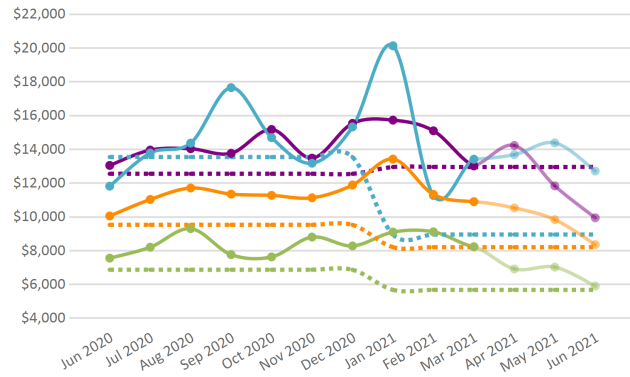
(Includes: Inpatient Hospital Claims)

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

Incurred Admits per 1,000 per Month by Aid Group



Cost per Admit by Aid Group





Governed Reporting System

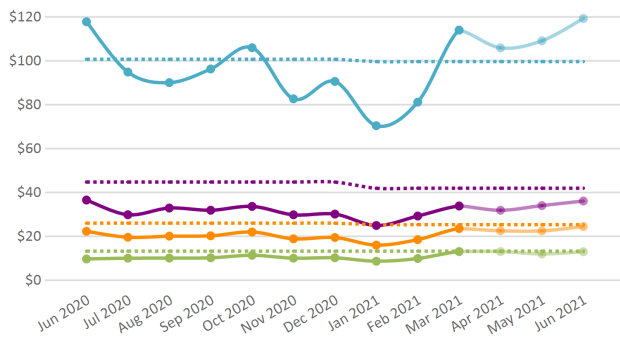


Outpatient Hospital

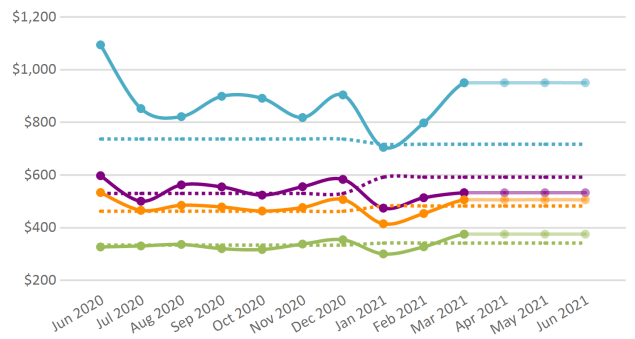
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

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

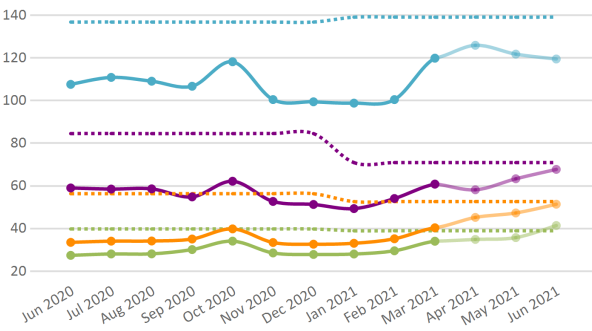
Outpatient Services Incurred by Aid Group PMPM



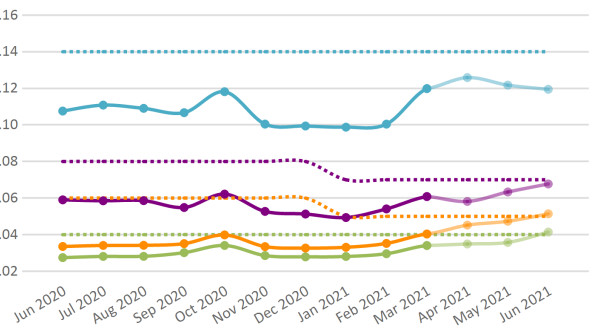
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group





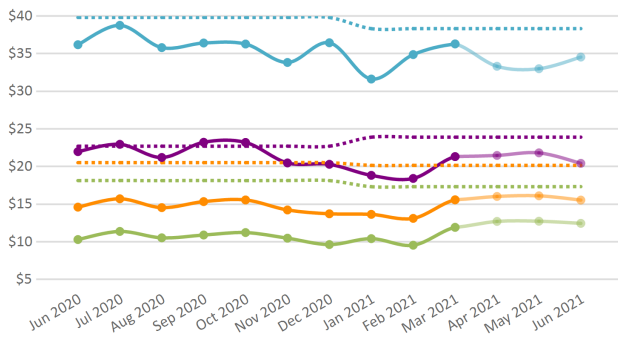
Governed Reporting System



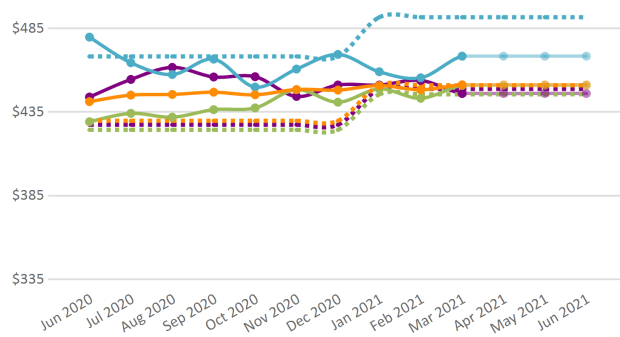
Emergency Room

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

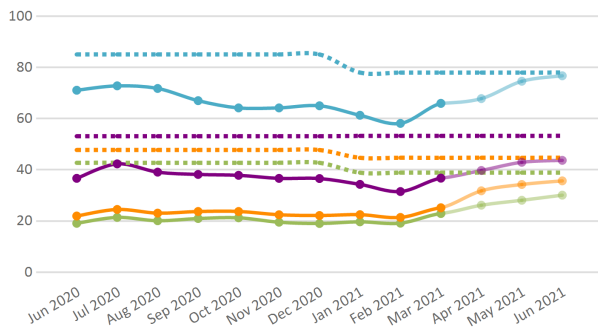
ER Services Incurred by Aid Group PMPM



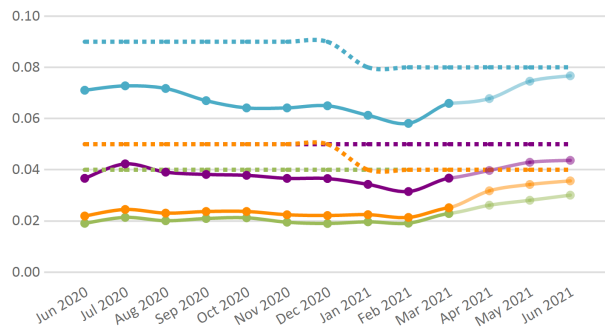
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



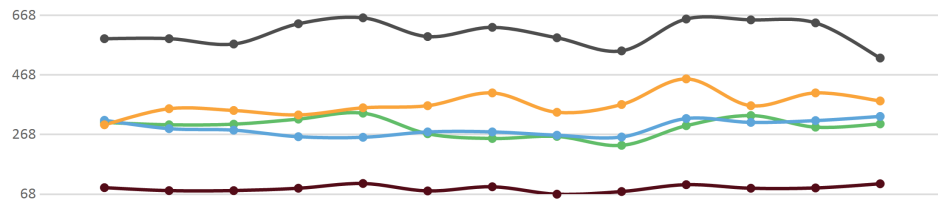
ER Visits per Member per Month by Aid Group



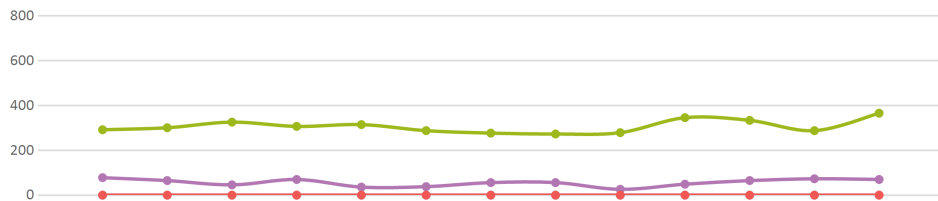


Governed Reporting System

Inpatient Admits by Hospital



	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
BAKERSFIELD MEMORIAL	590	590	572	640	660	597	628	593	549	656	653	643	525
KERN MEDICAL	301	355	349	334	358	365	408	343	369	455	365	408	381
MERCY HOSPITAL	309	301	303	320	340	271	255	262	232	298	332	293	304
ADVENTIST HEALTH	316	288	283	261	259	277	277	266	260	322	309	315	329
GOOD SAMARITAN HOSPITAL	90	80	80	88	104	79	93	68	77	100	88	89	103

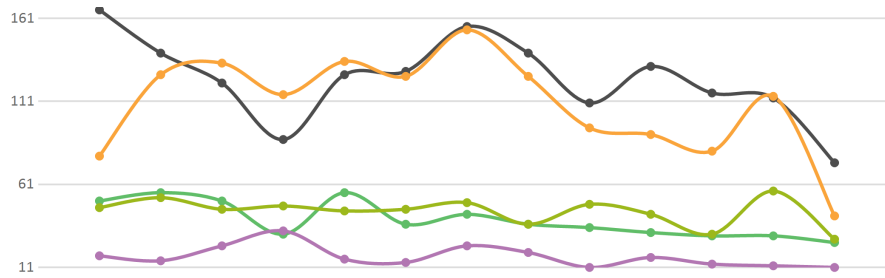


	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
BAKERSFIELD HEART HOSP	59	60	68	82	65	41	54	54	57	44	63	46	37
DELANO REGIONAL HOSPITAL	78	65	46	70	36	38	56	56	26	49	65	73	70
OUT OF AREA	292	301	326	307	315	288	277	273	279	346	334	288	366

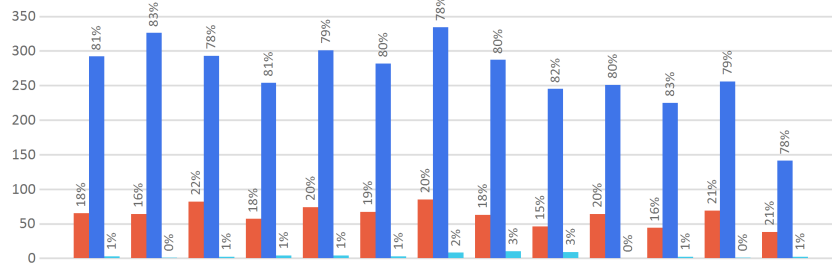


Governed Reporting System

Obstetrics Metrics



	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
BAKERSFIELD MEMORIAL	166	140	122	88	127	129	156	140	110	132	116	113	74
KERN MEDICAL	78	127	134	115	135	126	154	126	95	91	81	114	42
MERCY HOSPITAL	51	56	51	31	56	37	43	37	35	32	30	30	26
OTHER	47	53	46	48	45	46	50	37	49	43	31	57	28
DELANO REGIONAL HOSPITAL	18	15	24	33	16	14	24	20	11	17	13	12	11

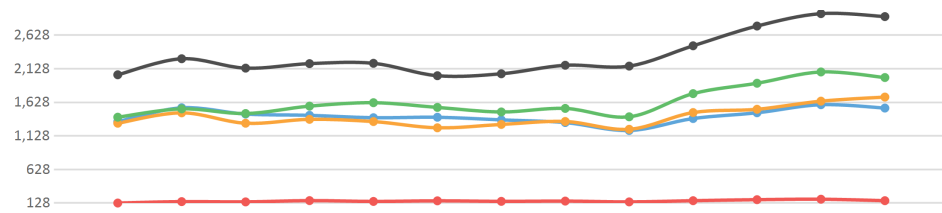


	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
VAGINAL DELIVERY	292	326	293	254	301	282	334	287	245	251	225	256	141
C-SECTION DELIVERY	65	64	82	57	74	67	85	63	46	64	44	69	38
PREVIOUS C-SECTION DELIVERY	3	1	2	4	4	3	8	10	9	0	2	1	2

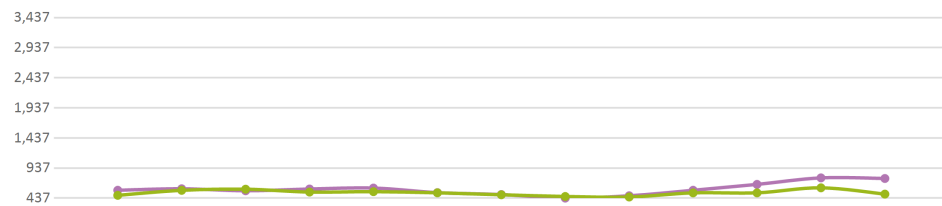


Governed Reporting System

Emergency Visits by Hospital



	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
BAKERSFIELD MEMORIAL	2,039	2,278	2,138	2,205	2,210	2,025	2,054	2,181	2,168	2,471	2,765	2,950	2,906
MERCY HOSPITAL	1,407	1,531	1,462	1,572	1,623	1,553	1,485	1,538	1,413	1,758	1,913	2,081	1,998
ADVENTIST HEALTH	1,340	1,547	1,454	1,435	1,399	1,406	1,367	1,327	1,209	1,387	1,473	1,593	1,543
KERN MEDICAL	1,317	1,472	1,317	1,375	1,342	1,249	1,299	1,343	1,227	1,476	1,525	1,646	1,707
BAKERSFIELD HEART HOSP	128	149	145	164	152	161	153	157	145	163	178	185	163



	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
DELANO REGIONAL HOSPITAL	567	592	559	588	604	528	496	437	476	567	665	773	763
OUT OF AREA	483	566	585	537	544	525	492	464	455	524	524	608	503

KERN HEALTH SYSTEMS
CHIEF EXECUTIVE OFFICER'S REPORT
August 12th, 2021
BOARD OF DIRECTORS MEETING

COMPLIANCE AND REGULATORY ACTIVITIES

Compliance and Regulatory Affairs Report

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

COVID-19 UPDATE

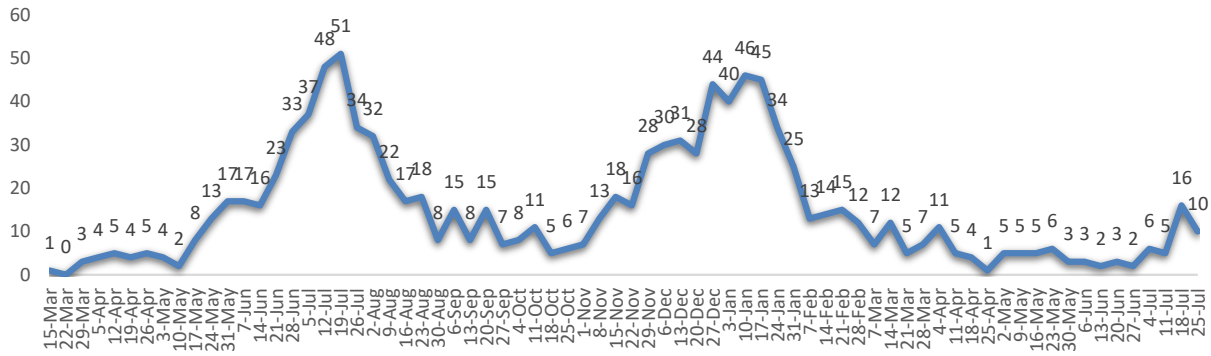
“Just as I thought I was out; they pull me back in” is a line from Godfather III that sums up the public frustration over what seems to be a never-ending story about the pandemic. Just when it appeared the virus trajectory was continuing to lower, things suddenly changed. A new variant (Delta) seems more contagious and despite the vaccine showing its effectiveness, fewer than half of the eligible public have received it.

Changing Trends Showing Acceleration in Cases

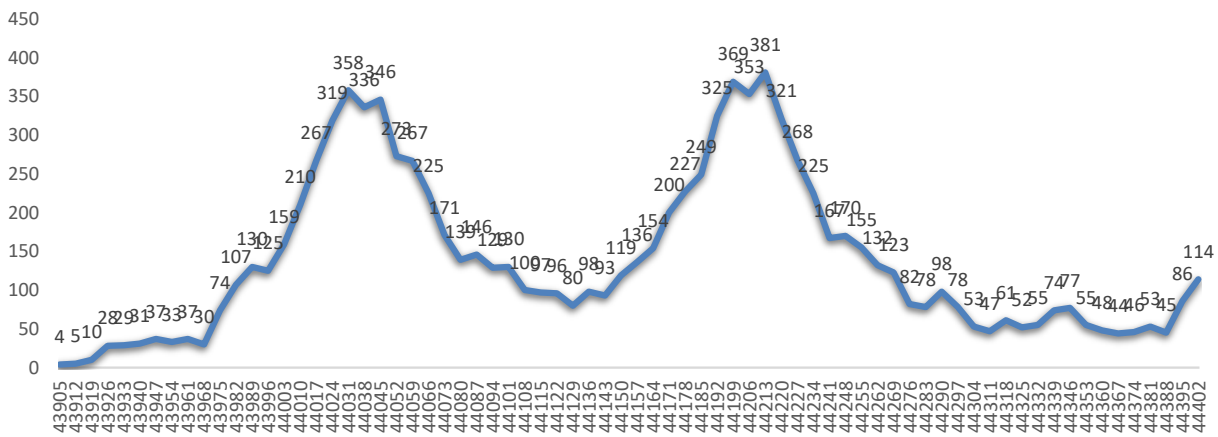
KHS experienced a spike in cases starting mid-July attributed to the highly contagious variant and low vaccine rate in Kern County. The graphs on the following page shows weekly totals for admissions and hospital beds days for KFHC enrollees since the inception of the pandemic. The trajectory reveals an upward direction beginning after July 4th and continuing in August. Examining recent admissions reveals current hospital cases shows patients previously admitted for COVID -19 and new patients with COVID-19 who were previously vaccinated. Between July 18th and July 31st, 2 of 28 COVID -19 admissions were patients previously admitted for COVID -19 and 3 of these admissions included previously vaccinated patients.

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Weekly Admits



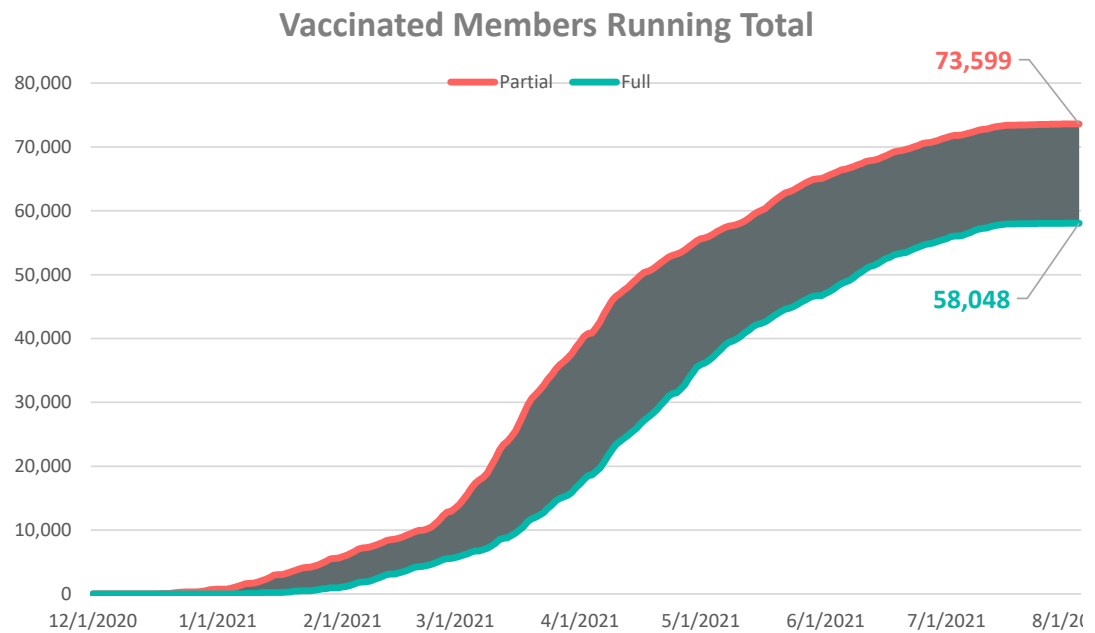
Weekly Bed Days



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Vaccine Distribution and Monitoring

Kern County has administered more than 667,700 doses of the COVID-19 vaccine, as of August 1st, according to data from the California Department of Public Health. 48% of people living in Kern County (over the age of 12) are fully vaccinated as of that date. Our vaccine eligible membership as of August 1st includes all enrollees except for the younger children below the age of 12. Vaccination rates for our eligible members continue to be below the County average by with 28.4% fully vaccinated.



Member Communication and Education Strategy

Health Plans are encouraged to identify opportunities to use their existing communication pathways to support dissemination of CDPH COVID-19 public health education materials and provider education resources. Health Plans must ensure they convey relevant and current information on the COVID-19 vaccines to members, including the use of any customer call center scripts or other communications authorized for use by DHCS.

As mentioned in a previous report, KHS created its member outreach program called the COVID-19 Vaccine Communication Plan to identify, educate, and encourage members to get vaccinated. Using a variety of communication channels, the outreach program would target members who qualify to receive their vaccine. These channels include:

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1. Corporate website and member portal
2. Members on hold message when calling in
3. IVR non-bypass message
4. Member facing staff
5. Social Media
6. Robocalling
7. Member Mailing
8. Member Newsletter
9. IVR menu option offers direct transfer to the MyTurn Call Center

Vaccine Distribution Campaigns

KHS continues to participate in community vaccine distribution campaigns taking place among our targeted population or neighborhoods where they live. Two new campaigns recently or soon to launch are the Kern County Latino COVID 19 Task Force Campaign and the Door-to-Door COVID Vaccination Campaign.

- **Kern County Latino COVID 19 Task Force**

This Sponsorship includes 40 pop up vaccine events planned through August. That's two events at each of the 20 locations as they must return to each location for the 2 series vaccines. This funding will allow them to continue these events and to offer food/refreshments and entertainment at the events.

- **Door-to-Door COVID Vaccination Campaign**

Supervisor Perez proposed an idea to take the COVID Vaccine to the people within her district using Bakersfield College canvassers who would go door-to-door to encourage residents to take the vaccine and then the vaccine would be delivered within their neighborhood via Hall Ambulance as the local storage and delivery spot of the vaccination with BC nursing students. Memorial hospital would provide the Johnson & Johnson vaccine and public service announcements. KHS donated food, water and snacks for the canvassers and nurses administering the vaccine. This campaign is designed to run 4-6 weekends once it is kicked off, with a targeted start date of early August.

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Building Reoccupation

Predicting the best time to return employees to the office is next to impossible with the resurgence of the virus, new strains of the disease appearing and knowing that a large segment of our community refuse receiving the vaccine. Nevertheless, KHS will continue to follow our return-to-work plan starting after labor day with employees who volunteer to come back to the office. These employees will require proof of vaccination. This begins the first of three stages that hopefully culminates with most employees being back on site within 90 to 120 days. Stage One should result in approximately 25 to 30% of our workforce returning to the office. The second wave or Stage Two will not return for a minimum of 4 weeks after Stage One to give time to assess the adjustment, test all safety protocols and monitor the health of those workers in attendance during Stage One. Stage Two is expected to include the bulk of remaining employees working remote. Stage Three represents workers with existing health issues who may be vulnerable to contracting the virus even with low exposure resulting in severe illness or death. This being the final employee group to return to the office gives us time to monitor others impact on the work environment, sharing of workspace and track the # of incidences occurring while back onsite. Stage Three is currently scheduled to return after the first of the year.

Precautions while in the building regardless of vaccination status will include wearing masks, remaining at a safe distance, and being pre-screened for symptoms before entering the building. Excess building sanitation steps will continue both while the building is occupied and after hours as well.

A survey of several of the MCAL health plans statewide shows an equal distribution of return-to-work schedules occurring either in October or January 2022:

- Partnership Health Plan - postponed to October at the earliest
- Inland Empire Health Plan - postponed to January
- LA Care - postponed to January
- CenCal Health Plan- tentatively October (most likely going to push to January)
- The Alliance for Health - postponing their Sept return to a later date yet to be determined
- Alameda Health Plan – returning in January
- San Mateo Health Plan – no sooner than October (most likely January)

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- Health Plan of San Juaquin – not before October
- Santa Clara Health Plan– postponed to January
- San Francisco Health Plan - January

PROGRAM DEVELOPMENT ACTIVITIES (UPDATES)

RX Carve-Out

In late July DHCS announced the Medi-Cal Rx transition will resume with an effective date of 1/1/22. The transition had been delayed indefinitely since February. The delay was caused when it was revealed that Magellan (MCAL Rx vendor) was being bought by Centene (a Medi-Cal health plan participant in several counties). This presented a conflict-of-interest issue for the State and needed to be resolved before proceeding.

On July 27, 2021, DHCS announced that it accepted a Conflict Avoidance Plan submitted by Magellan to mitigate conflicts associated with the proposed acquisition of Magellan by Centene. As a result of the acceptance of the Conflict Avoidance Plan, DHCS has determined that full Medi-Cal Rx implementation may resume.

DHCS has determined the Conflict Avoidance Plan meets conflict avoidance/mitigation requirements around the below two areas of identified conflict:

- As Centene owns managed care plans that participate in the Medi-Cal program, beneficiary pharmacy claims data submitted to MMA as the Pharmacy Benefit Administrator could, if shared with Centene, give their subsidiary plans access to proprietary data of non-Centene plans and create an unfair advantage.
- As Centene owns six specialty pharmacies that provide drugs to the Medi-Cal program, neither Centene nor any subsidiary can be involved in prior authorization or claim approvals and payments to those pharmacies or with program integrity/fraud, waste, and abuse activities.

DHCS will take the necessary steps to ensure beneficiaries are able to receive their prescriptions, and that pharmacies will have available needed information regarding claims and prior authorizations. DHCS will also ensure that Medi-Cal managed care plans will receive the necessary data to ensure appropriate utilization and continuity of care for beneficiaries enrolled in managed care.

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With the announcement, DHCS also acknowledged the need to re-engage all stakeholders in preparing for this transition. KHS staff are ready to resume these activities as directed. Future next steps include informational notices to members, provider readiness, and internal operational preparations.

Youth Behavioral Health Initiative –

The State Budget for 2021-2022 included five years of funding for several initiatives aimed at improving behavioral health services for students. This includes \$400 million statewide over three years in incentives funding to build infrastructure, partnerships, and capacity for school behavioral health services. With the program set to begin January 1, 2022 DHCS will be engaging stakeholders in planning conversations in mid-August. KHS leadership is strategizing the approach to engaging local schools and County Behavioral Health in these opportunities. A few other programs related to youth behavioral health would be implemented in future years. KHS staff will remain engaged with DHCS and other stakeholders as these programs proceed.

LEGISLATIVE SUMMARY UPDATE

State Legislative Session

The legislature is currently on recess until mid-August and upon return they will begin to hear bills in fiscal committees. The legislative session is scheduled to conclude by early September. Staff will continue to work with internal and external stakeholders throughout the remainder of the legislative session. A full list of bills being tracked is attached.

The legislature and Governor's administration have reach agreement on a final budget for 2021-2022. Generally, the State experienced a revenue surplus and influx of federal funds allowing for

investment in many new programs/benefits. Relevant components of the budget include the following:

- Comprehensive funding for CalAIM items.
- Children and Youth Behavioral Health Initiative. This Initiative includes several DHCS-specific components including additional grants to improve infrastructure and capacity of behavioral health services at schools, new coverage for Dyadic services, a statewide Virtual Care Platform, and creation of a statewide fee schedule for behavioral health services provided by schools with a requirement for Plans to reimburse for these services.
- Expands full-scope Medi-Cal to adults ages 50 and over regardless of immigration status, effective no sooner than May 1, 2022.

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- Implements the American Rescue Plan Act option to expand Medi-Cal eligibility to postpartum individuals for 12 months (currently it's 60-days) effective April 1, 2022.
- Funds indefinitely the restoration of “optional benefits” (audiology and speech therapy, incontinence creams and washes, optician and optical lab services, podiatric services) and the Proposition 56 payment program. Previously these programs were set to end this fiscal year, unless extended.
- Adds a new benefit for Doula services and includes Community Health Workers as an allowable Medi-Cal provider type as of 1/1/22.
- Adds continuous glucose monitors as a Medi-Cal covered benefit for beneficiaries with Type 1 diabetes effective January 1, 2022.
- Adds whole genome sequencing as a Medi-Cal benefit for infants one year of age or younger receiving inpatient hospital services in an intensive care unit. Effective no sooner than January 1, 2022.
- Extends all telehealth flexibilities enacted due to the Public Health Emergency through December 31, 2022. DHCS will create a stakeholder group to determine the ongoing flexibilities to be considered as part of the next budget.
- Adds remote patient monitoring as a Medi-Cal covered modality for services deemed appropriate.
- Requires DMHC to establish quality measures and equity benchmark standards, including enforcement actions for non-compliance.

The items outlined in the State Budget will require significant engagement with DHCS and result in operational changes. DHCS has generally confirmed that many more details and conversations will be coming soon. Additionally, KHS leadership is reviewing these items and strategizing to address internal and external implementation impacts.

The Legislative Summary of current Bills being followed by KHS is located under Attachment B.

KHS AUGUST 2021 ENROLLMENT

Medi-Cal Enrollment

As of August 1, 2021, Medi-Cal Family enrollment is 200,854 which represents an increase of 0.5% from July enrollment.

Seniors and Persons with Disabilities (SPDs)

As of August 1, 2021, SPD enrollment is 14,132, which represents an increase of 0.16% from July enrollment.

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Expanded Eligible Enrollment

As of August 1, 2021, Expansion enrollment is 78,217, which represents an increase of 1.3% from July enrollment.

Kaiser Permanente (KP)

As of August 1, 2021, Kaiser enrollment is 12,112 which represents an increase of 1.1% from July enrollment.

Total KHS Medi-Cal Managed Care Enrollment

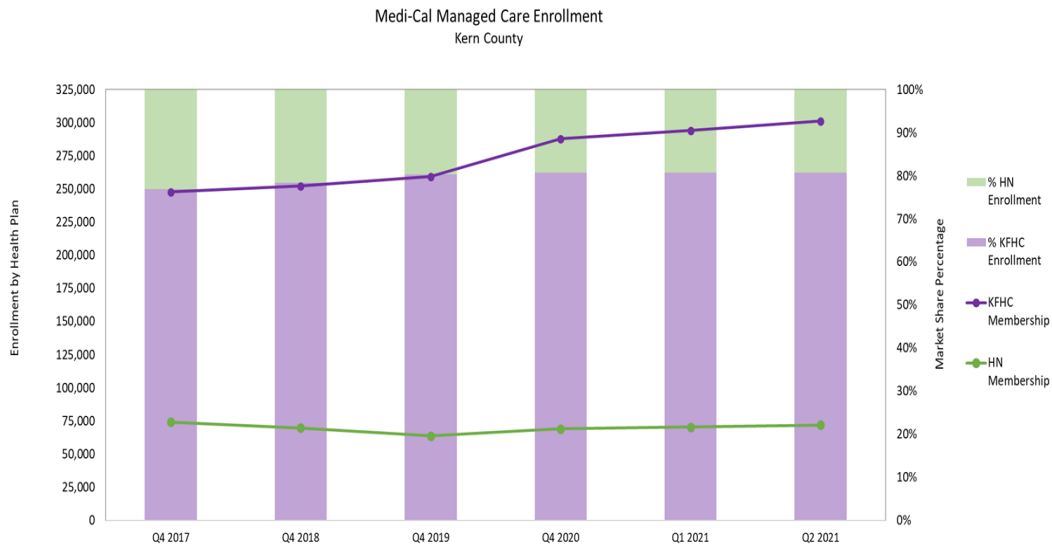
As of August 1, 2021, total Medi-Cal enrollment is **305,315** which represents an increase of 0.7% from July enrollment.

Membership as of Month of Eligibility	FAMILY	SPD	EXPANSION	KP	BABIES	Member Total
2017-12	170,426	13,297	57,487	7,933	447	249,590
2018-12	172,772	13,637	59,233	8,371	478	254,491
2019-12	175,838	14,368	60,961	9,044	429	260,640
2020-03	175,729	14,538	60,605	9,222	429	260,523
2020-06	181,679	14,476	63,977	9,665	422	270,219
2020-09	187,351	14,429	67,790	10,393	467	280,430
2020-12	191,792	14,353	70,747	10,916	406	288,214
2021-03	194,695	14,267	73,280	11,352	385	293,979
2021-06	198,406	14,147	76,256	11,867	392	301,068
2021-07	199,310	14,110	77,230	11,985	453	303,088
2021-08	200,478	14,132	78,217	12,112	376	305,315

Enrollment Note

The U.S. Department of Health & Human Services continued its public health emergency order resulting in the Department of Health Care Services extending the freeze on redeterminations. Thus, the Kern County Department of Human Services' suspension of their "automated discontinuance process" for Medi-Cal Redeterminations continues. Halting the process means members are not required to demonstrate they remain eligible for Medi-Cal which ordinarily they would have to prove or be eliminated from receiving benefits. In the meantime, Kern DHS continues working new Medi-Cal applications, reenrollments, successful renewals, additions, etc. The impact from members remaining eligible and new members being added inflates KHS's enrollment because deletions are not occurring as it would normally occur had the automated discontinuance process remained in place.

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 Board of Directors Meeting
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Market Share – 4 of every 5 Medi-Cal managed care enrollees are KFHC members (as per Medi-Cal Managed Care Enrollment Kern County chart).

KHS MARKETING AND PUBLIC RELATIONS

Community Events

- KHS participated in a United Way of Kern County’s Community Professional Development Conference round table discussion on KHS’s role in keeping Kern County safe during the pandemic.
- Each year KHS supports several local Back to School Campaigns by giving away school supply kits to underprivileged children in Kern County. Programs supported so far include Clinica Sierra Vista, Mountain Communities Family Resource Center, and Dignity Health.

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KHS Sponsorships

KHS will share sponsorship in the following upcoming activities:

- Bakersfield/Wasco Survivor Drive Thru – August 14 - \$500
- Bakersfield/Wasco Virtual Celebration – August 28 - \$500
- Bark for Life of Tehachapi – October 2 - \$500
- Valley of Hope Gala – October 2021 - \$1,000
- Real Men Wear Pink –\$1,500

25th Anniversary Ad Campaign

As part of our 2021 Marketing Plan, we will celebrate our 25th Anniversary through a multi-media advertising campaign. The vision for our “25 Years Caring for You” ad campaign will emphasize our favorable reputation and positive image, reinforce our brand of being a local, responsive and caring health plan and leverage our 25 years of commitment to our members and community. The media campaign will be in English and Spanish and the advertising mediums will include: Television, Outdoor (Billboards and Transit), Print and Digital.



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Employee Newsletters

KHS Employee Newsletters can be seen by clicking the links below:

June: <http://eepurl.com/hACJcj>

July: <http://eepurl.com/hDa8UT>



Compliance and Regulatory Affairs Update
Board of Directors Meeting

Jane MacAdam
Acting Director of Compliance and Regulatory Affairs
August 12, 2021
Attachment A

STATE REGULATORY AFFAIRS

All Plan Letters and Regulatory Guidance released since the June 11, 2021 Kern Health Systems Board of Directors' meeting:

- Department of Health Care Services (DHCS) released three All Plan Letters relevant to the Plan during this time period.
 - APL21-002 Cost Avoidance and Post Payment Recovery for Other Health Care Coverage. - The purpose of this reissued APL is to provide clarification and guidance to Managed Care Plans for cost avoidance and post-payment recovery requirements when an MCP member has other health coverage. The implementation date as been updated as part of this reissued APL.
 - APL20-011 Governor's Executive Order N-55-20 - The purpose of this reissued APL is to provide Managed Care Plans with information regarding the implementation of the Tribal Federally Qualified Health Center (Tribal FQHC) provider type in Medi-Cal with an effective date of January 1, 2021. Changes to this APL include updates to requirements related to facility site reviews, medical audits, and health risk assessments.
 - APL20-022 COVID-19 Vaccine Administration - The purpose of this APL is to provide Medi-Cal Managed Health Care Plans with information and guidance regarding COVID-19 vaccine coverage and administration in the Medi-Cal program. The reissued APL discusses COVID-19 testing requirements for health and congregate care workers and face covering guidance in Response to COVID-19 Variants and Population Vaccination Rates.



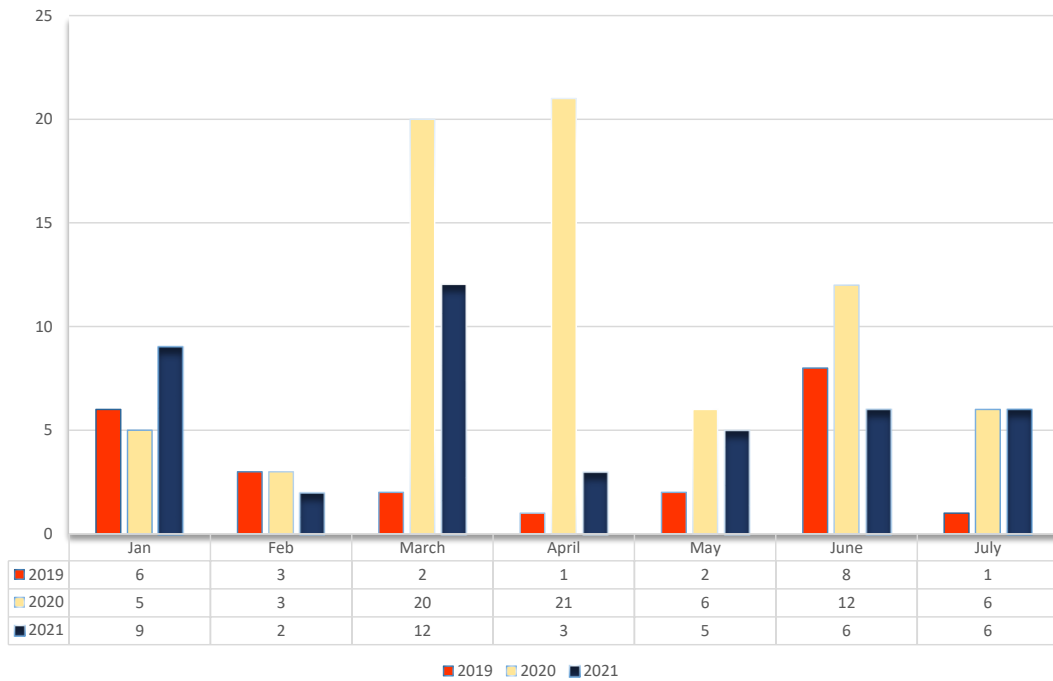
**All Plan Letters and Regulatory Guidance released since the June 11, 2021
Kern Health Systems Board of Directors' meeting:**

- The Department of Managed Care Services (DMHC) released two All Plan Letters relevant to the Plan during this time period
 - APL 21-020 Continued Coverage of COVID-19 Diagnostic Testing - Health plans are reminded that federal law continues to require them to cover COVID19 testing for their enrollees when the testing provides an individualized assessment of whether the enrollee has a COVID-19 infection
 - APL 21-018 2021 Preventative Coverage for HIV Preexposure Prophylaxis - The DMHC released this APL to provide additional guidance to health care service Plans regarding coverage for Human Immunodeficiency Virus (HIV) antiretroviral drugs, including preexposure prophylaxis or postexposure prophylaxis.



Regulatory All Plan Letters and Guidance Received for 2021

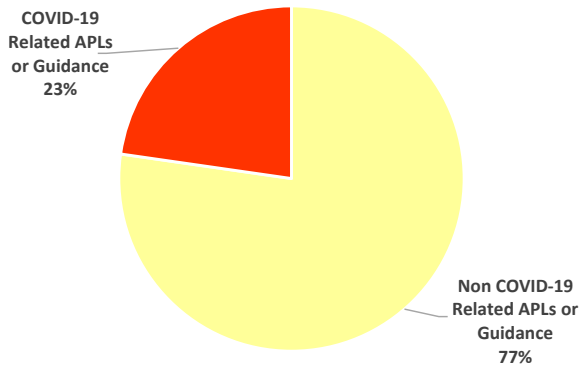
Number of Regulatory All Plan Letters and Guidance Letters Received by the Plan



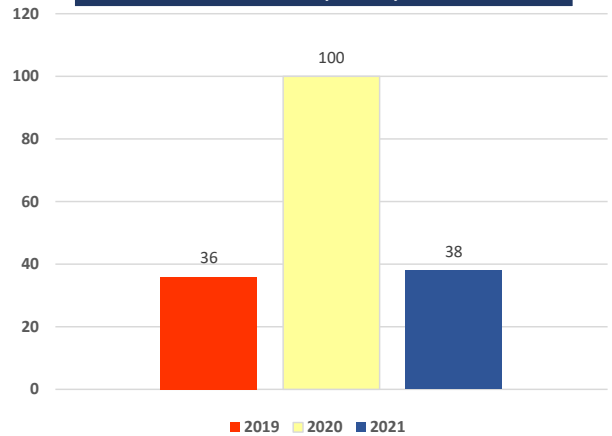
Continued...

Regulatory All Plan Letters and Guidance COVID-19 Impact 2021

Percentage of COVID-19 vs. Non COVID-19 Related APLs or Guidance January - July 2021



Year-to-Date Comparison of All Plan Letters and Guidance Letters Received by the Plan for Years 2019, 2020, & 2021



Number of Regulatory Reports Sent to Government Agencies for June and July 2021

REGULATORY AGENCY	June 2021	July 2021
DHCS	10	13
DMHC	1	3

2021 KHS Delegated Entity Audit of Kaiser Permanente

On July 26, 2021, Plan Stakeholders from the following areas conduct a review of documents provided by Kaiser Permanente as part of the Plan's annual delegation oversight review: Access to Care, Case Management-Disease Management, Credentialing & Recredentialing, Grievances and Appeals, Health Homes Program, NEMT-NMT Services, Quality Improvement, Utilization Management, and Compliance Departments. The preliminary report is currently being reviewed by Plan Stakeholders and Kaiser Permanente staff.



2020 Non-Routine Survey by the DMHC

July 31, 2021 Update

The Plan is awaiting the preliminary report of the non-routine survey by the DMHC.

2021 Routine Regulatory Audits

- **DMHC Follow-Up Review Survey - August 10, 2021 – August 12, 2021**
 - As required by Health and Safety Code section 1380(i)(2), the Department of Managed Health Care will conduct a Follow-Up Review Survey of the outstanding deficiencies identified in the July 10, 2020, Final Report of the Routine Survey of Kern Health Systems.
- **DHCS Medical Audit – September 13, 2021**
 - DHCS is scheduled to conduct a medical audit of Kern Health Systems beginning September 13, 2021 through September 24, 2021, and will cover the review period of August 1, 2019 through July 31, 2021.





Compliance Department: Fraud, Waste, & Abuse Activity for June and July 2021

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

State Medi-Cal Program Integrity Unit and the US Department of Justice Requests for Information June and July 2021

Providers

- The Plan received no requests for information from the State Medi-Cal Program Integrity Unit related to potential provider fraud, waste, or abuse.
- The Plan received one (1) information request from the US Department of Justice regarding a request for Provider claims information.

Members

- During June and July 2021, the Plan received nine (9) requests for information regarding Plan Members from State Medi-Cal Program Integrity Unit.

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

Continued...

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.

Summary of Alleged Fraud, Waste, & Abuse Allegations Reported to the Plan during June and July 2021

Members

During June and July 2021, the Compliance Department did not receive any allegations of fraud, waste, or abuse involving Plan Members.

Providers

During June and July 2021, the Compliance Department received one allegation of Provider fraud from the public. The Plan investigated the allegation and found it to be unsubstantiated.



Compliance Department: HIPAA Breach Activity for June and July 2021

Summary of Potential Protected Health Information (“PHI”) Disclosures for June and July 2021

The Plan is dedicated to ensuring the privacy and security of the PHI and personally identifiable information (“PII”) that may be created, received, maintained, transmitted, used or disclosed in relation to the Plan’s members. The Plan strictly complies with the standards and requirements of Health Insurance Portability and Accountability Act (“HIPAA”) and the Health Information Technology for Economic and Clinical Health Act (“HITECH”).

In June and July 2021, the Compliance Department investigated and reported on five individual alleged privacy concerns. Three of the four were closed as non-breaches and two incidents are still under review.



Compliance Education and Presence

Compliance Capsule

Each month the Compliance Department produces a monthly Compliance Capsule that discusses in detail a topic related to healthcare compliance. The purpose of the document is to educate and promote a culture of compliance at KHS.

The June 2021 Capsule topic was “The Anti-Kickback Statute” and the July 2021 Compliance Corner topic was “Compliance Resources”.

Attachment B

Legislative Summary – August 2021

Title	Description	Status
<p>AB 4 (Arambula)</p>	<p>Would, effective January 1, 2022, extend eligibility for full scope Medi-Cal benefits to anyone regardless of age, and who is otherwise eligible for those benefits but for their immigration status, pursuant to an eligibility and enrollment plan. The bill would require the eligibility and enrollment plan to ensure that an individual maintains continuity of care with respect to their primary care provider, as prescribed, would provide that an individual is not limited in their ability to select a different health care provider or Medi-Cal managed care health plan, and would require the department to provide monthly updates to the appropriate policy and fiscal committees of the Legislature on the status of the implementation of these provisions.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB4</p>	<p>LHPC/CAHP Support</p> <p>07/05/21 - In committee: Referred to suspense file.</p>
<p>AB 114 (Maienschein)</p>	<p>Would expand the Medi-Cal schedule of benefits to include rapid Whole Genome Sequencing, as specified, for any Medi-Cal beneficiary who is one year of age or younger and is receiving inpatient hospital services in an intensive care unit.</p> <p>This bill would make diagnosis-related group-based payments also inapplicable to claims for the above-described rapid Whole Genome Sequencing. The bill would specify that rapid Whole Genome Sequencing would be reimbursed in addition to, and separate from, a diagnosis-related group-based payment for any other qualifying claim for other services provided to the same individual.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB114</p>	<p>07/13/21 - In committee: Set, first hearing. Hearing canceled at the request of author.</p>
<p>AB 339 (Lee)</p>	<p>This bill would require local agencies to conduct meetings subject to the act consistent with applicable state and federal civil rights laws, as specified.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB339</p>	<p>07/14/21 - From committee: Do pass and re-refer to Com. on APPR.</p>

<p>AB 342 (Gipson)</p>	<p>Would require a health care service plan contract or a health insurance policy, except as specified, that is issued, amended, or renewed on or after January 1, 2022, to provide coverage for a colorectal cancer screening test and would require the required colonoscopy for a positive result on a test or procedure to be provided without cost sharing, unless the underlying test or procedure was a colonoscopy. The bill would also provide that it does not preclude a health care service plan or health insurer from imposing cost-sharing requirements for items or services that are delivered by an out-of-network provider.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB342</p>	<p>07/15/21 - From committee: ordered to second reading</p>
<p>AB 347 (Arambula)</p>	<p>This bill would clarify that a health care service plan that provides coverage for prescription drugs may require step therapy, as defined, if there is more than one drug that is clinically appropriate for the treatment of a medical condition. The bill would require a health care service plan or health insurer to expeditiously grant a step therapy exception request if the health care provider submits justification and supporting clinical documentation, if needed, supporting the provider's determination that the required prescription drug is inconsistent with good professional practice for provision of medically necessary covered services to the enrollee or insured, based on specified criteria. The bill would authorize an enrollee or insured or their designee, guardian, health care provider, or prescribing provider to file an internal appeal of a denial of an exception request for coverage of a nonformulary drug, prior authorization request, or a step therapy exception request, and would require a health care service plan or health insurer to designate a clinical peer to review those appeals.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB347</p>	<p>CAHP Oppose Unless Amended</p> <p>07/13/21 - Read second time and amended. Re-referred to Com. on APPR.</p>

AB 361 (Rivas)	<p>This bill would, until 1/1/24, authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act under certain conditions. The bill would require legislative bodies that hold teleconferenced meetings under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option, and to conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body. The bill would require the legislative body to take no further action on agenda items when there is a disruption which prevents the public agency from broadcasting the meeting, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments, until public access is restored. The bill would prohibit the legislative body from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB361</p>	07/15/21 - Read second time. Ordered to third reading.
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<p>AB 369 (Kamlager)</p>	<p>This bill would require the department to implement a program of presumptive eligibility for persons experiencing homelessness, under which a person would receive full-scope Medi-Cal benefits without a share of cost. The bill would require the department to authorize an enrolled Medi-Cal provider to issue a temporary Medi-Cal benefits identification card to a person experiencing homelessness, and would prohibit the department from requiring a person experiencing homelessness to present a valid California driver's license or identification card issued by the Department of Motor Vehicles to receive Medi-Cal services if the provider verifies the person's eligibility.</p> <p>This bill would authorize an enrolled Medi-Cal provider to make a presumptive eligibility determination for a person experiencing homelessness. The bill would require the department to reimburse an enrolled Medi-Cal provider who bills the Medi-Cal program for Medi-Cal services provided off the premises to a person experiencing homelessness, as specified. The bill would require a Medi-Cal managed care plan to allow a beneficiary to seek those services and to reimburse a provider for providing those services, but would authorize a Medi-Cal managed care plan to establish reasonable requirements governing network participation. The bill would require a Medi-Cal managed care plan to reimburse a participating Medi-Cal provider providing covered services, without requiring the provider to obtain prior approval, as specified. The bill would authorize an enrolled Medi-Cal provider to refer a Medi-Cal beneficiary who is experiencing homelessness for specialist care and diagnostics. The bill would require the insurance affordability program's application to include information collection means for the applicant to indicate if they are experiencing homelessness at the time of application.</p> <p>If Medi-Cal covered health care services covered by a Medi-Cal managed care plan are not provided within the first 60 calendar days of enrollment to a Medi-Cal beneficiary who has indicated that they are a person experiencing homelessness at the time of application, the bill would require the department to deduct the capitation payments made by the department to the plan from subsequent payments due to the plan for the time period from when the person was initially enrolled into a plan until the first receipt of plan-covered services. If a person experiencing homelessness who is assigned a primary care provider (PCP) receives services by another provider off the premises of the assigned PCP, the bill would require the department or the Medi-Cal managed care plan to notify the assigned PCP that their patient was seen by another provider.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB369</p>	<p>07/14/21 - From committee: Do pass and re-refer to Com. on APPR.</p>
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<p>AB 457 (Santiago)</p>	<p>This bill would enact the Protection of Patient Choice in Telehealth Provider Act, and would require a health care service plan and a health insurer to comply with specified notice and consent requirements if the plan or insurer offers a service via telehealth to an enrollee or an insured through a third-party corporate telehealth provider, as defined. For an enrollee or insured that receives specialty telehealth services for a mental or behavioral health condition, the bill would require that the enrollee or insured be given the option of continuing to receive that service with the contracting individual health professional, a contracting clinic, or a contracting health facility.</p> <p>This bill would provide that the payment or receipt of consideration for internet-based advertising, appointment booking, or any service that provides information and resources to prospective patients of licensees does not constitute a referral of a patient if the internet-based service provider does not recommend, endorse, arrange for, or otherwise select a licensee for the prospective patient.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB457</p>	<p>CAHP Oppose</p> <p>07/15/21 - In committee: Referred to suspense file.</p>
<p>AB 470 (Carrillo)</p>	<p>This bill would prohibit the use of resources, including property or other assets, to determine eligibility under the Medi-Cal program to the extent permitted by federal law, and would require the department to seek federal authority to disregard all resources as authorized by the flexibilities provided pursuant to federal law.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB470</p>	<p>LHPC Support</p> <p>07/15/21 - In committee: Referred to suspense file.</p>

<p>AB 540 (Petrie-Norris)</p>	<p>This bill would exempt a Medi-Cal beneficiary who is enrolled in a PACE organization with a contract with the department from mandatory or passive enrollment in a Medi-Cal managed care plan, and would require persons enrolled in a PACE plan to receive all Medicare and Medi-Cal services from the PACE program. The bill would require, in areas where a PACE plan is available, that the PACE plan be presented as a Medi-Cal managed care plan enrollment option in the same manner as other Medi-Cal managed care plan options.</p> <p>In areas of the state where a presentation on Medi-Cal managed care plan enrollment options is unavailable, the bill would require the department or its contracted vendor to provide outreach and enrollment materials on PACE. The bill would require the department to establish a system to identify Medi-Cal beneficiaries who appear to be eligible for PACE based on age, residence, and prior use of services, and, with respect to that system, would require the department to conduct specified outreach and referrals.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB540</p>	<p>LHPC Concern</p> <p>07/15/21 - In committee: Referred to suspense file.</p>
<p>AB 1064 (Fong)</p>	<p>This bill would recast the existing provision allowing pharmacists to administer COVID-19 vaccines to instead authorize a pharmacist to independently initiate and administer any vaccine approved or authorized by the United States Food and Drug Administration for persons 3 years of age and older.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1064</p>	<p>07/12/21 - From committee: Do pass and re-refer to Com. on APPR.</p>
<p>AB 1104 (Grayson)</p>	<p>Effective January 1, 2023, subject to appropriation by the Legislature, this bill would require the department to design and implement a supplemental payment program for emergency medical air transportation services to increase the Medi-Cal reimbursement in an amount not to exceed normal and customary charges charged by qualified emergency medical air transportation providers. The bill would require the department to seek any necessary federal approvals to implement these provisions and would make these provisions inoperative if the federal Centers for Medicare or Medicaid Services denies approval for the implementation of these provisions, if the Legislature fails to appropriate funds, as specified, or if a lawsuit related to this implementation is filed against the state and a preliminary injunction or other order is issued that results in a financial disadvantage to the state, including, but not limited to, a loss of federal financial participation.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1104</p>	<p>07/14/21 - From committee: Do pass and re-refer to Com. on APPR.</p>

<p>AB 1477 (Cervantes)</p>	<p>This bill would specify that the category of licensed health care practitioner to whom this requirement applies includes those who provide interpregnancy care.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1477</p>	<p>07/15/21 - From committee: ordered to second reading</p>
<p>SB 48 (Limon)</p>	<p>Would expand the schedule of benefits to include an annual cognitive health assessment for Medi-Cal beneficiaries who are 65 years of age or older if they are otherwise ineligible for a similar assessment as part of an annual wellness visit under the Medicare Program. The bill would make a Medi-Cal provider eligible to receive the payment for this benefit only if they comply with certain requirements, including completing cognitive health assessment training. By January 1, 2024, and every 2 years thereafter, the bill would require the department to consolidate and analyze data related to the benefit, and to post information on the utilization and payment of the benefit on its internet website.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB48</p>	<p>07/08/21 - Read second time and amended. Re-referred to Com. on APPR.</p>
<p>SB 56 (Durazo)</p>	<p>This bill would, subject to an appropriation by the Legislature, and effective July 1, 2022, extend eligibility for full-scope Medi-Cal benefits to individuals who are 60 years of age or older, and who are otherwise eligible for those benefits but for their immigration status.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB56</p>	<p>CAHP/LHPC Support</p> <p>06/23/21 - From committee: Do pass and re-refer to Com. on APPR.</p>
<p>SB 65 (Skinner)</p>	<p>Would extend Medi-Cal eligibility for a pregnant individual for an additional 10-month period following the 60-day postpartum period.</p> <p>This bill would expand the Medi-Cal schedule of benefits to include full-spectrum doula care, and would provide that any Medi-Cal beneficiary who is pregnant as of July 1, 2023, is entitled to doula care. The bill would require the department to develop multiple payment and billing options for doula care and to convene a doula advisory board that would be responsible for deciding on a list of core competencies required for doulas who are authorized by the department to be reimbursed under the Medi-Cal program.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB65</p>	<p>07/01/21 - From committee: Do pass and re-refer to Com. on APPR.</p>

<p>SB 221 (Wiener)</p>	<p>Codifies regulations to provide timely access standards for health care service plans for nonemergency health care services. The bill would require a health care service plan to ensure that appointments with nonphysician mental health and substance use disorder providers are subject to the timely access requirements. The bill would additionally require a health care service plan to ensure that an enrollee that is undergoing a course of treatment for an ongoing mental health or substance use disorder condition is able to get a follow-up appointment with a nonphysician mental health care or substance use disorder provider within 10 business days of the prior appointment. The bill would require that a referral to a specialist by another provider meet the timely access standards. If the timely access standards cannot be met, the Plan is required to arrange for coverage out-of-network.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB221</p>	<p>CAHP Oppose</p> <p>07/07/21 - From committee: Do pass and re-refer to Com. on APPR.</p>
<p>SB 242 (Newman)</p>	<p>This bill would require a health care service plan or health insurer to contract with its health care providers to reimburse, at a reasonable rate, their business expenses that are medically necessary to comply with a public health order to render treatment to patients, to protect health care workers, and to prevent the spread of diseases causing public health emergencies.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB242</p>	<p>CAHP/LHPC Opposed</p> <p>07/19/21 - From committee: Do pass as amended and re-refer to Com. on APPR.</p>
<p>SB 245 (Gonzalez)</p>	<p>The bill would prohibit a health care service plan and a health insurer from imposing utilization management or utilization review on the coverage for abortion services. The bill's requirements would also apply to Medi-Cal managed care plans.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB245</p>	<p>CAHP Oppose</p> <p>07/07/21 - July 7 set for first hearing. Placed on suspense file.</p>
<p>SB 293 (Limón)</p>	<p>By 1/1/22, this bill would require the department to develop standard forms, including intake and assessment forms, relating to medical necessity criteria, mandatory screening and transition of care tools, and documentation requirements pursuant to specified terms and conditions, and, for purposes of implementing these provisions, would require the department to consult with representatives of identified organizations, including the County Behavioral Health Directors Association of California.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB293</p>	<p>07/07/21 - From committee: Do pass and re-refer to Com. on APPR.</p>

<p>SB 306 (Pan)</p>	<p>This bill would require health care service plans and insurers to provide coverage for home test kits for sexually transmitted diseases, as defined, and the laboratory costs for processing those kits that are deemed medically necessary or appropriate and ordered directly by a health care provider or furnished through a standing order for patient use based on clinical guidelines and individual patient health needs.</p> <p>This bill would require every licensed health care professional engaged in providing prenatal care or attending a birthing patient at the time of delivery to provide syphilis screening and testing as outlined in the most recent guidelines published by the State Department of Public Health.</p> <p>This bill would require the department to provide reimbursement for services related to the prevention and treatment of sexually transmitted diseases and would authorize an office visit to a Family PACT provider or Medi-Cal provider for specified STD-related services for uninsured, income-eligible patients, or patients with health care coverage who are income-eligible and have confidentiality concerns, who are not at risk of experiencing or causing an unintended pregnancy, and who are not in need of contraceptive services, to be reimbursed at the same rate as comprehensive clinical family planning services.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB306</p>	<p>CAHP Oppose</p> <p>07/06/21 - From committee: Do pass and re-refer to Com. on APPR.</p>
<p>SB 316 (Eggman)</p>	<p>This bill would authorize FQHC reimbursement for a maximum of 2 visits taking place on the same day at a single location if after the first visit the patient suffers illness or injury requiring additional diagnosis or treatment, or if the patient has a medical visit and a mental health visit or a dental visit, as defined. After the department approves a rate adjustment, authorizes to bill a medical visit and a mental health visit that take place on the same day at a single location as separate visits, in accordance with the bill.</p> <p>This bill would also include a licensed acupuncturist within those health professionals covered under the definition of a "visit."</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB316</p>	<p>LHPC/CAHP Support</p> <p>06/23/21 - From committee: Do pass and re-refer to Com. on APPR.</p>
<p>SB 365 (Caballero)</p>	<p>This bill would make electronic consultation services reimbursable under the Medi-Cal program for enrolled providers, including FQHCs or RHCs, subject to federal approval and matching funds.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB365</p>	<p>LHPC Support</p> <p>07/07/21 - From committee: Do pass and re-refer to Com. on APPR.</p>

<p>SB 402 (Hurtado)</p>	<p>By 6/1/22 (or within 90-days of receiving funding if after 6/1/22), Requires HHS to convene a Multipayer Payment Reform Collaborative composed of specified individuals and entities, including representatives of organizations representing consumers and the Secretary of California Health and Human Services, and would require the collaborative to propose to the agency Multipayer Payment Reform Pilots (pilots) for the purpose of establishing pilots for primarily fee-for-service primary care practices in areas hit hardest by the COVID-19 pandemic. The pilots would be established by 1/1/23.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB402</p>	<p>07/14/21 - From committee: Do pass and re-refer to Com. on APPR.</p>
<p>SB 428 (Hurtado)</p>	<p>Requires a health care service plan contract to provide coverage for adverse childhood experiences screenings.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB428</p>	<p>07/08/21 - Read second time and amended. Re-referred to Com. on APPR.</p>
<p>SB 510 (Pan)</p>	<p>This bill would require a health care service plan contract or a disability insurance policy that provides coverage for hospital, medical, or surgical benefits, to cover the costs for COVID-19 testing and health care services related to the testing for COVID-19, or a future disease when declared a public health emergency by the Governor of the State of California, and would prohibit that contract or policy from imposing cost sharing or prior authorization requirements for that coverage. The bill would also require a contract or policy to cover without cost sharing or prior authorization an item, service, or immunization intended to prevent or mitigate COVID-19, or a future disease when declared a public health emergency by the Governor of the State of California, that is recommended by the United States Preventive Services Task Force or the federal Centers for Disease Control and Prevention, as specified. The bill would also apply these provisions retroactively beginning from the Governor’s declared State of Emergency related to COVID-19 on March 4, 2020. The bill would make the provisions of the act severable.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB510</p>	<p>CAHP Opposed unless amended.</p> <p>07/15/21 - Read second time and amended. Re-referred to Com. on APPR.</p>

<p>SB 523 (Leyva)</p>	<p>This bill, the Contraceptive Equity Act of 2021, would make various changes to expand coverage of contraceptives by a health care service plan contract or health insurance policy issued, amended, renewed, or delivered on and after January 1, 2022, including requiring a health care service plan or health insurer to provide point-of-sale coverage for over-the-counter FDA-approved contraceptive drugs, devices, and products at in-network pharmacies without cost sharing or medical management restrictions. The bill would also require coverage for clinical services related to the provision or use of contraception, as specified. The bill would revise provisions applicable when a covered, therapeutic equivalent of a drug, device, or product is deemed medically inadvisable by deferring to the attending provider, as specified.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB523</p>	<p>CAHP Opposed</p> <p>07/08/21 - Read second time and amended. Re- referred to Com. on APPR.</p>
<p>SB 524 (Skinner)</p>	<p>This bill would prohibit a health care service plan or a health insurer from engaging in patient steering. The bill would define “patient steering” to mean communicating to an enrollee or insured that they are required to have a prescription dispensed at, or pharmacy services provided by, a particular pharmacy, as specified, or offering group health care coverage contracts or policies that include provisions that limit access to only pharmacy providers that are owned or operated by the health care service plan.</p> <p>https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202120220SB524</p>	<p>CAHP Oppose</p> <p>07/07/21 - Read second time and amended. Re- referred to Com. on APPR.</p>
<p>SB 535 (Limon)</p>	<p>The bill would prohibit a health care service plan contract or health insurance policy issued, amended, delivered, or renewed on or after July 1, 2022, from requiring prior authorization for biomarker testing for an enrollee or insured with advanced or metastatic stage 3 or 4 cancer. Also prohibits requiring prior authorization for biomarker testing for cancer progression or recurrence in the enrollee or insured with advanced or metastatic stage 3 or 4 cancer. The bill would provide that its provisions do not limit, prohibit, or modify an enrollee’s or insured’s rights to biomarker testing as part of an approved clinical trial, as specified.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB535</p>	<p>CAHP Oppose</p> <p>07/08/21 - Read second time and amended. Re- referred to Com. on APPR.</p>

<p>SB 562 (Portantino)</p>	<p>This bill would revise the definition of behavioral health treatment to require the services and treatment programs provided to be based on behavioral, developmental, relationship-based, or other evidence-based models. The bill also would expand the definition of a “qualified autism service professional” to include behavioral service providers who meet specified educational and professional or work experience qualifications, and to expressly include licensed occupational therapy assistants. The bill would revise the definition of a “qualified autism service paraprofessional” by deleting the reference to an unlicensed and uncertified individual and by requiring the individual to comply with revised educational and training, or professional, requirements. The bill would also revise the definitions of both a qualified autism service professional and a qualified autism service paraprofessional to include the requirement that these individuals complete a background check.</p> <p>This bill would require the intervention plan designed by the qualified autism service provider to include parent or caregiver participation, when clinically appropriate, that is individualized to the patient and takes into account the ability of the parent or caregiver to participate in therapy sessions and other recommended activities, as specified. The bill would specify that the lack of parent or caregiver participation shall not be used to deny or reduce medically necessary services and that the setting, location, or time of treatment not be used as a reason to deny medically necessary services.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB562</p>	<p>CAHP Oppose</p> <p>06/24/21 - Read second time and amended. Re-referred to Com. on APPR.</p>
<p>SB 682 (Rubio)</p>	<p>This bill would establish the End Racial Inequities in Children’s Health in California Initiative (EnRICH CA Initiative). The bill would require the California Health and Human Services Agency, in collaboration with other specified groups and entities, to convene an advisory workgroup, as specified, to develop and implement a plan, as specified, that establishes targets to reduce racial disparities in health outcomes by at least 50% by December 31, 2030, in chronic conditions affecting children, including, but not limited to, asthma, diabetes, dental caries, depression, and vaping-related diseases. The bill would require the agency to convene the advisory workgroup as soon as January 31, 2022, and would allow the workgroup to disband after the implementation of the plan. The bill would require the agency to submit the plan to the Legislature and post the plan on its internet website on or before January 1, 2023, and to commence implementation of the plan no later than June 30, 2023.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB682</p>	<p>07/14/21 - From committee: Do pass and re-refer to Com. on APPR.</p>



To: KHS Board of Directors

From: Timothy McGlew, Chairman

Date: August 12, 2021

Re: Reinstating Onsite Only Board Meetings

Background

Since April 2020, KHS Board members have been given the option to attend Board meetings onsite or remotely using video conferencing. With the opening of the State and relaxing of the public assembly guidelines in June, some local government entities such as the Kern County Board of Supervisors have returned to holding in person meetings only.

It is requested that the Board discuss, when or under what circumstances, should Kern Health Systems Board meetings return to in person meetings only.

Requested Action

Board to determine when to return to holding in person Board meetings only.

SUMMARY

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Friday, June 4, 2021

8:00 A.M.

COMMITTEE RECONVENED

Members: Deats, Martinez, McGlew, Melendez, Rhoades

ROLL CALL: All members present

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

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

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Finance Committee Meeting
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COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))
NO ONE HEARD
- CA-3) Minutes for KHS Finance Committee meeting on April 9, 2021- APPROVED
Melendez-Rhoades: All Ayes
- 4) Report on Kern Health Systems investment portfolio for the first quarter ending March 31, 2021 (Fiscal Impact: None) - IRA COHEN, UBS FINANCIAL SERVICES, INC., HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-Rhoades: All Ayes
- 5) Proposed renewal and binding of insurance coverages for crime, excess crime, property, general liability, excess liability, sexual abuse, pollution, workers' compensation, fiduciary liability, cyber insurance, managed care errors and omissions, earthquake insurance, flood insurance and deadly weapon response program from July 1, 2021 through June 30, 2022 (Fiscal Impact: \$1,100,000 Estimated; Budgeted) – CHRIS TOBIN AND CANDACE PORTER, ALLIANT INSURANCE, HEARD; APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: All Ayes
- 6) Report from the Milliman actuary firm regarding capital reserves (Fiscal Impact: None) – CRAIG B. KEIZUR, MILLIMAN, HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: All Ayes
- 7) Proposed Agreement with Stria, LLC for on-site Claims mailroom functions and Optical Character Recognition services, from June 14, 2021 through June 14, 2024, in an amount not to exceed \$1,221,000 (Fiscal Impact: \$407,000 estimated annually; Budgeted) - APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Rhoades-Melendez: All Ayes

DIRECTOR MELENDEZ LEFT THE DAIS AT 9:27 A.M. AND DID NOT RETURN

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- 8) Proposed Agreement with PaySpan, Inc., for the provider payment services, from August 21, 2021 through August 21, 2024, in an amount not to exceed \$480,000 per three years (Fiscal Impact: \$160,000 estimated annually; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Martinez-McGlew – 4 Ayes; 1 Absent - Melendez
- DIRECTOR RHOADES LEFT THE DAIS AT 9:33 A.M. AND DID NOT RETURN
- 9) Proposed Amendment to PMO Partners, LLC Agreement, for consulting services, from June 10, 2021 through July 30, 2021, in an amount not to exceed \$50,000 (Fiscal Impact: \$147,152 estimated annually; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez - 3 Ayes; 2 Absent – Melendez, Rhoades
- 10) Proposed Retroactive Amendment No. 33 to Physician Services Agreement and Amendment No. 58 to Hospital and Other Facility Services Agreement with Kern Medical Center for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between the County of Kern and the California Department of Health Care Services (Fiscal Impact: None) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez - 3 Ayes; 2 Absent – Melendez, Rhoades
- 11) Proposed Retroactive Amendment to Hospital and Other Facility Services Agreement with Kern Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between Kern Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Deats-Martinez - 2 Ayes; 1 Recusal – McGlew; 2 Absent – Melendez, Rhoades
- 12) Proposed Retroactive Amendment to Hospital and Other Facility Services Agreement with Tehachapi Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between Tehachapi Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez - 3 Ayes; 2 Absent – Melendez, Rhoades
- 13) Proposed 2021 Budget changes relating to Pharmacy, Hospital Directed Payments, Grants and the 2021 Capital Budget and 2021 Corporate Projects (Fiscal Impact to Net Position: Negative \$7,000,000; Not-Budgeted) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Martinez-McGlew - 3 Ayes; 2 Absent – Melendez, Rhoades

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- 14) Report on Kern Health Systems financial statements for February 2021, March 2021 and April 2021 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez - 3 Ayes; 2 Absent – Melendez, Rhoades

- 15) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for February 2021, March 2021 and April 2021 and IT Technology Consulting Resources for the period ended April 30, 2021 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez - 3 Ayes; 2 Absent – Melendez, Rhoades

ADJOURN TO FRIDAY, AUGUST 6, 2021 AT 8:00 A.M.

