



**KERN HEALTH
SYSTEMS**

**REGULAR MEETING OF THE
BOARD OF DIRECTORS**

Thursday, February 15, 2024

at

8:00 A.M.

At

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

The public is invited.

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

AGENDA

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, February 15, 2024

8:00 A.M.

All agenda item supporting documentation is available for public review on the Kern Health Systems website: <https://www.kernfamilyhealthcare.com/about-us/governing-board/>
Following the posting of the agenda, any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available on the KHS website.

PLEASE SILENT CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING

BOARD TO RECONVENE

Directors: Watson, Thygerson, Patel, Elliott, Abernathy, Acharya, Bowers, Hoffmann, Ma, McGlew, Meave, Patrick, Singh, Tamsi, Turnipseed
ROLL CALL:

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –
- 2) CONFERENCE WITH LEGAL COUNSEL – FORMALLY INITIATED LITIGATION - (Government Code § 54956.9 (d) (1) and (g))
Name of case: Krause, Heidi vs KHS
- 3) CONFERENCE WITH LEGAL COUNSEL – FORMALLY INITIATED LITIGATION - (Government Code § 54956.9 (d) (1) and (g))
Name of case: Martin, Anita vs KHS

8:30 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

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 5) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
- CA-6) Minutes for Kern Health Systems Board of Directors regular meeting on December 14, 2023 (Fiscal Impact: None) –
APPROVE

-
- CA-7) Report on Kern Health Systems Investment Portfolio for the Fourth Quarter Ending December 31, 2023 (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-8) Report on 2023 Annual Review of the Kern Health Systems Investment Policy (Fiscal Impact: None) –
APPROVE
- CA-9) Report on 2023 Annual Travel Report (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-10) Report on 2023 Annual Report of Disposed Assets (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-11) Report on Governance and Compliance Committee Charter (Fiscal Impact: None) –
APPROVE
- CA-12) Report on Compliance Officer Priorities and Program Shifts (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-13) Report on 2024 Compliance Program Description (Fiscal Impact: None) –
APPROVE
- CA-14) Report on Final 2023 Compliance Work Plan Review and Proposed 2024 Work Plan Review (Fiscal Impact: None) –
APPROVE
- CA-15) Proposed Agreement with Zelis Healthcare, LLC (formerly Payspan), for the procurement of printing and mailing services along with EFT payments to providers, from February 16, 2024 through February 15, 2027 (Fiscal Impact: \$1,950,000 over the term of the contract; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-16) Proposed Agreement with Microsoft Azure AVS, for Business Continuity and Disaster Recovery Solution, from February 16, 2024 through February 15, 2027 (Fiscal Impact: \$521,568 over the term of the contract; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-17) Proposed Agreement with InComm Healthcare, for the Member Rewards Solution, from February 16, 2024 through February 15, 2027 (Fiscal Impact: \$2,520,000 over the term of the contract; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 18) Report on Kern Health Systems Health Equity Office 2024 Strategy & Workplan (Fiscal Impact: None) –
APPROVE

- 19) Report on Kern Health Systems Strategic Plan for Fourth Quarter Update (Fiscal Impact: None) –
RECEIVE AND FILE
- 20) Report on Kern Health Systems Financial Statements for November 2023 (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-21) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for November 2023 and IT Technology Consulting Resources for the period ended November 30, 2023 (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-22) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 23) Kern Health Systems Chief Compliance and Fraud Prevention Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-24) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) –
RECEIVE AND FILE
- 25) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
- 26) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
RECEIVE AND FILE
- CA-27) Miscellaneous Documents –
RECEIVE AND FILE
 - A) Minutes for Kern Health Systems Physician Advisory Committee meeting on November 8, 2023
 - B) Minutes for Kern Health Systems Drug Utilization Review Committee meeting on November 20, 2023
 - C) Minutes for Kern Health Systems Quality Improvement Committee meeting on November 30, 2023
 - D) Minutes for Kern Health Systems Physician Advisory Committee meeting on December 6, 2023
 - E) Minutes for Kern Health Systems Finance Committee meeting on December 8, 2023
 - F) Minutes for Kern Health Systems Public Policy Committee meeting on December 12, 2023
 - G) Minutes for Kern Health Systems Governance and Compliance Committee meeting on January 24, 2024

ADJOURN TO APRIL 18, 2024 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, December 14, 2023

8:00 A.M.

BOARD RECONVENED

Directors: Watson, Thygerson, Patel, Abernathy, Acharya, Bowers, Elliott, Hoffmann, Ma, McGlew, Meave, Patrick, Singh, Tamsi, Turnipseed
ROLL CALL: 13 Present; 2 Absent – Bowers, Tamsi

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

ADJOURNED TO CLOSED SESSION
McGlew

CLOSED SESSION

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

NOTE: DIRECTOR BOWERS ARRIVED AT 8:14 A.M., AFTER CLOSED SESSION

NOTE: DIRECTOR TAMSI ARRIVED AT 8:14 A.M., AFTER CLOSED SESSION

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 of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **INITIAL CREDENTIALING FOR NOVEMBER 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON UNIVERSAL HEALTHCARE, BATH, HEIDARI-FOROUSHANI; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON ARAN, BEASLEY, BHANVER, FRAZIER, NINOMIYA, OKEKE, PARIMOO, BECERRA, CHEN, KAMATH, NASRAWIN, PEREZ, WIN; DIRECTOR MEAVE ABSTAINED FROM VOTING ON ARAN, BEASLEY, BHANVER, FRAZIER, NINOMIYA, OKEKE, PARIMOO, BECERRA, CHEN, KAMATH, NASRAWIN, PEREZ, WIN; DIRECTOR SINGH ABSTAINED FROM VOTING ON GOWD; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON CRUZ

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **INITIAL CREDENTIALING FOR DECEMBER 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON STARK; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON BABARINDE, LOPEZ, MCPHERSON, MERVIN; DIRECTOR MEAVE ABSTAINED FROM VOTING ON BABARINDE, LOPEZ, MCPHERSON, MERVIN; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON ABERNATHY-CORNELIUS, ARAIM, THOMAS

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **RECREREDENTIALING FOR NOVEMBER 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON CAPEHART, JOHNSON; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON ABDU; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON LAGUNDA, PABBATHI, SAHI, THOMAS; DIRECTOR MEAVE ABSTAINED FROM VOTING ON LAGUNDA, PABBATHI, SAHI, THOMAS; DIRECTOR SINGH ABSTAINED FROM VOTING ON SINGH; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON SALAS

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **RECREREDENTIALING FOR DECEMBER 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON DOZIER, GOMEZ, MEAVE, SINGH, VARELA; DIRECTOR ELLIOTT ABSTAINED FROM VOTING ON DAVIS, KERN VALLEY HEALTHCARE DISTRICT; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON DAVIS, MARQUEZ, MEAVE, SCHLAERTH; DIRECTOR MCGLEW ABSTAINED FROM VOTING ON DAVIS, KERN VALLEY HEALTHCARE DISTRICT; DIRECTOR MEAVE ABSTAINED FROM VOTING ON DAVIS, MARQUEZ, MEAVE, SCHLAERTH; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON GORDON

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!**
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 October 12, 2023 (Fiscal Impact: None) – APPROVED
Patrick-McGlew: All Ayes
- CA-5) Appreciation recognition of John Nilon for 2+ years of dedicated service as a member of the Kern Health Systems Board of Directors (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-McGlew: All Ayes
- CA-6) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2023 (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-McGlew: All Ayes
- CA-7) Proposed reinsurance policy renewal with IOA Re to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2024 through December 31, 2024 in an amount not to exceed \$0.28 per member per month (Fiscal Impact: \$1,358,616 estimated; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-McGlew: All Ayes
- 8) Report on Kern Health Systems Managed Care Accountability Set (MCAS) Action Plan (Fiscal Impact: None) – RECEIVED AND FILED
Turnipseed-Patel: All Ayes
- 9) Proposed Kern Health Systems 2024 Operating and Capital Budgets (Fiscal Impact: None) – APPROVED
McGlew-Elliott: All Ayes

- 10) Proposed Budget Request for 2024 Project Consulting Professional Services, from January 1, 2024 through December 31, 2024 (Fiscal Impact: \$23,890,000; Budgeted) – APPROVED
Patrick-Acharya: All Ayes
- CA-11) Proposed Agreement with Manifest Medex, for Health Information Exchange System to exchange data electronically across organizations, from January 2, 2024 through January 1, 2027 and Technical Professional Services in support of the Safety Net Providers, from January 2, 2024 through December 31, 2024 (Fiscal Impact: \$2,300,000; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-McGlew: All Ayes
- CA-12) Proposed Agreement with Cotiviti, for HEDIS/Stars Software Reporting Tool to support CA Medicaid, Medicare, and Dual Eligible Special Needs Plan, from December 15, 2023 through December 14, 2026 (Fiscal Impact: \$2,079,724; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-McGlew: All Ayes
- CA-13) Proposed Agreement with DST Health Solutions, for John Hopkins ACG Predictive Modeler Tool and ACG GeoHealth to conduct risk stratification and predictive analytics, from January 1, 2024 through December 31, 2026 (Fiscal Impact: \$601,050; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-McGlew: All Ayes
- CA-14) Proposed Agreement with Harte Hanks, a national customer service engagement organization, to conduct KHS new member orientation calls for the HealthNet members transitioning to KHS, from January 1, 2024 through March 31, 2024 (Fiscal Impact: \$321,412; Budgeted) - APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-McGlew: All Ayes
- 15) Report on Kern Health Systems Financial Statements for September 2023 and October 2023 (Fiscal Impact: None) – RECEIVED AND FILED
Patel-Bowers: All Ayes
- CA-16) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for September 2023 and October 2023 and IT Technology Consulting Resources for the period ended September 30, 2023 (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-McGlew: All Ayes
- CA-17) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Patrick-McGlew: All Ayes

- CA-18) Proposed revisions to Policy 4.01-P Credentialing Program (Fiscal Impact: None) –
APPROVED POLICY REVISIONS
Patrick-McGlew: All Ayes
- NOTE: DIRECTOR ABERNATHY LEFT THE DAIS AT 9:30 A.M., BEFORE THE DISCUSSION OF ITEM 19
- NOTE: DIRECTOR TAMSİ LEFT THE DAIS AT 9:33 A.M., BEFORE THE DISCUSSION OF ITEM 19
- NOTE: DIRECTOR BOWERS LEFT THE DAIS AT 9:36 A.M., DURING THE DISCUSSION OF ITEM 19
- 19) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
RECEIVED AND FILED
Singh-McGlew: 12 Ayes; 3 Absent – Abernathy, Bowers, Tamsi
- NOTE: DIRECTOR BOWERS RETURNED TO THE DAIS AT 9:52 AM, DURING THE DISCUSSION OF ITEM 20
- 20) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
RECEIVED AND FILED
Elliott-Patel: 13 Ayes; 2 Absent – Abernathy, Tamsi
- CA-21) Miscellaneous Documents – RECEIVED AND FILED
Patrick-McGlew: All Ayes
- A) Minutes for Kern Health Systems Physician Advisory Committee meeting on October 4, 2023
 - B) Minutes for Kern Health Systems Quality Improvement Committee meeting on September 21, 2023
 - C) Minutes for Kern Health Systems Drug Utilization Review Committee meeting on September 25, 2023
 - D) Minutes for Kern Health Systems Public Policy Committee meeting on September 26, 2023

ADJOURN TO FEBRUARY 15, 2024 AT 8:00 A.M.

/s/ Vijaykumar Patel, M.D.
Secretary, Board of Directors



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Robert Landis, Chief Financial Officer
SUBJECT: Quarterly Review of Kern Health Systems Investment Portfolio
DATE: February 15, 2024

Background

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

- Preservation of principal
- Liquidity
- Yield

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

Short-Term Portfolio (Under 1 year)

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

Long-Term Portfolio (1-5 years)

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

Requested Action

Receive and File.

**Kern Health Systems
Investment Portfolio
December 31, 2023**

Short Term Portfolio (under 1 year)

Funds held in this time frame are typically utilized to pay providers, meet operating expenses, distribute pass-through monies, potential State premium recoupments and for amounts owed under various Risk Corridors. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.

| <u>Description</u> | | <u>Dollar Amount</u> | <u>% of Portfolio</u> | <u>Maximum Allowed Per Policy</u> | <u>Approximate Current Yield</u> | <u>Liquidity</u> | <u>Principal Fluctuation</u> |
|--|-----|-----------------------|-----------------------|-----------------------------------|----------------------------------|------------------|--|
| Wells Fargo - Cash Money Market Accounts | (A) | \$ 9,300,000 | 1.78% | 100% | 5.20% | 1 Day | None |
| Local Agency Investment Fund (LAIF) | (B) | \$ 40,900,000 | 7.84% | 50% | 3.81% | 2 Days | None |
| US T-Bills & Federal Agencies at Wells Fargo | (1) | \$ 194,800,000 | 37.33% | 100% | 5.25% | 1 Day | Subject to Interest Rate Fluctuations |
| KHS Managed Portfolio at Wells Fargo | (C) | \$ 21,100,000 | 4.04% | | 5.63% | 3 Days | Subject to Interest Rate and Credit Fluctuations |
| Sub-Total | | \$ 331,650,000 | 63.55% | | 4.94% | | |

Long Term Port Folio (1 - 5 years)

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

| | | | | | | | |
|--------------------------------------|-----|-----------------------|----------------|--|--------------|--------|--|
| UBS Managed Portfolio | (D) | \$ 62,400,000 | 11.96% | | 5.05% | 3 Days | Subject to Interest Rate and Credit Fluctuations |
| KHS Managed Portfolio at Wells Fargo | (C) | \$ 127,850,000 | 24.50% | | 5.43% | 3 Days | Subject to Interest Rate and Credit Fluctuations |
| Sub-Total | | \$ 190,250,000 | 36.45% | | 5.31% | | |
| Total Portfolio | | \$ 521,900,000 | 100.00% | | 5.07% | | |

| <u>Yield Curve</u> | <u>Yield Curve</u> | | | |
|--------------------|--------------------|---------------------------|--------------------------|-------------|
| | <u>Treasuries</u> | <u>AA Corporate Bonds</u> | <u>A Corporate Bonds</u> | <u>CD's</u> |
| 1 year | 4.82% | 5.00% | 5.10% | 4.70% |
| 2 year | 4.35% | 4.55% | 4.70% | 4.25% |
| 3 year | 4.12% | 4.32% | 4.50% | 4.00% |
| 5 year | 3.95% | 4.20% | 4.39% | 4.00% |

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
 - (B) LAIF is part of a \$158 Billion Pooled Money Investment Account managed by the State Treasurer of CA. Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.
 - (C) High quality diversified portfolio comprising Federal Agency Securities
 - (D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.
-
- (1) Funds are utilized to pay providers, meet operating expenses and distribute pass-through monies, potential State premium recoupments and for amounts owed under various Risk Corridors. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.
 - (2) Funds are primarily utilized to fund various Grant Programs and 2024 capital projects.



Branch office
9201 Camino Media
Suite 230
Bakersfield, CA 93311

Financial Advisor
THE COHEN GROUP
6616633200

UBS Client Review

As of December 31, 2023

Report Prepared for: Kern Health Systems

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

What's inside

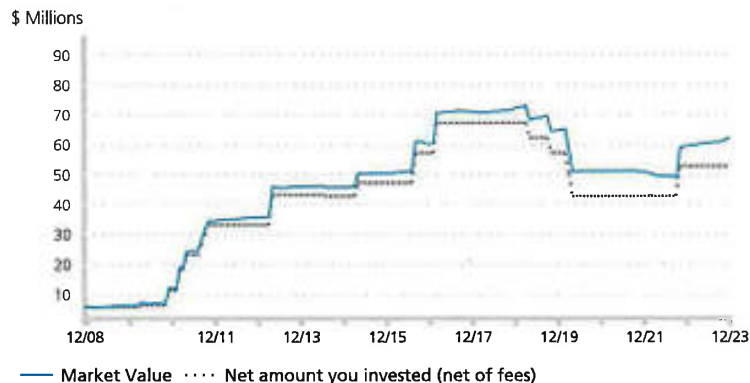
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|--|----|
| Performance Review. | 2 |
| Asset Allocation Review. | 3 |
| Asset Allocation by Account. | 4 |
| Bond Summary. | 5 |
| Bond Holdings. | 6 |
| Additional Information About Your Portfolio. | 13 |
| Important Information About This Report. | 14 |



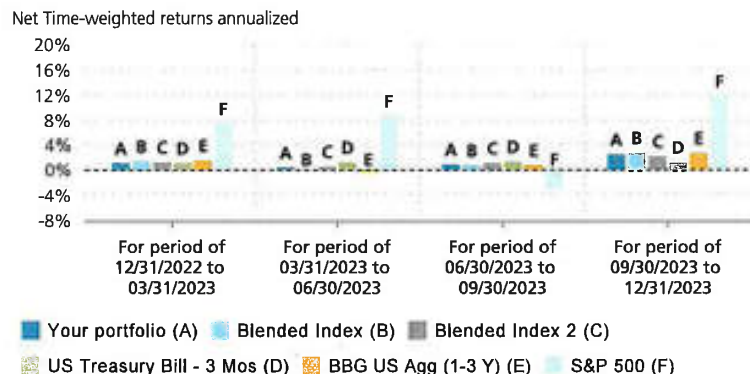
Performance Review

as of December 31, 2023

Sources of Portfolio Value



Portfolio and Selected Benchmark Returns



Blended Index:06/30/2023 - Current: 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y+ **Blended Index 2:Start - Current:** 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; +
 +Additional benchmark information can be found on the benchmark composition page.
Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: January 11, 2024

Portfolio Value and Investment Results

| | Performance returns (annualized > 1 year) | | | |
|--------------------------|---|--|--|--|
| | For period of 12/31/2022 to 03/31/2023 | For period of 03/31/2023 to 06/30/2023 | For period of 06/30/2023 to 09/30/2023 | For period of 09/30/2023 to 12/31/2023 |
| Opening value | 59,490,576.84 | 60,142,064.85 | 60,365,771.90 | 60,906,124.88 |
| Net deposits/withdrawals | -22,280.50 | -19,602.63 | -24,415.91 | -24,688.88 |
| Div./interest income | 266,742.34 | 410,573.82 | 289,228.91 | 482,680.67 |
| Change in accr. interest | 85,108.42 | -48,199.15 | 115,882.24 | -1,807.56 |
| Change in value | 321,917.75 | -119,064.99 | 159,657.75 | 1,040,629.75 |
| Closing value | 60,142,064.85 | 60,365,771.90 | 60,906,124.88 | 62,402,938.86 |
| Net Time-weighted ROR | 1.10 | 0.37 | 0.90 | 2.46 |

Net deposits and withdrawals include program and account fees.

Time Weighted Rates of Return (Net of Fees)

| | Performance returns (annualized > 1 year) | | | |
|--------------------------|---|--|--|--|
| | For period of 12/31/2022 to 03/31/2023 | For period of 03/31/2023 to 06/30/2023 | For period of 06/30/2023 to 09/30/2023 | For period of 09/30/2023 to 12/31/2023 |
| Your portfolio(%) | 1.10 | 0.37 | 0.90 | 2.46 |
| Blended Index | 1.39 | -0.08 | 0.75 | 2.88 |
| Blended Index 2 | 1.24 | 0.54 | 1.08 | 2.14 |
| US Treasury Bill - 3 Mos | 1.09 | 1.22 | 1.34 | 1.38 |
| BBG US Agg (1-3 Y) | 1.51 | -0.36 | 0.74 | 2.71 |
| S&P 500 | 7.50 | 8.74 | -3.27 | 11.69 |



Asset Allocation Review

as of December 31, 2023

Summary of Asset Allocation

| | Market value (\$) | % of Portfolio |
|------------------------|------------------------|----------------|
| Cash | 84,813.87 | 0.14 |
| Cash | 84,813.87 | 0.14 |
| US | 84,813.87 | 0.14 |
| Fixed Income | 62,318,124.99 | 99.86 |
| US | 62,318,124.99 | 99.86 |
| Government | 4,497,906.61 | 7.21 |
| Corporate IG Credit | 57,820,218.38 | 92.65 |
| Equity | 0.00 | 0.00 |
| Commodities | 0.00 | 0.00 |
| Non-Traditional | 0.00 | 0.00 |
| Other | 0.00 | 0.00 |
| Total Portfolio | \$62,402,938.86 | 100% |

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

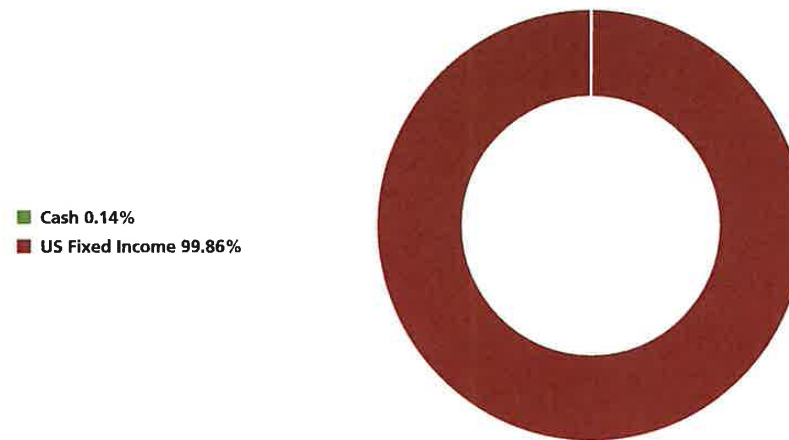
EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

Total Value: \$62,402,938.86



Accrued interest, if any, has been included in the total market value.



Asset Allocation by Account

as of December 31, 2023

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Risk profile: Conservative

Return Objective: Current Income

| | Equities (\$/%) | | | Fixed Income (\$/%) | | | Non-Traditional (\$/%) | Commodities (\$/%) | Other (\$/%) | Total | |
|------------------------|------------------|-------------|-------------|---------------------|----------------------|-------------|------------------------|--------------------|--------------|-------------|------------------------|
| | Cash (\$/%) | U.S. | Global | International | U.S. | Global | | | | | International |
| | 84,813.87 | 0.00 | 0.00 | 0.00 | 62,318,124.99 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$62,402,938.86 |
| Total Portfolio | 0.14 | 0.00 | 0.00 | 0.00 | 99.86 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100% |
| | 84,813.87 | 0.00 | 0.00 | 0.00 | 62,318,124.99 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$62,402,938.86 |
| | 0.14 | 0.00 | 0.00 | 0.00 | 99.86 | 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 (\$/%) | | | Non-Traditional (\$/%) | Commodities (\$/%) | Other (\$/%) | Total | |
|------------------------|------------------|-------------|-------------|---------------------|----------------------|-------------|------------------------|--------------------|--------------|-------------|------------------------|
| | Cash (\$/%) | U.S. | Global | International | U.S. | Global | | | | | International |
| | 84,813.87 | 0.00 | 0.00 | 0.00 | 62,318,124.99 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$62,402,938.86 |
| Total Portfolio | 0.14 | 0.00 | 0.00 | 0.00 | 99.86 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100% |

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

Accrued interest, if any, has been included in the total market value.

Report created on: January 11, 2024



Bond Summary

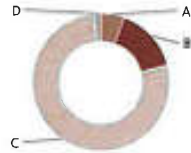
as of December 31, 2023

Bond Overview

| | |
|--|-----------------|
| Total quantity | 62,975,000 |
| Total market value | \$61,798,567.75 |
| Total accrued interest | \$519,557.24 |
| Total market value plus accrued interest | \$62,318,124.99 |
| Total estimated annual bond interest | \$1,980,138.75 |
| Average coupon | 3.15% |
| Average current yield | 3.20% |
| Average yield to maturity | 5.07% |
| Average yield to worst | 5.05% |
| Average modified duration | 1.47 |
| Average effective maturity | 1.70 |

Credit Quality of Bond Holdings

| Effective credit rating | Issues | Value on 12/31/2023 (\$) | % of port. |
|---------------------------------|-----------|--------------------------|-------------|
| A Aaa/AAA/AAA | 3 | 3,415,450.96 | 5.46 |
| B Aa/AA/AA | 7 | 9,636,623.72 | 15.51 |
| C A/A/A | 33 | 48,284,660.86 | 77.46 |
| D Baa/BBB/BBB | 1 | 981,389.44 | 1.58 |
| 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 | 44 | \$62,318,124.99 | 100% |



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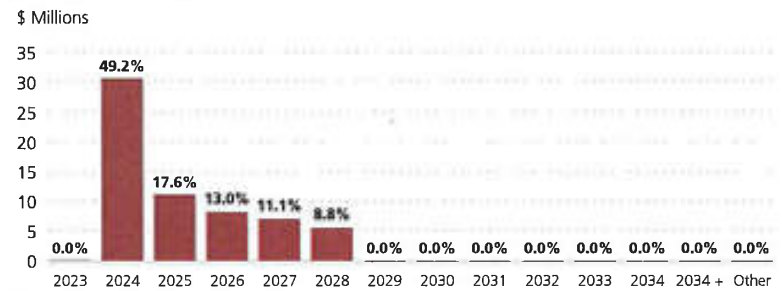
Risk profile: Conservative

Return Objective: Current Income

Investment Type Allocation

| Investment type | Taxable (\$) | Tax-exempt / deferred (\$) | Total (\$) | % of bond port. |
|-----------------------|------------------------|----------------------------|------------------------|-----------------|
| U.S. corporates | 57,820,218.38 | 0.00 | 57,820,218.38 | 92.78 |
| U.S. federal agencies | 4,497,906.61 | 0.00 | 4,497,906.61 | 7.22 |
| Total | \$62,318,124.99 | \$0.00 | \$62,318,124.99 | 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. Accrued interest, if any, has been included in the total market value.



Bond Holdings
as of December 31, 2023

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 gain/loss (\$) | Mkt. value (\$) | % of bond portfolio maturing |
|---------------|-----------|-------------------|-------------------------|-------------------|-----------------------|--------------------|-------------------|--------------------------|---------------------------|------------------------|------------------------------|
| 2023 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2024 | 20 | 31,025,000 | 747,506.25 | 2.46% | 5.37% | 5.37% | 0.66 | 31,128,981.26 | -715,788.01 | 30,569,406.81 | 49.21% |
| 2025 | 8 | 11,100,000 | 407,850.00 | 3.73% | 4.97% | 4.97% | 1.35 | 11,032,991.01 | -110,993.01 | 11,062,398.84 | 17.67% |
| 2026 | 6 | 8,300,000 | 292,857.50 | 3.63% | 4.69% | 4.69% | 2.34 | 7,961,515.5 | 114,271.50 | 8,157,456.37 | 13.07% |
| 2027 | 6 | 7,050,000 | 295,425.00 | 4.28% | 4.88% | 4.74% | 2.19 | 6,799,295 | 106,069.50 | 6,997,933.46 | 11.17% |
| 2028 | 4 | 5,500,000 | 236,500.00 | 4.31% | 4.38% | 4.38% | 4.01 | 5,372,499 | 109,726.00 | 5,530,929.51 | 8.87% |
| 2029 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2030 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2031 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2032 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2033 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2034 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2035 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2036 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2037 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2038 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2039 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2040 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2041 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2042 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2043 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2044 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2045 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2046 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2047 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2048 | 0 | 0 | | | N/A | N/A | N/A | | | | |
| 2048 + | 0 | 0 | | | N/A | N/A | N/A | | | | |
| Other | 0 | 0 | | | N/A | N/A | N/A | | | | |
| Total | 44 | 62,975,000 | \$1,980,138.75 | 3.20% | 5.07% | 5.05% | 1.47 | \$62,295,281.77 | \$-496,714.02 | \$62,318,124.99 | |

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

Report created on: January 11, 2024



Bond Holdings

as of December 31, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

Details of Bond Holdings

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|--|---|-------------------|--------------|-----------------------|-------------------------------|--|------------------------------|----------------------|--|----------------------|---|-----------------------|
| Total Bond Portfolio | | 62,975,000 | 3.15% | 09/12/2025 | N/A | \$1,980,138.75 3.20% | 5.07% 5.05% | 1.47 | \$62,295,281.77 \$-496,714.02 | N/A | \$61,798,567.75 \$519,557.24 \$62,318,124.99 | 100% |
| Maturing 2024 | | | | | | | | | | | | |
| US BANCORP MED TERM NTS 03.375% 020524 DTD020419 FACTOR 1.000000000000 | A3/A/A NR/NR/NR | 300,000 | 3.38% | 02/05/2024 | 01/05/2024 100.00 | 10,125.00 3.38% | 5.68% 5.68% | 0.09 | 300,856.12 -1,567.12 | 99.763 | 299,289.00 4,106.25 | 0.48% |
| MICROSOFT CORP NTS B/E 02.875% 020624 DTD020617 FC080617 CALL@MW+12.5BP | Aaa/WD/AAA NR/NR/NR | 875,000 | 2.88% | 02/06/2024 | | 25,156.25 2.88% | 5.25% 5.25% | 0.10 | 869,845.02 2,976.23 | 99.751 | 872,821.25 10,132.38 | 1.41% |
| COMCAST CORP NTS B/E 03.700% 041524 DTD100518 FC041519 CALL@MW+15BP | A3/A-/A- NR/NR/NR | 1,500,000 | 3.70% | 04/15/2024 | 03/15/2024 100.00 | 55,500.00 3.72% | 5.54% 5.54% | 0.28 | 1,505,119.79 -13,279.79 | 99.456 | 1,491,840.00 11,716.67 | 2.41% |
| APPLE INC NTS B/E 2.850% 051124 DTD051117 FC111117 CALL@MW+12.5BP | Aaa/NR/AA+ NR/NR/NR | 400,000 | 2.85% | 05/11/2024 | 03/11/2024 100.00 | 11,400.00 2.88% | 5.43% 5.43% | 0.35 | 403,500.27 -7,236.27 | 99.066 | 396,264.00 1,583.33 | 0.64% |
| AMAZON COM INC NTS B/E 00.450% 051224 DTD051221 CALL@MW+2.5BP | A1/AA-/AA NR/NR/NR | 2,000,000 | 0.45% | 05/12/2024 | | 9,000.00 0.46% | 5.32% 5.32% | 0.36 | 1,997,660.00 -32,980.00 | 98.234 | 1,964,680.00 1,225.00 | 3.18% |
| JPMORGAN CHASE & CO NTS 03.625% 051324 DTD051314 FC111314 B/E | A1/AA-/A- NR/NR/NR | 1,800,000 | 3.63% | 05/13/2024 | | 65,250.00 3.65% | 5.32% 5.32% | 0.36 | 1,819,961.06 -31,265.06 | 99.372 | 1,788,696.00 8,700.00 | 2.89% |
| US BANCORP NTS B/E 02.400% 073024 DTD072919 FC013020 | A3/A/A NR/NR/NR | 2,000,000 | 2.40% | 07/30/2024 | 05/30/2024 100.00 | 48,000.00 2.44% | 5.44% 5.44% | 0.56 | 1,967,640.00 -2,300.00 | 98.267 | 1,965,340.00 20,000.00 | 3.18% |

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

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Bond Holdings

as of December 31, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|---|---|-----------|--------|-----------------------|-------------------------------|--|---------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2024 | | | | | | | | | | | | |
| BB&T CORP NTS B/E 02.500% 080124 DTD072919 FC020120 | A3/A/A- NR/NR/NR | 1,000,000 | 2.50% | 08/01/2024 | 07/01/2024 100.00 | 25,000.00 2.55% | 5.81% 5.81% | 0.56 | 1,011,411.45 -30,321.45 | 98.109 | 981,090.00 10,416.67 | 1.59% |
| UNITEDHEALTH GROUP INC 02.375% 081524 DTD072519 CALL@MW+10BP NTS | A2/A/A+ NR/NR/NR | 2,250,000 | 2.38% | 08/15/2024 | | 53,437.50 2.42% | 5.30% 5.30% | 0.60 | 2,244,176.04 -34,361.04 | 98.214 | 2,209,815.00 20,187.50 | 3.58% |
| JOHN DEERE CAPITAL CORP 00.625% 091024 DTD091021 FC031022 NTS B/E | A2/A/A+ NR/NR/NR | 1,400,000 | 0.63% | 09/10/2024 | | 8,750.00 0.64% | 5.19% 5.19% | 0.67 | 1,400,435.04 -43,695.04 | 96.910 | 1,356,740.00 2,697.92 | 2.20% |
| PAYPAL HOLDINGS INC NTS 02.400% 100124 DTD092619 FC040120 CALL@MW+15BP | A3/A/A- NR/NR/NR | 2,250,000 | 2.40% | 10/01/2024 | 09/01/2024 100.00 | 54,000.00 2.45% | 5.31% 5.31% | 0.73 | 2,254,253.91 -52,156.41 | 97.871 | 2,202,097.50 13,500.00 | 3.56% |
| SIMON PPTY GROUP LP B/E 03.375% 100124 DTD091014 FC040115 CALL@MW+15BP | A3/WD/A- NR/NR/NR | 1,900,000 | 3.38% | 10/01/2024 | 07/01/2024 100.00 | 64,125.00 3.43% | 5.49% 5.49% | 0.72 | 1,934,456.64 -63,944.64 | 98.448 | 1,870,512.00 16,031.25 | 3.03% |
| BK OF NY MELLON CORP NTS 00.850% 102524 DTD102521 FC042522 B/E | A1/AA-/A NR/NR/NR | 1,500,000 | 0.85% | 10/25/2024 | 09/25/2024 100.00 | 12,750.00 0.88% | 5.20% 5.20% | 0.79 | 1,500,581.05 -52,511.05 | 96.538 | 1,448,070.00 2,337.50 | 2.34% |
| BB&T CORP MED TERM NTS 02.850% 102624 DTD102617 FC042618 B/E | A3/A/A- NR/NR/NR | 2,000,000 | 2.85% | 10/26/2024 | 09/26/2024 100.00 | 57,000.00 2.91% | 5.59% 5.59% | 0.79 | 1,973,279.33 -16,899.33 | 97.819 | 1,956,380.00 10,291.67 | 3.17% |
| PNC FINL SERV GRP INC WT 02.200% 110124 DTD110119 FC050120 EXP NTS B/E | A3/A/A- NR/NR/NR | 2,000,000 | 2.20% | 11/01/2024 | 10/01/2024 100.00 | 44,000.00 2.26% | 5.65% 5.65% | 0.81 | 2,027,904.36 -83,744.36 | 97.208 | 1,944,160.00 7,333.33 | 3.15% |
| GENERAL DYNAMICS CORP 02.375% 111524 DTD091417 FC051518 CALL@MW+10BP | A3/WD/A- NR/NR/NR | 1,750,000 | 2.38% | 11/15/2024 | 09/15/2024 100.00 | 41,562.50 2.43% | 5.26% 5.26% | 0.84 | 1,774,960.77 -67,783.27 | 97.553 | 1,707,177.50 5,310.76 | 2.76% |

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

Report created on: January 11, 2024

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Bond Holdings

as of December 31, 2023 (continued)

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Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|--|---|-------------------|--------------|-----------------------|-------------------------------|--|---------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2024 | | | | | | | | | | | | |
| ORACLE CORP NTS B/E 02.950% 111524 DTD110917 FC051518 CALL@MW+15BP | Baa2/BBB/BBB NR/NR/NR | 1,000,000 | 2.95% | 11/15/2024 | 09/15/2024 100.00 | 29,500.00 3.02% | 5.59% 5.59% | 0.84 | 1,017,591.31 -39,971.31 | 97.762 | 977,620.00 3,769.44 | 1.58% |
| TRUIST BANK NTS B/E 02.150% 120624 DTD120619 FC060620 | A2/A+/A NR/NR/NR | 2,000,000 | 2.15% | 12/06/2024 | 11/06/2024 100.00 | 43,000.00 2.22% | 5.41% 5.41% | 0.90 | 1,988,302.12 -47,082.12 | 97.061 | 1,941,220.00 2,986.11 | 3.14% |
| WAL MART STORES INC NTS 02.650% 121524 DTD102017 FC061518 CALL@MW+10BP | Aa2/AA/AA NR/NR/NR | 1,900,000 | 2.65% | 12/15/2024 | 10/15/2024 100.00 | 50,350.00 2.71% | 4.98% 4.98% | 0.93 | 1,935,544.46 -76,603.46 | 97.839 | 1,858,941.00 2,237.78 | 3.01% |
| STATE STREET CORP B/E 03.300% 121624 DTD121514 FC061615 | A1/AA-/A NR/NR/NR | 1,200,000 | 3.30% | 12/16/2024 | | 39,600.00 3.35% | 5.05% 5.05% | 0.93 | 1,201,502.52 -21,062.52 | 98.370 | 1,180,440.00 1,650.00 | 1.91% |
| Total 2024 | | 31,025,000 | 2.41% | 09/05/2024 | | \$747,506.25 2.46% | 5.37% | 0.66 | \$31,128,981.26 -\$715,788.01 | | \$30,413,193.25 \$156,213.56 | 49.21% |
| Maturing 2025 | | | | | | | | | | | | |
| JPMORGAN CHASE & CO B/E 03.125% 012325 DTD012315 FC072315 | A1/AA-/A NR/NR/NR | 2,400,000 | 3.13% | 01/23/2025 | 10/23/2024 100.00 | 75,000.00 3.19% | 5.16% 5.16% | 1.01 | 2,453,526.70 -103,686.70 | 97.910 | 2,349,840.00 32,916.67 | 3.80% |
| BK OF NY MELLON CORP B/E 03.000% 022425 DTD022415 FC082415 | A1/AA-/A NR/NR/NR | 1,300,000 | 3.00% | 02/24/2025 | 01/24/2025 100.00 | 39,000.00 3.07% | 4.96% 4.96% | 1.10 | 1,320,326.31 -48,627.31 | 97.823 | 1,271,699.00 13,758.33 | 2.06% |
| BURLINGTN NORTH SANTA FE 03.000% 040125 DTD030915 FC100115 CALL@MW+15BP | A3/NR/AA- NR/NR/NR | 1,000,000 | 3.00% | 04/01/2025 | 01/01/2025 100.00 | 30,000.00 3.07% | 4.82% 4.82% | 1.20 | 957,230.00 20,850.00 | 97.808 | 978,080.00 7,500.00 | 1.58% |
| PNC BK B/E 03.250% 060125 DTD060115 FC120115 | A2/A+/A NR/NR/NR | 300,000 | 3.25% | 06/01/2025 | 05/01/2025 100.00 | 9,750.00 3.34% | 5.26% 5.26% | 1.36 | 295,368.00 -3,540.00 | 97.276 | 291,828.00 812.50 | 0.47% |

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

Report created on: January 11, 2024

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Bond Holdings

as of December 31, 2023 (continued)

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Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|--|---|-------------------|--------------|-----------------------|-------------------------------|--|------------------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2025 | | | | | | | | | | | | |
| UNION PAC CORP NTS B/E 03.750% 071525 DTD060818 FC011519 CALL@MW+15BP | A3/A-/A- NR/NR/NR | 2,000,000 | 3.75% | 07/15/2025 | 05/15/2025 100.00 | 75,000.00 3.81% | 4.76% 4.76% | 1.45 | 1,940,760.00 29,340.00 | 98.505 | 1,970,100.00 34,583.33 | 3.19% |
| MORGAN STANLEY B/E 04.000% 072325 DTD072315 FC012316 CALL@MW+25BP | A1/A-/A- NR/NR/NR | 1,800,000 | 4.00% | 07/23/2025 | | 72,000.00 4.06% | 4.96% 4.96% | 1.47 | 1,798,200.00 -23,886.00 | 98.573 | 1,774,314.00 31,600.00 | 2.87% |
| COMCAST CORP NTS B/E 3.950% 101525 DTD100518 FC041519 CALL@MW+15BP | A3/A-/A- NR/NR/NR | 1,000,000 | 3.95% | 10/15/2025 | 08/15/2025 100.00 | 39,500.00 4.00% | 4.74% 4.74% | 1.69 | 968,230.00 18,310.00 | 98.654 | 986,540.00 8,338.89 | 1.60% |
| FFCB BOND 05.200 % DUE 110325 DTD 110322 FC 05032023 | Aaa/AA+/AA+ NR/NR/NR | 1,300,000 | 5.20% | 11/03/2025 | | 67,600.00 5.20% | 5.21% 5.21% | 1.72 | 1,299,350.00 247.00 | 99.969 | 1,299,597.00 10,891.11 | 2.10% |
| Total 2025 | | 11,100,000 | 3.68% | 06/04/2025 | | \$407,850.00 3.73% | 4.97% 4.97% | 1.35 | \$11,032,991.01 -\$110,993.01 | | \$10,921,998.00 \$140,400.84 | 17.67% |
| Maturing 2026 | | | | | | | | | | | | |
| LOCKHEED MARTIN CORP B/E 03.550% 011526 DTD112315 FC071516 CALL@MW+20BP | A2/A-/A- NR/NR/NR | 1,500,000 | 3.55% | 01/15/2026 | 10/15/2025 100.00 | 53,250.00 3.62% | 4.49% 4.49% | 1.91 | 1,445,685.00 27,030.00 | 98.181 | 1,472,715.00 24,554.17 | 2.38% |
| BANK OF AMER CORP NTS 03.500% 041926 DTD041916 FC101916 B/E | A1/AA-/A- NR/NR/NR | 1,650,000 | 3.50% | 04/19/2026 | | 57,750.00 3.60% | 4.72% 4.72% | 2.16 | 1,581,525.00 24,766.50 | 97.351 | 1,606,291.50 11,550.00 | 2.60% |
| PROLOGIS NTS B/E 03.250% 063026 DTD063022 FC123022 CALL@MW+30BP | A3/NR/A NR/NR/NR | 1,250,000 | 3.25% | 06/30/2026 | 03/30/2026 100.00 | 40,625.00 3.36% | 4.67% 4.67% | 2.32 | 1,183,125.00 25,275.00 | 96.672 | 1,208,400.00 20,312.50 | 1.96% |
| ARCHER-DANIELS-MIDL& CO 02.500% 081126 DTD081116 FC021117 CALL@MW+15BP | A2/A/A NR/NR/NR | 1,500,000 | 2.50% | 08/11/2026 | 05/11/2026 100.00 | 37,500.00 2.62% | 4.44% 4.44% | 2.46 | 1,425,765.00 3,075.00 | 95.256 | 1,428,840.00 14,583.33 | 2.31% |

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

Report created on: January 11, 2024



Bond Holdings

as of December 31, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|--|---|------------------|--------------|-----------------------|-------------------------------|--|------------------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2026 | | | | | | | | | | | | |
| WALT DISNEY COMPANY/THE 03.375% 111526 DTD111519 CALL@MW+20BP | A2/A-/A- NR/NR/NR | 1,350,000 | 3.38% | 11/15/2026 | 08/15/2026 100.00 | 45,562.50 3.47% | 4.44% 4.44% | 2.69 | 1,278,828.00 32,791.50 | 97.157 | 1,311,619.50 5,821.88 | 2.12% |
| FFCB BOND 05.540 % DUE 120126 DTD 060123 FC 12012023 | Aaa/AA+/AA+ NR/NR/NR | 1,050,000 | 5.54% | 12/01/2026 | | 58,170.00 5.55% | 5.61% 5.61% | 2.65 | 1,046,587.50 1,333.50 | 99.802 | 1,047,921.00 4,847.50 | 1.70% |
| Total 2026 | | 8,300,000 | 3.54% | 07/06/2026 | | \$292,857.50 3.63% | 4.69% 4.69% | 2.34 | \$7,961,515.50 \$114,271.50 | | \$8,075,787.00 \$81,669.37 | 13.07% |
| Maturing 2027 | | | | | | | | | | | | |
| MORGAN STANLEY B/E 03.625% 012027 DTD012017 FC072017 | A1/A-/A- NR/NR/NR | 1,000,000 | 3.63% | 01/20/2027 | 11/15/2026 100.00 | 36,250.00 3.74% | 4.68% 4.68% | 2.80 | 913,100.00 57,020.00 | 97.012 | 970,120.00 16,211.81 | 1.57% |
| IBM CORP B/E 03.300% 012727 DTD012717 FC072717 CALL@MW+15BP | A3/A-/A- NR/NR/NR | 1,100,000 | 3.30% | 01/27/2027 | | 36,300.00 3.42% | 4.56% 4.56% | 2.84 | 1,060,532.00 33.00 | 96.415 | 1,060,565.00 15,528.33 | 1.72% |
| AMAZON.COM INC NTS B/E 03.300% 041327 DTD041322 FC101322 CALL@MW+10BP | A1/AA-/AA NR/NR/NR | 1,000,000 | 3.30% | 04/13/2027 | 03/13/2027 100.00 | 33,000.00 3.40% | 4.22% 4.22% | 3.05 | 942,880.00 28,970.00 | 97.185 | 971,850.00 7,150.00 | 1.57% |
| QUALCOMM INC NTS B/E 03.250% 052027 DTD052617 FC112017 CALL @MW+20BP | A2/NR/A NR/NR/NR | 350,000 | 3.25% | 05/20/2027 | 02/20/2027 100.00 | 11,375.00 3.36% | 4.27% 4.27% | 3.15 | 336,483.00 2,376.50 | 96.817 | 338,859.50 1,295.49 | 0.55% |
| META PLATFORMS INC NTS 03.500% 081527 DTD080922 FC021523 CALL@MW+15BP | A1/NR/AA- NR/NR/NR | 1,500,000 | 3.50% | 08/15/2027 | 07/15/2027 100.00 | 52,500.00 3.59% | 4.26% 4.26% | 3.32 | 1,446,825.00 15,045.00 | 97.458 | 1,461,870.00 19,833.33 | 2.37% |
| FHLMC MED TERM NTS 06.000 % DUE 092827 DTD 092823 FC 03282024 | Aaa/NR/AA+ NR/NR/NR | 2,100,000 | 6.00% | 09/28/2027 | 03/28/2024 100.00 | 126,000.00 5.99% | 5.97% 5.51% | 0.24 | 2,099,475.00 2,625.00 | 100.100 | 2,102,100.00 32,550.00 | 3.40% |

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

Report created on: January 11, 2024

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Bond Holdings

as of December 31, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
|---|---|-------------------|--------------|-----------------------|-------------------------------|--|---------------------|----------------------|--|----------------------|---|-----------------------|
| Maturing 2027 | | | | | | | | | | | | |
| Total 2027 | | 7,050,000 | 4.21% | 06/08/2027 | | \$295,425.00 | 4.88% | 2.19 | \$6,799,295.00 | | \$6,905,364.50 | 11.17% |
| | | | | | | 4.28% | 4.74% | | \$106,069.50 | | \$92,568.96 | |
| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
| Maturing 2028 | | | | | | | | | | | | |
| INTEL CORP NTS B/E 04.875% 021028 DTD021023 CALL@MW+20BP | A2/A-/A NR/NR/NR | 700,000 | 4.88% | 02/10/2028 | 01/10/2028 100.00 | 34,125.00 4.79% | 4.41% 4.40% | 3.55 | 687,127.00 24,969.00 | 101.728 | 712,096.00 13,365.63 | 1.15% |
| BRISTOL-MYERS SQUIBB CO 03.900% 022028 DTD022020 FC082020 CALL@MW+20BP | A2/WD/A NR/NR/NR | 1,000,000 | 3.90% | 02/20/2028 | 11/20/2027 100.00 | 39,000.00 3.97% | 4.34% 4.34% | 3.72 | 972,970.00 10,490.00 | 98.346 | 983,460.00 14,191.67 | 1.59% |
| ESTEE LAUDER CO INC NTS 04.375% 051528 DTD051223 FC111523 CALL@MW+15BP | A1/NR/A NR/NR/NR | 1,500,000 | 4.38% | 05/15/2028 | 04/15/2028 100.00 | 65,625.00 4.39% | 4.43% 4.43% | 3.92 | 1,493,730.00 2,760.00 | 99.766 | 1,496,490.00 8,385.42 | 2.42% |
| ABBVIE INC B/E 04.250% 111428 DTD091818 FC051419 CALL@MW+25BP | A3/NR/A- NR/NR/NR | 2,300,000 | 4.25% | 11/14/2028 | 08/14/2028 100.00 | 97,750.00 4.27% | 4.35% 4.35% | 4.33 | 2,218,672.00 71,507.00 | 99.573 | 2,290,179.00 12,761.81 | 3.71% |
| Total 2028 | | 5,500,000 | 4.30% | 07/03/2028 | | \$236,500.00 | 4.38% | 4.01 | \$5,372,499.00 | | \$5,482,225.00 | 8.87% |
| | | | | | | 4.31% | 4.38% | | \$109,726.00 | | \$48,704.51 | |
| | Effective rating/ Underlying rating (Mdy/Fitch/S&P) | Quantity | Coupon | Effective maturity | Call date/ Call price (\$) | Est. annual income (\$)/ Curr. yield (%) | YTM (%)/ YTW (%) | Modified duration | Adjusted cost basis (\$)/ Unreal. g/l (\$) | Market price (\$) | Mkt. value (\$)/ Accr. interest (\$) | % of bond port. |
| Total Bond Portfolio | | 62,975,000 | 3.15% | 09/12/2025 | N/A | \$1,980,138.75 | 5.07% | 1.47 | \$62,295,281.77 | N/A | \$61,798,567.75 | 100% |
| | | | | | | 3.20% | 5.05% | | \$-496,714.02 | | \$519,557.24 | |
| | | | | | | | | | | | \$62,318,124.99 | |

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

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Additional Information About Your Portfolio

as of December 31, 2023

Inception to date net time-weighted returns (annualized > 1 year)

| | Performance Start date | ITD Start date to 12/31/2023 |
|------------------|---------------------------|------------------------------------|
| Account EX XX120 | 12/08/2008 | 2.12% |

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

Benchmark Composition

Account EX XX120

Blended Index

- Start - 05/15/2017:** 50% BBG US Gvt 1-3 Y; 50% BBG USAgg GvtCr 1-5Y
- 05/15/2017 - 05/31/2018:** 100% BBG Agg Bond
- 05/31/2018 - 11/04/2019:** 100% BBG Agg Bond
- 11/04/2019 - 06/30/2023:** 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y
- 06/30/2023 - Current:** 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y

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

Time-weighted Returns for accounts / SWP/AAP sleeves (Daily periods): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value plus the net value of cash flows that occurred during the day, if it was positive. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized. For reports generated prior to 01/26/2018, the performance calculations used the account's end of day value on the performance inception (listed in the report under the column "ITD") and all cash flows were posted at end of day. As a result of the change, the overall rate of return (TWR) and beginning market value displayed can vary from prior generated reports. This applies to all performance for all assets on or after 09/30/2010, Advisory assets on or after 12/31/2010, SWP/AAP sleeves on or after 04/30/2018 as well as all Asset Class and Security level returns.

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

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

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

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

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



Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

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.

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

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

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

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

provided by the issuer.

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

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

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

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

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

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

Concentrated Equity Solutions (CES) managers are not involved in the selection of the underlying stock positions. The Manager will advise only on the options selection in order to pursue the strategy in connection with the underlying stock position(s) deposited in the account. It is important to keep this in mind when evaluating the manager's performance since the account's performance will include the performance of the underlying equity position that is not being managed. CES use options to seek to achieve your investment objectives regarding your concentration stock position. Options strategies change the potential return profile of your stock. In certain scenarios, such as call writing, the call position will limit your ability to participate in any potential increase in the underlying equity position upon which the call was written. Therefore, in some market conditions, particularly



Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

during periods of significant appreciation of the underlying equity position(s), the CES account will decrease the performance that would have been achieved had the stock been held long without implementing the CES strategy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

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.

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

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

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

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

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

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

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

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

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

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

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

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

including accrued interest.

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

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

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

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

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

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

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

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



Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

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

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

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

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

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

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

UBS Financial Services account protection

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

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

request.

Neither the SIPC protection nor the supplemental protection apply to:

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

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

Filtered by: Entry Date 10/01/2023-12/31/2023, Call/Redemption

| Entry Date | Settle Date | Activity | Description | Security# | Quantity | Price/Detail | Amount |
|------------|-------------|-----------------|---|-----------|---------------|--------------|--------------|
| 12/07/23 | 12/07/23 | CALL REDEMPTION | BANK OF NY MELLON CORP 00.350% 120723 DTD120720 | 693YF3 | -2,000,000.00 | REDEMPTION | 2,000,000.00 |
| 11/16/23 | 11/16/23 | CALL REDEMPTION | FANNIE MAE NTS 00.310 % DUE 111623 | FH01D1 | -2,000,000.00 | REDEMPTION | 2,000,000.00 |
| 11/02/23 | 11/02/23 | CALL REDEMPTION | FFCB BOND 00.290 % DUE 110223 | FG93R9 | -2,000,000.00 | REDEMPTION | 2,000,000.00 |
| 10/09/23 | 10/09/23 | CALL REDEMPTION | PEPSICO INC NTS B/E 00.400% 100723 DTD100720 AS OF 10/07/23 | 787AM1 | -600,000.00 | REDEMPTION | 600,000.00 |

Filtered by: Entry Date 10/01/2023-12/31/2023, Bought

| Entry Date | Settle Date | Activity | Description | Security# | Quantity | Price/Detail | Amount |
|------------|-------------|----------|---|-----------|--------------|--------------|---------------|
| 12/15/23 | 12/19/23 | BOUGHT | IBM CORP B/E 03.300% 012727 DTD012717 Trade#:47295 Blot:9: | 670189 | 1,100,000.00 | \$96.41 | -1,074,850.33 |
| 12/11/23 | 12/13/23 | BOUGHT | BRISTOL-MYERS SQUIBB CO 03.900% 022028 DTD022020 Trade#:11254 Blot:9: | 691VG7 | 1,000,000.00 | \$97.30 | -985,211.67 |
| 11/17/23 | 11/21/23 | BOUGHT | ABBVIE INC B/E 04.250% 111428 DTD091818 Trade#:47856 Blot:9: | 682NL5 | 2,300,000.00 | \$96.46 | -2,220,572.69 |
| 11/02/23 | 11/03/23 | BOUGHT | FHLMC MED TERM NTS 06.000 % DUE 092827 Trade#:37483 Blot:0: | FD33V1 | 2,100,000.00 | \$99.98 | -2,111,725.00 |
| 10/10/23 | 10/12/23 | BOUGHT | INTEL CORP NTS B/E 04.875% 021028 DTD021023 Trade#:18716 Blot:9: | 7386H9 | 700,000.00 | \$98.16 | -693,004.08 |

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

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

The information is based upon the market value of your account(s) as of the close of business on December 31, 2023, 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.



Wells Fargo Bank, N.A.
 333 SOUTH GRAND AVENUE
 8TH FLOOR
 LOS ANGELES CA 90071

JONATHAN CHUANG
 1-213-253-6202

Bank Account Statement
Wells Fargo Bank, N.A.

Statement Period
12/01/2023 - 12/31/2023

KERN HEALTH SYSTEMS
 2900 BUCK OWENS BOULEVARD
Account Value Summary USD

Account Number
 [REDACTED]

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 | 126,129,214.50 | 65,288,486.26 | 16% |
| Bonds | 262,511,138.13 | 343,761,323.50 | 84% |
| Stocks | 0.00 | 0.00 | 0% |
| Total Account Value | \$ 388,640,352.63 | \$ 409,049,809.76 | 100% |

Value Change Since Last Statement Period \$ 20,409,457.13
Percent Increase Since Last Statement Period 5%
Value Last Year-End \$ 282,409,116.61
Percent Increase Since Last Year-End 45%

Income Summary USD

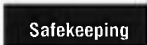
| | This Period | Year-To-Date |
|-------------------------------------|------------------------|-------------------------|
| Interest | \$ 784,708.33 | \$ 5,539,266.64 |
| Dividends/Capital Gains | 0.00 | 0.00 |
| Money Market Mutual Funds Dividends | 413,920.12 | 5,228,681.92 |
| Other | 0.00 | 0.00 |
| Income Total | \$ 1,198,628.45 | \$ 10,767,948.56 |

Interest Charged USD

| Description | This Period |
|----------------------------------|----------------|
| Debit Interest For December 2023 | 0.00 |
| Total Interest Charged | \$ 0.00 |

Money Market Mutual Funds Summary USD

| Description | Amount |
|--------------------------------------|--------------------------|
| Opening Balance | \$ 126,129,214.50 |
| Deposits and Other Additions | 180,784,708.33 |
| Distributions and Other Subtractions | (242,039,356.69) |
| Dividends Reinvested | 413,920.12 |
| Change in Value | 0.00 |
| Closing Balance | \$ 65,288,486.26 |



Important Information

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

Pricing: Security and other asset prices shown on the statement are obtained from independent vendors or internal pricing models. While we believe the prices are reliable, we cannot guarantee their accuracy. The prices indicated herein are as of the stated valuation date, which may not be the date of this statement, and are subject to change without notice. For exchange-listed securities, the price provided is the closing price of the relevant security at month end. For unlisted securities, it is the "bid" price of the relevant security at month end. The prices of instruments that trade infrequently are estimated using similar securities for which prices are available. Prices on the statement may not necessarily be obtained when the asset is sold.

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

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

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

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

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

Customer Complaints and Reporting Discrepancies: All inquiries, statement reporting inaccuracies or discrepancies, or complaints regarding your account or the activity therein should be directed to:

Customer Service
90 South 7th Street
5th Floor, MAC N9303-054
Minneapolis, MN 55402
1-800-645-3751, option 5,
WFSCustomerService@Wellsfargo.com.

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

The Bank's financial statements are available upon request.

Statement Ending: December 31, 2023

KERN HEALTH SYSTEMS

Account Number: ██████████

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

| Security ID | Description | Maturity Date | Coupon | Current Par / Original Par | Market Price* | Market Value | Original Par Pledged** | Callable |
|------------------|-----------------------------|---------------|--------|----------------------------|---------------|---------------|------------------------|----------|
| Bonds USD | | | | | | | | |
| 912797HY6 | UNITED STATES TREASURY BILL | 01/09/24 | 0.000% | 20,000,000.000 | 99.8980 | 19,979,606.00 | | |
| 641062AQ7 | NESTLE HOLDINGS INC | 01/15/24 | 0.375% | 3,000,000.000 | 99.8303 | 2,994,908.31 | | N |
| 912797HZ3 | UNITED STATES TREASURY BILL | 01/16/24 | 0.000% | 20,000,000.000 | 99.7960 | 19,959,204.40 | | |
| 912797JA6 | UNITED STATES TREASURY BILL | 01/23/24 | 0.000% | 20,000,000.000 | 99.6927 | 19,938,536.20 | | |
| 3130AVR87 | FEDERAL HOME LOAN BANK | 01/26/24 | 5.125% | 5,000,000.000 | 99.9836 | 4,999,178.90 | | Y |
| 3130AVH47 | FEDERAL HOME LOAN BANK | 01/30/24 | 5.000% | 5,000,000.000 | 99.9690 | 4,998,450.05 | | Y |
| 912797JB4 | UNITED STATES TREASURY BILL | 01/30/24 | 0.000% | 20,000,000.000 | 99.5883 | 19,917,666.80 | | |
| 141781BP8 | CARGILL INC | 02/02/24 | 0.400% | 1,400,000.000 | 99.5497 | 1,393,696.00 | | Y |
| 3130AVW40 | FEDERAL HOME LOAN BANK | 02/08/24 | 5.150% | 5,000,000.000 | 99.9713 | 4,998,565.65 | | Y |
| 3130AW3U2 | FEDERAL HOME LOAN BANK | 02/22/24 | 5.050% | 5,000,000.000 | 99.9529 | 4,997,645.95 | | Y |
| 3130AUZ23 | FEDERAL HOME LOAN BANK | 03/01/24 | 5.250% | 5,000,000.000 | 99.9773 | 4,998,864.55 | | Y |
| 771196BQ4 | ROCHE HOLDINGS INC | 03/05/24 | 0.450% | 1,725,000.000 | 99.1470 | 1,710,285.80 | | Y |
| 3130AWD64 | FEDERAL HOME LOAN BANK | 03/07/24 | 5.250% | 5,000,000.000 | 99.9790 | 4,998,950.90 | | Y |
| 771196BU5 | ROCHE HOLDINGS INC | 03/08/24 | 1.882% | 1,000,000.000 | 99.3264 | 993,263.55 | | N |
| 717081ES8 | PFIZER INC | 03/15/24 | 2.950% | 1,800,000.000 | 99.4913 | 1,790,843.81 | | Y |
| 3134GY6Z0 | FREDDIE MAC | 03/22/24 | 5.050% | 5,000,000.000 | 99.9506 | 4,997,528.90 | | Y |
| 3130AWHA1 | FEDERAL HOME LOAN BANK | 04/12/24 | 5.350% | 5,000,000.000 | 99.9881 | 4,999,405.35 | | Y |
| 931142DP5 | WALMART INC | 04/22/24 | 3.300% | 2,400,000.000 | 99.3362 | 2,384,069.69 | | Y |
| 3135GAGV7 | FANNIE MAE | 04/26/24 | 5.125% | 10,000,000.000 | 99.9429 | 9,994,287.10 | | Y |
| 3135GAHK0 | FANNIE MAE | 05/08/24 | 5.000% | 5,000,000.000 | 99.9126 | 4,995,628.50 | | Y |
| 717081DM2 | PFIZER INC | 05/15/24 | 3.400% | 1,000,000.000 | 99.2807 | 992,806.50 | | N |
| 22160KAL9 | COSTCO WHOLESALE CORP | 05/18/24 | 2.750% | 2,000,000.000 | 98.9599 | 1,979,197.78 | | Y |
| 04636NAC7 | ASTRAZENECA FINANCE LLC | 05/28/24 | 0.700% | 3,006,000.000 | 98.0648 | 2,947,826.87 | | Y |
| 3134GYS60 | FREDDIE MAC | 06/17/24 | 5.200% | 5,000,000.000 | 99.8097 | 4,990,484.20 | | Y |
| 3135GAHX2 | FANNIE MAE | 06/28/24 | 5.330% | 5,000,000.000 | 100.0196 | 5,000,981.10 | | Y |
| 3135GAG47 | FANNIE MAE | 07/12/24 | 5.050% | 10,000,000.000 | 100.0093 | 10,000,929.00 | | Y |
| 3134GYEM0 | FREDDIE MAC | 07/19/24 | 4.800% | 5,000,000.000 | 99.8471 | 4,992,354.10 | | Y |
| 3135GAJA0 | FANNIE MAE | 07/19/24 | 5.400% | 5,000,000.000 | 99.9549 | 4,997,744.65 | | Y |
| 3135GAJ85 | FANNIE MAE | 07/19/24 | 5.500% | 5,000,000.000 | 99.9212 | 4,996,058.25 | | Y |
| 3134GYJM5 | FREDDIE MAC | 08/28/24 | 5.050% | 5,000,000.000 | 99.8670 | 4,993,350.30 | | Y |
| 191216CL2 | COCA-COLA CO/THE | 09/06/24 | 1.750% | 3,000,000.000 | 97.7416 | 2,932,248.45 | | N |
| 771196BE1 | ROCHE HOLDINGS INC | 09/30/24 | 3.350% | 1,000,000.000 | 98.6539 | 986,539.07 | | Y |

Safekeeping

KERN HEALTH SYSTEMS

Account Number: ██████████

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 | | | | | | | | |
| 3135GAJL6 | FANNIE MAE | 10/30/24 | 5.500% | 5,000,000.000 | 99.8564 | 4,992,819.95 | | Y |
| 3133EPTK1 | FEDERAL FARM CREDIT BANK | 11/21/24 | 5.500% | 5,000,000.000 | 99.9606 | 4,998,030.95 | | Y |
| 3135GAK83 | FANNIE MAE | 11/27/24 | 5.500% | 5,000,000.000 | 99.8148 | 4,990,742.30 | | Y |
| 3135GAJ36 | FANNIE MAE | 12/27/24 | 5.500% | 5,000,000.000 | 99.8178 | 4,990,890.30 | | Y |
| 3135GAJ28 | FANNIE MAE | 01/10/25 | 5.350% | 5,000,000.000 | 100.2705 | 5,013,523.65 | | Y |
| 3134GYP63 | FREDDIE MAC | 01/13/25 | 5.000% | 5,000,000.000 | 99.6056 | 4,980,279.70 | | Y |
| 3130AWN1 | FEDERAL HOME LOAN BANK | 01/27/25 | 5.550% | 5,000,000.000 | 99.8433 | 4,992,165.45 | | Y |
| 3135GAH20 | FANNIE MAE | 01/27/25 | 5.250% | 5,000,000.000 | 100.0615 | 5,003,072.50 | | Y |
| 3135GAHT1 | FANNIE MAE | 02/24/25 | 5.250% | 3,000,000.000 | 100.1293 | 3,003,880.38 | | Y |
| 3134GXS88 | FREDDIE MAC | 02/28/25 | 4.000% | 5,000,000.000 | 99.1309 | 4,956,543.85 | | Y |
| 3134GYQP0 | FREDDIE MAC | 05/01/25 | 5.375% | 5,000,000.000 | 99.7977 | 4,989,884.80 | | Y |
| 3134GYRH7 | FREDDIE MAC | 05/15/25 | 5.300% | 5,000,000.000 | 99.7153 | 4,985,765.45 | | Y |
| 3134GYSG8 | FREDDIE MAC | 05/22/25 | 5.050% | 5,000,000.000 | 99.5996 | 4,979,981.30 | | Y |
| 3133EPQP3 | FEDERAL FARM CREDIT BANK | 07/24/25 | 5.330% | 5,000,000.000 | 99.8838 | 4,994,189.25 | | Y |
| 3134GYVW0 | FREDDIE MAC | 07/25/25 | 5.600% | 5,000,000.000 | 99.9530 | 4,997,650.10 | | Y |
| 3134GYS94 | FREDDIE MAC | 05/15/26 | 5.000% | 5,000,000.000 | 99.8004 | 4,990,021.40 | | Y |
| 3134H1GR8 | FREDDIE MAC | 07/30/26 | 5.750% | 3,000,000.000 | 100.0184 | 3,000,551.43 | | Y |
| 3134GYZA3 | FREDDIE MAC | 08/14/26 | 5.500% | 5,000,000.000 | 99.8816 | 4,994,077.55 | | Y |
| 3134GYZ54 | FREDDIE MAC | 08/14/26 | 5.875% | 5,000,000.000 | 99.9084 | 4,995,418.40 | | Y |
| 3130AX5H7 | FEDERAL HOME LOAN BANK | 09/11/26 | 5.500% | 5,000,000.000 | 100.0251 | 5,001,255.35 | | Y |
| 3134H1CK7 | FREDDIE MAC | 09/25/26 | 5.050% | 5,000,000.000 | 99.6531 | 4,982,656.00 | | Y |
| 3135GAJS1 | FANNIE MAE | 10/30/26 | 6.020% | 3,000,000.000 | 100.1298 | 3,003,894.21 | | Y |
| 3130AXVD7 | FEDERAL HOME LOAN BANK | 11/20/26 | 5.400% | 5,000,000.000 | 100.2580 | 5,012,900.70 | | Y |
| 3130AY2Q8 | FEDERAL HOME LOAN BANK | 12/18/26 | 5.250% | 5,000,000.000 | 99.9352 | 4,996,759.80 | | Y |
| 3130AXM96 | FEDERAL HOME LOAN BANK | 12/24/26 | 6.000% | 3,000,000.000 | 99.9951 | 2,999,854.35 | | Y |
| 3130AXVH8 | FEDERAL HOME LOAN BANK | 11/22/27 | 5.500% | 5,000,000.000 | 100.4293 | 5,021,463.10 | | Y |
| 3130AY2W5 | FEDERAL HOME LOAN BANK | 12/14/27 | 5.600% | 5,000,000.000 | 99.8129 | 4,990,645.15 | | Y |
| 3134H1FS7 | FREDDIE MAC | 04/17/28 | 6.000% | 3,000,000.000 | 100.7549 | 3,022,646.58 | | Y |
| 3134H1GP2 | FREDDIE MAC | 10/17/28 | 6.000% | 3,000,000.000 | 100.6358 | 3,019,072.92 | | Y |
| 3130AXVF2 | FEDERAL HOME LOAN BANK | 11/27/28 | 6.000% | 5,000,000.000 | 99.7794 | 4,988,967.65 | | Y |
| 3134H1KW2 | FREDDIE MAC | 12/04/28 | 5.550% | 5,000,000.000 | 100.5467 | 5,027,337.00 | | Y |
| 3130AXXB9 | FEDERAL HOME LOAN BANK | 12/21/28 | 5.700% | 5,000,000.000 | 99.8655 | 4,993,275.30 | | Y |

KERN HEALTH SYSTEMS

Account Number: ██████████

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 | | | | | | | | |
| | | | | 344,331,000.000 | | 343,761,323.50 | 0.00 | |

*See important information regarding security pricing on Page 2.

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

Daily Account Activity

Your investment transactions during this statement period.

| Transaction / Trade Date | Settlement / Effective Date | Activity | Security ID | Description | Par / Quantity | Price | Principal Amount | Income Amount | Debit / Credit Amount |
|---------------------------------|-----------------------------|------------------|-------------|-----------------------------|----------------|-------------|------------------|---------------|-----------------------|
| Transaction Activity USD | | | | | | | | | |
| 11/28/23 | 12/04/23 | Security Receipt | 3134H1KW2 | FREDDIE MAC | 5,000,000.00 | 100.0000000 | (5,000,000.00) | 0.00 | (5,000,000.00) |
| 12/08/23 | 12/12/23 | Security Receipt | 771196BU5 | ROCHE HOLDINGS INC | 1,000,000.00 | 99.1287000 | (991,287.00) | (4,914.11) | (996,201.11) |
| 12/08/23 | 12/14/23 | Security Receipt | 3130AY2W5 | FEDERAL HOME LOAN BANK | 5,000,000.00 | 100.0000000 | (5,000,000.00) | 0.00 | (5,000,000.00) |
| 12/15/23 | 12/15/23 | Security Receipt | 912797HY6 | UNITED STATES TREASURY BILL | 20,000,000.00 | 99.6395830 | (19,927,916.60) | 0.00 | (19,927,916.60) |
| 12/15/23 | 12/15/23 | Security Receipt | 912797JA6 | UNITED STATES TREASURY BILL | 20,000,000.00 | 99.4377500 | (19,887,550.00) | 0.00 | (19,887,550.00) |
| 12/15/23 | 12/15/23 | Security Receipt | 912797JB4 | UNITED STATES TREASURY BILL | 20,000,000.00 | 99.3355560 | (19,867,111.20) | 0.00 | (19,867,111.20) |
| 12/08/23 | 12/18/23 | Security Receipt | 3130AY2Q8 | FEDERAL HOME LOAN BANK | 5,000,000.00 | 100.0000000 | (5,000,000.00) | 0.00 | (5,000,000.00) |
| 12/18/23 | 12/18/23 | Security Receipt | 313312QZ6 | FED FARM CRD DISCOUNT NT | 50,000,000.00 | 99.8835556 | (49,941,777.78) | 0.00 | (49,941,777.78) |
| 12/15/23 | 12/19/23 | Security Receipt | 912797HZ3 | UNITED STATES TREASURY BILL | 20,000,000.00 | 99.5940000 | (19,918,800.00) | 0.00 | (19,918,800.00) |
| 11/29/23 | 12/21/23 | Security Receipt | 3130AXXB9 | FEDERAL HOME LOAN BANK | 5,000,000.00 | 100.0000000 | (5,000,000.00) | 0.00 | (5,000,000.00) |

Income / Payment Activity USD

| | | | | | | | | | |
|----------|----------|----------|-----------|--------------------------|-----------------|--|---------------|------------|---------------|
| 12/06/23 | 12/06/23 | Matured | 3130ATVJ3 | FEDERAL HOME LOAN BANK | | | 5,000,000.00 | | 5,000,000.00 |
| 12/06/23 | 12/06/23 | Matured | 3130ATVJ3 | FEDERAL HOME LOAN BANK | (5,000,000.00) | | | | |
| 12/06/23 | 12/06/23 | Interest | 3130ATVJ3 | FEDERAL HOME LOAN BANK | | | | 125,000.00 | 125,000.00 |
| 12/06/23 | 12/06/23 | Matured | 313312QD5 | FEDERAL FARM CREDIT BANK | | | 10,000,000.00 | | 10,000,000.00 |
| 12/06/23 | 12/06/23 | Matured | 313312QD5 | FEDERAL FARM CREDIT BANK | (10,000,000.00) | | | | |
| 12/07/23 | 12/07/23 | Interest | 3130AWD64 | FEDERAL HOME LOAN BANK | | | | 131,250.00 | 131,250.00 |
| 12/22/23 | 12/22/23 | Interest | 3134GY6Z0 | FREDDIE MAC | | | | 126,250.00 | 126,250.00 |
| 12/22/23 | 12/22/23 | Matured | 3130AVBE1 | FEDERAL HOME LOAN BANK | | | 5,000,000.00 | | 5,000,000.00 |
| 12/22/23 | 12/22/23 | Matured | 3130AVBE1 | FEDERAL HOME LOAN BANK | (5,000,000.00) | | | | |
| 12/22/23 | 12/22/23 | Interest | 3130AVBE1 | FEDERAL HOME LOAN BANK | | | | 133,750.00 | 133,750.00 |
| 12/26/23 | 12/26/23 | Matured | 313312QZ6 | FED FARM CRD DISCOUNT NT | | | 50,000,000.00 | | 50,000,000.00 |
| 12/26/23 | 12/26/23 | Matured | 313312QZ6 | FED FARM CRD DISCOUNT NT | (50,000,000.00) | | | | |
| 12/27/23 | 12/27/23 | Interest | 3135GAJ36 | FANNIE MAE | | | | 135,208.33 | 135,208.33 |

Safekeeping

Statement Ending: December 31, 2023

KERN HEALTH SYSTEMS

Account Number: ██████████

Daily Account Activity (Continued)

Your investment transactions during this statement period.

| Transaction / Trade Date | Settlement / Effective Date | Activity | Security ID | Description | Par / Quantity | Price | Principal Amount | Income Amount | Debit / Credit Amount |
|--------------------------|-----------------------------|----------|-------------|-------------|----------------|-------|------------------|---------------|-----------------------|
|--------------------------|-----------------------------|----------|-------------|-------------|----------------|-------|------------------|---------------|-----------------------|

Income / Payment Activity USD

| | | | | | | | | | |
|----------|----------|----------|-----------|------------|--|--|--|------------|------------|
| 12/28/23 | 12/28/23 | Interest | 3135GAHX2 | FANNIE MAE | | | | 133,250.00 | 133,250.00 |
|----------|----------|----------|-----------|------------|--|--|--|------------|------------|

Cash Activity USD

| Transaction / Trade Date | Settlement / Eff. Date | Activity | Description | Debit Amount / Disbursements | Credit Amount / Receipts |
|--------------------------|------------------------|---------------------|----------------|------------------------------|--------------------------|
| 12/05/23 | 12/05/23 | ACH/DDA Transaction | DESIGNATED DDA | 21,000,000.00 | |
| 12/12/23 | 12/12/23 | ACH/DDA Transaction | DESIGNATED DDA | 19,500,000.00 | |
| 12/14/23 | 12/14/23 | ACH/DDA Transaction | DESIGNATED DDA | | 35,000,000.00 |
| 12/14/23 | 12/14/23 | ACH/DDA Transaction | DESIGNATED DDA | | 75,000,000.00 |
| 12/19/23 | 12/19/23 | ACH/DDA Transaction | DESIGNATED DDA | 20,000,000.00 | |
| 12/26/23 | 12/26/23 | ACH/DDA Transaction | DESIGNATED DDA | 5,000,000.00 | |
| 12/27/23 | 12/27/23 | ACH/DDA Transaction | DESIGNATED DDA | 20,000,000.00 | |
| 12/28/23 | 12/28/23 | ACH/DDA Transaction | DESIGNATED DDA | 6,000,000.00 | |

Money Market Fund Activity

Morgan Stan TreasSvc 8314

*As of December 31, 2023

| USD | Dividend paid this period | 7 day* simple yield | 30 day* simple yield |
|-----|---------------------------|---------------------|----------------------|
| | 262.54 | 5.160% | 5.160% |

| Transaction Date | Activity | Shares | Price | Market Value (\$) | Dividend Amount | Share Balance |
|------------------|--------------------------|-----------|---------------|-------------------|-----------------|---------------------|
| | Beginning Balance | | 1.0000 | 61,785.68 | | 61,785.68000 |
| 12/01/23 | Reinvest | 262.54000 | | | 262.54 | 62,048.22000 |
| | Ending Balance | | 1.0000 | 62,048.22 | | 62,048.22000 |

Goldman FS Tr Ob Ins 468

*As of December 31, 2023

| USD | Dividend paid this period | 7 day* simple yield | 30 day* simple yield |
|-----|---------------------------|---------------------|----------------------|
| | 199,684.50 | 5.210% | 5.240% |

| Transaction Date | Activity | Shares | Price | Market Value (\$) | Dividend Amount | Share Balance |
|------------------|--------------------------|--------------------|---------------|----------------------|-----------------|-------------------------|
| | Beginning Balance | | 1.0000 | 61,094,535.98 | | 61,094,535.98000 |
| 12/01/23 | Reinvest | 199,649.11000 | | | 199,649.11 | 61,294,185.09000 |
| 12/04/23 | Redemption | (5,000,000.00000) | | (5,000,000.00) | | 56,294,185.09000 |
| 12/05/23 | Redemption | (21,000,000.00000) | | (21,000,000.00) | | 35,294,185.09000 |
| 12/06/23 | Purchase | 15,125,000.00000 | | 15,125,000.00 | | 50,419,185.09000 |

KERN HEALTH SYSTEMS

Account Number: ██████████

Money Market Fund Activity (Continued)

| Transaction Date | Activity | Shares | Price | Market Value (\$) | Dividend Amount | Share Balance |
|-----------------------|------------|--------------------|---------------|----------------------|-----------------|-------------------------|
| 12/07/23 | Purchase | 131,250.00000 | | 131,250.00 | | 50,550,435.09000 |
| 12/12/23 | Redemption | (996,201.11000) | | (996,201.11) | | 49,554,233.98000 |
| 12/12/23 | Redemption | (19,500,000.00000) | | (19,500,000.00) | | 30,054,233.98000 |
| 12/14/23 | Redemption | (5,000,000.00000) | | (5,000,000.00) | | 25,054,233.98000 |
| 12/14/23 | Purchase | 75,000,000.00000 | | 75,000,000.00 | | 100,054,233.98000 |
| 12/15/23 | Redemption | (59,682,577.80000) | | (59,682,577.80) | | 40,371,656.18000 |
| 12/18/23 | Redemption | (5,000,000.00000) | | (5,000,000.00) | | 35,371,656.18000 |
| 12/19/23 | Redemption | (19,918,800.00000) | | (19,918,800.00) | | 15,452,856.18000 |
| 12/21/23 | Redemption | (5,000,000.00000) | | (5,000,000.00) | | 10,452,856.18000 |
| 12/21/23 | Reinvest | 35.39000 | | | 35.39 | 10,452,891.57000 |
| 12/22/23 | Purchase | 5,260,000.00000 | | 5,260,000.00 | | 15,712,891.57000 |
| 12/26/23 | Purchase | 50,000,000.00000 | | 50,000,000.00 | | 65,712,891.57000 |
| 12/26/23 | Redemption | (5,000,000.00000) | | (5,000,000.00) | | 60,712,891.57000 |
| 12/27/23 | Purchase | 135,208.33000 | | 135,208.33 | | 60,848,099.90000 |
| 12/27/23 | Redemption | (20,000,000.00000) | | (20,000,000.00) | | 40,848,099.90000 |
| 12/28/23 | Purchase | 133,250.00000 | | 133,250.00 | | 40,981,349.90000 |
| 12/28/23 | Redemption | (6,000,000.00000) | | (6,000,000.00) | | 34,981,349.90000 |
| Ending Balance | | | 1.0000 | 34,981,349.90 | | 34,981,349.90000 |

JPMorgan UST Plus Inst 3918

*As of December 31, 2023

| USD | Dividend paid this period | 7 day* simple yield | 30 day* simple yield |
|-----|---------------------------|---------------------|----------------------|
| | 213,973.08 | 5.200% | 5.190% |

| Transaction Date | Activity | Shares | Price | Market Value (\$) | Dividend Amount | Share Balance |
|--------------------------|------------|--------------------|---------------|----------------------|-----------------|-------------------------|
| Beginning Balance | | | 1.0000 | 64,972,892.84 | | 64,972,892.84000 |
| 12/01/23 | Reinvest | 213,973.08000 | | | 213,973.08 | 65,186,865.92000 |
| 12/14/23 | Purchase | 35,000,000.00000 | | 35,000,000.00 | | 100,186,865.92000 |
| 12/18/23 | Redemption | (49,941,777.78000) | | (49,941,777.78) | | 50,245,088.14000 |
| 12/19/23 | Redemption | (20,000,000.00000) | | (20,000,000.00) | | 30,245,088.14000 |
| Ending Balance | | | 1.0000 | 30,245,088.14 | | 30,245,088.14000 |

Safekeeping



PMIA/LAIF Performance Report as of 1/17/24



Quarterly Performance Quarter Ended 12/31/23

| | |
|--|---------------------|
| LAIF Apportionment Rate ⁽²⁾ : | 4.00 |
| LAIF Earnings Ratio ⁽²⁾ : | 0.00010932476863589 |
| LAIF Administrative Cost ^{(1)*} : | 0.29 |
| LAIF Fair Value Factor ⁽¹⁾ : | 0.993543131 |
| PMIA Daily ⁽¹⁾ : | 3.96 |
| PMIA Quarter to Date ⁽¹⁾ : | 3.81 |
| PMIA Average Life ⁽¹⁾ : | 230 |

PMIA Average Monthly Effective Yields⁽¹⁾

| | |
|-----------------|--------------|
| December | 3.929 |
| November | 3.843 |
| October | 3.670 |
| September | 3.534 |
| August | 3.434 |
| July | 3.305** |

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 12/31/23 \$158.0 billion

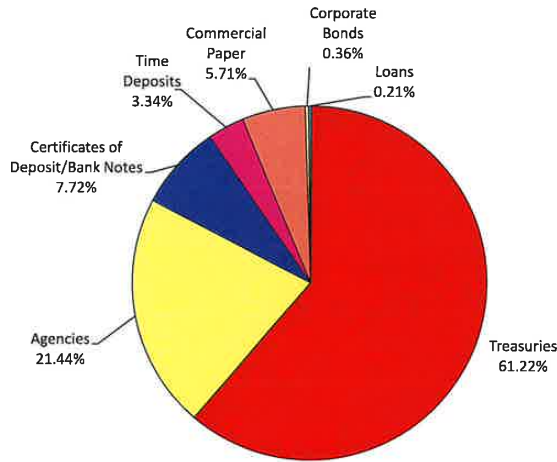


Chart does not include \$2,164,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

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

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

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

** Revised

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Robert Landis, Chief Financial Officer
SUBJECT: 2023 Annual Review of Kern Health Systems Investment Policy
DATE: February 15, 2024

Background

The KHS Investment Portfolio follows the Board approved Investment Policy (Attachment 1). As part of their annual review, Senior Management has included red-lined revisions to the attached Investment Policy. The most significant revision is on page 11, Section VII (D) of the Investment Policy:

Furthermore, Kern Health Systems shall not make investments in organizations with less than \$100 billion of annual revenues in which it has a business relationship through contracting, purchasing, or other arrangements.

The Investment Policy stipulates the following order of investment objectives:

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

- Preservation of principal
- Liquidity
- Yield

UBS is a national brokerage firm with a Bakersfield office that administers the KHS Board approved investment policy in a segregated account. Investments are in high quality bonds and FDIC insured certificates of deposit with an average effective maturity of slightly less than 1 1/2 years.

The **Local Agency Investment Fund (LAIF)** is a public agency that allows smaller public agencies to pool their money and get the economies of scale that larger agencies with large portfolios receive. The California State Treasurer operates LAIF. Because it serves many agencies with short term liquidity needs, investments have an average maturity of approximately 8 months.

Wells Fargo is KHS' local bank. This is beneficial since surplus cash can be easily moved to and from the checking accounts. KHS invests directly with the Wells Fargo Securities Fixed Income division in high quality bonds and Money Market Funds.

Requested Action

Approve.



| KERN HEALTH SYSTEMS | | | | | |
|----------------------------|----------------------|------|-------------------|-------------------|--|
| POLICY AND PROCEDURES | | | | | |
| SUBJECT: Investment Policy | | | POLICY #: 80.11-I | | |
| DEPARTMENT: Finance | | | | | |
| Effective Date: | Review/Revised Date: | DMHC | | PAC | |
| 2010-10 | <u>02/15/2024</u> | DHCS | | QI/UM COMMITTEE | |
| | | BOD | X | FINANCE COMMITTEE | |

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~~Douglas A. Hayward~~ Emily Duran
 Chief Executive Officer

Date _____

 Chief Financial Officer

Date _____

 Chief Operating Officer

Date _____

 Controller

Date _____

POLICY:

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

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

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

I. I. OBJECTIVES

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

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

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

II. II. PRUDENCE

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

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

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~~III. III.~~ **ETHICS AND CONFLICTS OF INTEREST**

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

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~~IV. — IV.~~ **DELEGATION OF AUTHORITY**

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

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

A. Financial Benchmarks

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

B. Safekeeping

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

C. Periodic Review of the Investment Policy

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

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

D. Chief Financial Officer's Procedures

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

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

E. Duties and Responsibilities of Finance Committee:

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

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

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

V. V. DEFINITIONS

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

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VI. VI. PERMITTED INVESTMENTS

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

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

Permitted investments shall include:

A. U.S. Treasuries

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

U.S. Government securities include:

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

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

Maximum term: Five Years

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

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

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

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

Maximum Term: Five years

C. State of California and Local Agency Obligations

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

Maximum Term: Five years

D. State and Local Agency Obligations Outside of California

Registered state warrants, treasury notes or bonds of any U.S. State and bonds, notes, warrants or other evidences of indebtedness of any local agency of the State, including bonds payable solely

out of revenues from a revenue producing property owned, controlled, or operated by the state. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's and A-1 by Standard & Poor's or equivalent or better for short-term obligations, or A by Moody's or A by Standard & Poor's or better for long-term debt. Public agency bonds issued for private purposes (industrial development bonds) are specifically excluded as allowable investments. Any single investment in a particular State is limited to 5% of portfolio at time of Purchase.

Maximum Term: Five years

Maximum of 20% of the portfolio

E. Bankers Acceptances

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

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

Maximum Term: 180 days

F. Commercial Paper

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

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

Maximum Term: 270 days

G. Negotiable Certificates of Deposit

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

Maximum Term: Five years

H. Repurchase Agreements

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

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

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

Maximum Term: One year

Reverse repurchase agreements are not allowed.

I. Corporate Debt Securities

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

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

Maximum Term: Five years

J. Money Market Funds

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

1. Which are rated AAA (or equivalent highest ranking) by two of the three largest nationally recognized rating services, and,
2. Such investment may not represent more than five percent (5%) of the money market fund's assets.

K. Mortgage or Asset-backed Securities

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

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

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

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

Maximum Term: Five years

L. Variable and Floating Rate Securities

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

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

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

Maximum Term: Five Years

M. Local Agency Investment Fund (LAIF)

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

Maximum Term: Five Years

VII. **POLICIES**

A. Securities Lending

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

B. Leverage

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

C. Other Investments

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

D. Underlying Nature of Investments

Kern Health Systems and its Investment Manager shall not make investments in organizations which have a line of business that is visibly in conflict with the interests of public health (which shall be defined by the Kern Health Systems Board of Directors). Furthermore, Kern Health Systems shall not make investments in organizations with less than \$100 billion of annual revenues in which it has a business relationship through contracting, purchasing, or other arrangements.

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

E. Investment Managers

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

F. Derivatives

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

G. Rating Category

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

H. Rating Downgrades

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

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

I. Maximum Stated Term

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

J. Diversification Guidelines

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

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

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

| <i>INSTRUMENTS</i> | MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE |
|--|--|
| H. Repurchase Agreements | 100% |
| I. Corporate Securities | 40% |
| J. Money Market Funds | 40% |
| K. Mortgage and Asset-backed Securities | 20% |
| L. Variable and Floating Rate Securities | 30% |
| M. Local Agency Investment Fund (KAIF) | 50% |

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

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

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

- i. The context of the amount in relation to the total portfolio concentration;
- ii. Market and security specific conditions contributing to a breach in policy; and

- iii. The managers' actions to enforce the spirit of the policy and decisions made in the best interest of the portfolio.

REFERENCE:

Reference 2024-02: Updates made by Chief Financial Officer. **Revision 2020-06:** Policy updated to reflect Board of Directors approved changes. **Revision 2015-04:** Item "M" Local Agency Investment Fund (LAIF) added to Section VII Permitted Investments as approved by KHS Board of Directors at April 2015 meeting. **Revision 2014-08:** Policy revised by Controller to allow for non-California municipal investments as approved by KHS Board of Directors. **Revision 2010-11:** Policy revised to conform to government code requirements. The Board of Directors approved current policy on October 14, 2010.

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**KERN HEALTH SYSTEMS
2023 INVESTMENT ANALYSIS**

(ATTACHMENT 2)

| | <u>UBS</u> | <u>LAIF</u> | <u>Wells Fargo Securities</u> |
|------------------------------|------------|-------------|-----------------------------------|
| December 31, 2023 Balance | 62,371,872 | 41,193,133 | 409,049,810 |
| Average Monthly Balance | 60,708,817 | 50,228,931 | 351,584,972 |
| Total Dividend/Revenue (YTD) | 1,572,960 | 1,749,365 | 10,667,949 |
| Percentage | 2.59% | 3.48% | 3.03% |



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Robert Landis, Chief Financial Officer
SUBJECT: 2023 Annual Travel Report
DATE: February 15, 2024

Background

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

Discussion

KHS encourages employees to attend conferences and seminars to:

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

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

During 2023 \$23,129 was spent on regulatory or trade association travel, \$23,370 was spent on professional development, \$89,186 was spent on conference attendance travel and \$22,553 was spent on on-site staff meetings and vendor meetings. The total travel expenses incurred for 2023 was \$158,238 which was approximately \$110,000 under budget.

Requested Action

Receive and file for informational purposes only.

KERN • HEALTH SYSTEMS

2023 ANNUAL TRAVEL REPORT

| | EMPLOYEE TITLE | CONFERENCE TITLE | 'REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O) | IN County (IN), OUT of County (OUT), or OUT of State (OS) | LOCATION | START DATE | END DATE | TRAVEL & LODGING | MEALS | TOTAL AMOUNT SPENT |
|----|---|--|--|---|---------------------|------------|----------|------------------|--------|--------------------|
| 1 | Chief Executive Officer | LHPC Strategic Planning Retreat | C | OUT | Berkeley CA | 01.23.23 | 01.24.23 | 653.50 | 92.50 | 746.00 |
| 2 | Senior Director of Government Relations & Strategic Development | LHPC Strategic Planning Retreat | C | OUT | Berkeley CA | 01.23.23 | 01.24.23 | 866.53 | 92.50 | 959.03 |
| 3 | Chief Executive Officer | DHCS Executive Meeting | R | OUT | Sacramento CA | 02.01.23 | 02.01.23 | 860.29 | 138.11 | 998.40 |
| 4 | Chief Medical Officer | DHCS Executive Meeting | R | OUT | Sacramento CA | 02.01.23 | 02.01.23 | 475.24 | 51.75 | 526.99 |
| 5 | Chief Financial Officer | Local Health Plans of California : CFO Meeting | R | OUT | Sacramento CA | 03.08.23 | 03.09.23 | 611.01 | 103.50 | 714.51 |
| 6 | Chief Information Officer | LHPC CIO Meeting | R | OUT | Los Angeles CA | 03.23.23 | 03.24.23 | 324.53 | 55.50 | 380.03 |
| 7 | Senior Director of Government Relations & Strategic Development | ACAP Membership Council Meeting | R | OUT | Los Angeles CA | 03.28.23 | 03.30.23 | 811.07 | 92.50 | 903.57 |
| 8 | Chief Executive Officer | LHPC April Board Meeting | R | OUT | Sacramento CA | 04.17.23 | 04.18.23 | 713.59 | 103.50 | 817.09 |
| 9 | Chief Operating Officer | ACAP Operations Meeting | R | OS | Salt Lake City UT | 04.25.23 | 04.26.23 | 1,654.46 | 128.00 | 1,782.46 |
| 10 | Senior Director of Government Relations & Strategic Development | CAHP State Programs Committee Meeting | R | OUT | Rancho Cucamonga CA | 04.25.23 | 04.25.23 | 196.50 | 64.00 | 260.50 |
| 11 | Chief Operating Officer | D-SNP Implementation Meeting | R | OUT | San Jose CA | 05.18.23 | 05.19.23 | 223.68 | 111.00 | 334.68 |
| 12 | Chief Information Officer | ZeOmega Connections | C | OS | Fort Worth TX | 09.25.23 | 09.28.23 | 489.20 | | 489.20 |
| 13 | Senior Director of Government Relations & Strategic Development | ACAP CEO Summit | C | OS | Washington DC | 06.13.23 | 06.16.23 | 2,087.35 | 177.75 | 2,265.10 |
| 14 | Chief Information Officer | D-SNP Implementation Meeting | R | OUT | San Jose CA | 05.18.23 | 5.19.23 | 542.86 | 92.50 | 635.36 |
| 15 | Chief Operating Officer | LHPC COO Meeting | R | OUT | San Francisco CA | 6.29.23 | 6.30.23 | 365.36 | 129.50 | 494.86 |
| 16 | Deputy Director of Government Relations & Strategic Development | LHPC Board Meeting | R | OUT | Sacramento CA | 07.16.23 | 07.17.23 | 326.98 | 69.00 | 395.98 |

KERN HEALTH SYSTEMS

2023 ANNUAL TRAVEL REPORT

| | EMPLOYEE TITLE | CONFERENCE TITLE | REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O) | IN County (IN), OUT of County (OUT), or OUT of State (OS) | LOCATION | START DATE | END DATE | TRAVEL & LODGING | MEALS | TOTAL AMOUNT SPENT |
|------------------------|---|---------------------------------------|---|---|------------------|------------|----------|------------------|-----------------|--------------------|
| 17 | Senior Director of Government Relations & Strategic Development | LHPC Board Meeting | R | OUT | Sacramento CA | 07.16.23 | 07.17.23 | 709.62 | 69.00 | 778.62 |
| 18 | Senior Director of Government Relations & Strategic Development | CAHP State Programs Committee Meeting | R | OUT | Sacramento CA | 07.24.23 | 07.25.23 | 627.30 | 69.00 | 696.30 |
| 19 | Deputy Director of Government Relations & Strategic Development | CAHP State Programs Committee Meeting | R | OUT | Sacramento CA | 07.24.23 | 07.25.23 | 259.19 | 69.00 | 328.19 |
| 20 | Chief Operating Officer | Microsoft Executive Briefing | O | OUT | Mountain View CA | 08.21.23 | 08.22.23 | 269.99 | 92.50 | 362.49 |
| 21 | Chief Information Officer | Microsoft Executive Briefing | O | OUT | Mountain View CA | 08.21.23 | 08.22.23 | 500.93 | 92.50 | 593.43 |
| 22 | Chief Financial Officer | DHCS All Plan CFO Meeting | C | OUT | Sacramento CA | 09.19.23 | 09.20.23 | 642.70 | 103.50 | 746.20 |
| 23 | Chief Information Officer | CAHP 2023 Annual Conference | C | OUT | Palm Desert CA | 10.22.23 | 10.25.23 | 808.81 | - | 808.81 |
| 24 | Chief Executive Officer | 2023 Quality Conference | C | OUT | Sacramento CA | 10.17.23 | 10.19.23 | 1,088.41 | 155.25 | 1,243.66 |
| 25 | Chief Medical Officer | 2023 Quality Conference | C | OUT | Sacramento CA | 10.17.23 | 10.18.23 | 359.04 | 120.75 | 479.79 |
| 26 | Deputy Director of Government Relations & Strategic Development | CAHP 2023 Annual Conference | C | OUT | Palm Desert CA | 10.22.23 | 10.25.23 | 1,322.68 | 122.50 | 1,445.18 |
| 27 | Senior Director of Government Relations & Strategic Development | CAHP 2023 Annual Conference | C | OUT | Palm Desert CA | 10.22.23 | 10.25.23 | 1,322.68 | 138.00 | 1,460.68 |
| 28 | Chief Operating Officer | CAHP 2023 Annual Conference | C | OUT | Palm Desert CA | 10.22.23 | 10.25.23 | 1,289.93 | 189.75 | 1,479.68 |
| 29 | Chief Financial Officer | CAHP 2023 Annual Conference | C | OUT | Palm Desert CA | 10.22.23 | 10.25.23 | 556.45 | 51.75 | 608.20 |
| 30 | Chief Executive Officer | ACAP CEO Retreat | C | OS | Scottsdale, AZ | 11.16.23 | 11.17.23 | 914.12 | 103.50 | 1,017.62 |
| Executive Total | | | | | | | | 21,874.00 | 2,878.61 | 24,752.61 |

KERN HEALTH SYSTEMS

2023 ANNUAL TRAVEL REPORT

| EMPLOYEE TITLE | CONFERENCE TITLE | 'REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O) | IN County (IN), OUT of County (OUT), or OUT of State (OS) | LOCATION | START DATE | END DATE | TRAVEL & LODGING | MEALS | TOTAL AMOUNT SPENT |
|--|---|---|--|----------------|------------|------------|---------------------|-----------------|--------------------------|
| 31 Payroll & Accounting Manager | 2023 Ceridian Insights | C | OS | Las Vegas NV | 10.02.23 | 10.05.23 | 1,778.75 | 362.25 | 2,141.00 |
| Finance Total | | | | | | | 1,778.75 | 362.25 | 2,141.00 |
| 32 Product Manager, Core Systems | Trizetto Conference CANX 2.14.23 | C | OS | Newark NJ | 03.07.23 | 03.09.23 | 9.00 | . | 9.00 |
| 33 Network Operations Supervisor | Cisco Live 2023 | C | OS | Las Vegas NV | 06.04.23 | 06.08.23 | 676.89 | 189.75 | 866.64 |
| 34 Network Administrator III | Onsite for Juniper Upgrade | O | OS | Bakersfield CA | 07.16.23 | 07.29.23 | 2,442.25 | 864.00 | 3,306.25 |
| 35 Systems Administrator II | ZeOmega Connections | C | OS | Fort Worth TX | 09.25.23 | 09.28.23 | 1,053.34 | 160.00 | 1,213.34 |
| 36 Director of Clinical Operations, Strategy & Analytics (Remote EE) | Onsite Meetings with CMO | O | IN | Bakersfield CA | 04.02.23 | 04.13.23 | 3,453.25 | 688.00 | 4,141.25 |
| 37 Director of Clinical Operations, Strategy & Analytics (Remote EE) | Onsite Jiva Foundational/Architectural Training | O | IN | Bakersfield CA | 06.25.23 | 06.30.23 | 1,708.71 | 352.00 | 2,060.71 |
| 38 Director of Clinical Operations, Strategy & Analytics (Remote EE) | Onsite Meetings | O | IN | Bakersfield CA | 07.16.23 | 07.21.23 | 2,081.70 | 288.00 | 2,369.70 |
| 39 Director of Clinical Operations, Strategy & Analytics (Remote EE) | ZeOmega Connections | C | OS | Fort Worth TX | 09.25.23 | 09.28.23 | 1,793.33 | 144.00 | 1,937.33 |
| 40 Director of Clinical Operations, Strategy & Analytics (Remote EE) | ECBA Training for IIBA Certification | O | IN | Bakersfield CA | 10.29.23 | 11.03.23 | 1,464.86 | 336.00 | 1,800.86 |
| 41 Systems Administrator III | VMWare Explore 2023 | C | OS | Las Vegas NV | 08.21.23 | 08.24.2023 | 1,017.86 | 155.25 | 1,173.11 |
| MIS Total | | | | | | | 15,701.19 | 3,177.00 | 18,878.19 |

KERN HEALTH SYSTEMS

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|--|------------------------------|--|---|---------------------|------------|----------|------------------|---------------|--------------------|
| 42 Director of Business Intelligence | LHPC CIO Meeting | C | OUT | Los Angeles CA | 03/23/23 | 03/24/23 | 548.57 | 55.50 | 604.07 |
| 43 Director of Business Intelligence | LHPC CIO Meeting | C | OUT | Rancho Cucamonga CA | 07/27/23 | 07/28/23 | 226.00 | 64.00 | 290.00 |
| 44 Director of Business Intelligence | Microsoft Executive Briefing | O | OUT | Mountain View CA | 08/21/23 | 08/22/23 | 399.59 | 92.50 | 492.09 |
| 45 Director of Business Intelligence | 2023 Clarity Connection | C | OS | Las Vegas NV | 10/02/23 | 10/06/23 | 1,274.04 | 224.25 | 1,498.29 |
| 46 Director of Business Intelligence | LHPC Analytics Committee | C | OUT | Alameda CA | 10/18/23 | 10/19/23 | 224.19 | | 224.19 |
| Business Intelligence Total | | | | | | | 2,672.39 | 436.25 | 3,108.64 |
| 47 Director of Development (Remote EE) | Onsite Meetings | O | IN | Bakersfield CA | 05/17/23 | 05/17/23 | 203.05 | 32.00 | 235.05 |
| 48 Director of Development | LHPC CIO Meeting | R | OUT | Los Angeles CA | 03/23/23 | 03/24/23 | 342.41 | | 342.41 |
| 49 Director of Development (Remote EE) | Onsite Meetings | O | IN | Bakersfield CA | 06/20/23 | 06/20/23 | 203.05 | 32.00 | 235.05 |
| 50 Database Administrator IV | Pass Data Community Summit | C | OS | Seattle WA | 11/14/23 | 11/17/23 | 1,243.50 | 256.75 | 1,500.25 |
| 51 Database Manager | Pass Data Community Summit | C | OS | Seattle WA | 11/14/23 | 11/17/23 | 1,267.36 | 276.50 | 1,543.86 |
| Enterprise Development | | | | | | | 3,259.37 | 597.25 | 3,856.62 |

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|---------------------------------|---|--|--|---|------------------|------------|----------|------------------|-----------------|--------------------|
| 52 | Enterprise Configuration Manager (Remote EE) | Cognizant Health Conference | C | OS | Nashville TN | 05 22 23 | 05 25 23 | 2,363.88 | 197.50 | 2,561.38 |
| 53 | Product Manager, Core Systems | Cognizant Health Conference | C | OS | Nashville TN | 05 22 23 | 05 25 23 | 2,130.48 | 355.50 | 2,485.98 |
| 54 | Enterprise Configuration Manager (Remote EE) | Onsite Meetings | O | IN | Bakersfield CA | 06 19 23 | 06 23 23 | 1,936.75 | 256.00 | 2,192.75 |
| 55 | Configuration Analyst II | Cognizant Fall Customer Group Conference | C | OUT | San Diego CA | 09 10 23 | 09 13 23 | 578.22 | 203.50 | 781.72 |
| 56 | Enterprise Configuration Manager (Remote EE) | Cognizant Fall Customer Group Conference | C | OUT | San Diego CA | 09 10 23 | 09 13 23 | 688.24 | 240.50 | 928.74 |
| 57 | Enterprise Configuration Supervisor | Cognizant Fall Customer Group Conference | C | OUT | San Diego CA | 09 10 23 | 09 13 23 | 1,029.70 | 203.50 | 1,233.20 |
| 58 | Configuration Analyst III | ZeOmega Connections | C | OS | Fort Worth TX | 09 25 23 | 09 27 23 | 1,422.60 | 160.00 | 1,582.60 |
| 59 | Enterprise Configuration Manager (Remote EE) | ZeOmega Connections | C | OS | Fort Worth TX | 09 25 23 | 09 28 23 | 670.80 | | 670.80 |
| 60 | System Configuration Supervisor (Remote EE) | ZeOmega Connections | C | OS | Fort Worth TX | 09 25 23 | 09 28 23 | 1,304.89 | 240.00 | 1,544.89 |
| Enterprise Configuration | | | | | | | | 12,125.56 | 1,856.50 | 13,982.06 |
| 61 | Deputy Director of Claims | LHPC Claims Quarterly Meeting | R | OUT | Alameda CA | 1 26 23 | 1 27 23 | 192.99 | 111.00 | 303.99 |
| 62 | Director of Claims | LHPC Claims Quarterly Meeting | R | OUT | Alameda CA | 1 26 23 | 1 27 23 | 574.47 | 92.50 | 666.97 |
| 63 | Deputy Director of Claims | Cognizant Health Conference | C | OS | Nashville TN | 05 22 23 | 05 25 23 | 2,332.78 | 256.75 | 2,589.53 |
| 64 | Deputy Director of Claims | LHPC Claim Director Qtr. 3 Meeting | R | OUT | Santa Barbara CA | 07 27 23 | 07 28 23 | 490.35 | 92.50 | 582.85 |
| 65 | Director of Claims | LHPC Claim Director Qtr. 3 Meeting | R | OUT | Santa Barbara CA | 07 27 23 | 07 28 23 | 271.78 | 92.50 | 364.28 |
| 66 | Deputy Director of Claims | Cognizant User Conference | C | OUT | San Diego CA | 09 11 23 | 09 13 23 | 1,219.45 | 240.50 | 1,459.95 |
| 67 | Claims System Process Improvement Program Manager | Cognizant User Conference | C | OUT | San Diego CA | 09 11 23 | 09 13 23 | 784.44 | 240.50 | 1,024.94 |
| 68 | Claims Operations Senior Specialist | HICE Annual Conference | R | OUT | Indian Wells CA | 12 03 23 | 12 06 23 | 853.04 | 189.75 | 1,042.79 |
| 69 | Director of Claims | HICE Annual Conference | R | OUT | Indian Wells CA | 12 03 23 | 12 06 23 | 607.11 | 172.50 | 779.61 |
| Claims Total | | | | | | | | 7,326.41 | 1,488.50 | 8,814.91 |

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|---|--|---|---|------------------|------------|----------|------------------|-----------------|--------------------|
| 70 Director of Project Management | PMI Global Summit 2023 | C | OS | Atlanta GA | 10.25.23 | 10.28.23 | 1,800.17 | 185.00 | 1,985.17 |
| 71 Project Manager III | PMI Global Summit 2023 | C | OS | Atlanta GA | 10.25.23 | 10.28.23 | 1,614.38 | 259.00 | 1,873.38 |
| Project Management Total | | | | | | | 3,414.55 | 444.00 | 3,858.55 |
| 72 Director of Utilization Management | CHCF LTC Carve In | P | OUT | Oakland CA | 02.19.23 | 02.16.23 | 616.65 | 111.00 | 727.65 |
| Health Services - UM Total | | | | | | | 616.65 | 111.00 | 727.65 |
| 73 Quality Improvement Manager (Remote EE) | Onsite Meetings with Health Equity Manager | O | IN | Bakersfield CA | 04.18.23 | 04.21.23 | 1,104.13 | 176.00 | 1,280.13 |
| 74 Quality Improvement Program Manager | ESRI Equity & social Justice Conference | C | OUT | San Diego CA | 07.09.23 | 07.14.23 | 2,885.69 | 370.00 | 3,255.69 |
| 75 Quality Improvement RN | DHCS Triennial Convening | R | OUT | Sacramento CA | 10.01.23 | 10.04.23 | 1,265.87 | 241.50 | 1,507.37 |
| 76 Quality Improvement RN II | DHCS In person re-certification | R | OUT | Sacramento CA | 10.01.23 | 10.04.23 | 1,403.47 | 241.50 | 1,644.97 |
| 77 Quality Improvement RN II | Master Trainer and Certified Site Reviewers | R | OUT | Sacramento CA | 10.01.23 | 10.04.23 | 1,034.67 | 241.50 | 1,276.17 |
| Health Services - Quality Improvement Total | | | | | | | 7,693.83 | 1,270.50 | 8,964.33 |
| 78 Cultural & Linguistics Specialist II, Bilingual II | CHIA 23rd Annual Education Conference | C | OUT | San Diego CA | 03.23.23 | 03.25.23 | 782.68 | 129.50 | 912.18 |
| 79 Manager of Member Wellness & Prevention | Cal Fresh Conference | C | OUT | Garden Grove CA | 10.23.23 | 10.25.23 | 900.68 | 185.00 | 1,085.68 |
| 80 Member Health Educator Bilingual II | Cal Fresh Conference | C | OUT | Garden Grove CA | 10.23.23 | 10.25.23 | 928.26 | 185.00 | 1,113.26 |
| 81 Member Health Educator Bilingual II | CaCTCI Tobacco Treatment Specialist Training | P | OUT | San Francisco CA | 11.23.23 | 11.17.23 | 1,638.60 | 369.42 | 2,008.02 |
| Health Services - Health Ed Total | | | | | | | 4,250.22 | 868.92 | 5,119.14 |

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|---|------------------------------------|--|---|---|----------------|------------|----------|------------------|-----------------|--------------------|
| 82 | Director of Pharmacy | APhA 2023 National RX | C | OS | Phoenix AZ | 03 23 23 | 03 28 23 | 1,977.86 | 396.75 | 2,374.61 |
| 83 | Director of Pharmacy | Global DUR Meeting | O | OUT | Sacramento CA | 05 15 23 | 06 16 23 | 757.32 | 103.50 | 860.82 |
| Health Services Pharmacy Total | | | | | | | | 2,735.18 | 500.25 | 3,235.43 |
| 84 | Director Enhanced Care Management | ECM & Community Supports Summit | C | OUT | Sacramento CA | 06 08 23 | 06 09 23 | 200.83 | 100.00 | 300.83 |
| 85 | Director Enhanced Care Management | CalAIM Learning Collaborative June Meeting | C | OUT | Sacramento CA | 06 19 23 | 06 20 23 | 323.13 | 100.00 | 423.13 |
| 86 | Director Enhanced Care Management | 2023 NASW-CA Annual Conference | C | OUT | Burbank CA | 10 20 23 | 10 21 23 | 393.61 | 129.50 | 523.11 |
| Enhanced Care Management Total | | | | | | | | 917.57 | 329.50 | 1,247.07 |
| 87 | Population Health Medical Director | Medical Director's Meeting | C | OUT | Sacramento CA | 04 19 23 | 04 20 23 | 583.31 | 103.50 | 686.81 |
| 88 | Population Health Medical Director | AAPL Annual Leadership Conference | C | OS | Chicago IL | 06 08 23 | 06 11 23 | 2,718.00 | 197.50 | 2,915.50 |
| 89 | PHM Outreach Specialist | CHCF LTC Carve In | P | OUT | Oakland CA | 02 19 23 | 02 16 23 | 558.75 | 129.50 | 688.25 |
| 90 | PHM Program Manager (Remote EE) | Onsite Meeting | O | IN | Bakersfield CA | 6 18 23 | 6 29 23 | 1,854.40 | 768.00 | 2,622.40 |
| 91 | PHM Program Manager (Remote EE) | CalAIM Learning Collaborative June Meeting | C | OUT | Sacramento CA | 06 19 23 | 06 20 23 | 1,067.79 | 100.00 | 1,167.79 |
| 92 | Population Health Medical Director | Quality & Health Equity Through The Life Cycle | C | OUT | Sacramento CA | 10 09 23 | 10 18 23 | 762.58 | 120.75 | 883.33 |
| Population Health Management Total | | | | | | | | 7,544.83 | 1,419.25 | 8,964.08 |

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|--|---|--|---|---|----------------|------------|----------|------------------|---------------|--------------------|
| 93 | Director of Community & Social Services | California Advancing and Innovating Medi-Cal | C | OUT | Burbank CA | 03.29.23 | 03.29.23 | 140.17 | | 140.17 |
| 94 | Director of Community & Social Services | CAMFT Conference | C | OUT | Santa Clara CA | 05.04.23 | 05.06.23 | 1,293.82 | 145.00 | 1,438.82 |
| 95 | Director of Community & Social Services | MCP Summit | P | OUT | Sacramento CA | 06.08.23 | 06.09.23 | 200.84 | 100.00 | 300.84 |
| 96 | Director of Community & Social Services | CalAIM Learning Collaborative June Meeting | C | OUT | Sacramento CA | 06.19.23 | 06.20.23 | 585.93 | 100.00 | 685.93 |
| Community Support Services Total | | | | | | | | 2,220.76 | 345.00 | 2,565.76 |
| 97 | Senior Director of Provider Network | 2023 Clarity Connection | C | OS | Las Vegas NV | 10.02.23 | 10.06.23 | 1,236.88 | 155.25 | 1,392.13 |
| CalAIM Incentive Payment Program | | | | | | | | 1,236.88 | 155.25 | 1,392.13 |
| 98 | Senior Director of Provider Network | MCP Summit | P | OUT | Sacramento CA | 06.08.23 | 06.09.23 | 561.10 | 100.00 | 661.10 |
| 99 | Deputy Director of Provider Contracts | OIP Annual Conference | C | OUT | Sacramento CA | 03.27.23 | 03.28.23 | 491.69 | 69.00 | 560.69 |
| 100 | Grants Manager | Street Medicine Symposium | C | OUT | Los Angeles CA | 08.16.23 | 08.18.23 | 705.92 | 185.00 | 890.92 |
| 101 | Deputy Director of Provider Contracts | 2023 Quality Conference | C | OUT | Sacramento CA | 10.17.23 | 10.18.23 | 786.42 | 86.25 | 872.67 |
| Provider Network Management Total | | | | | | | | 2,545.13 | 440.25 | 2,985.38 |

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|---|---------------------------------------|---|---|------------------|------------|----------|------------------|---------------|--------------------|
| 102 Member Services Manager (Remote EE) | DMHC Audit | R | OS | Bakersfield CA | 01.15.23 | 01.29.23 | 981.70 | - | 981.70 |
| 103 Member Services Manager (Remote EE) | DHCS Audit | R | OS | Bakersfield CA | 11.23.23 | 12.09.23 | 1,472.12 | - | 1,472.12 |
| Member Services Total | | | | | | | 2,453.82 | - | 2,453.82 |
| 104 Chief Compliance & Fraud Prevention Officer | HCCA 27th Annual Compliance Institute | C | OUT | Anaheim CA | 04.23.23 | 04.26.23 | 1,003.99 | 296.00 | 1,299.99 |
| 105 Director of Compliance & Regulatory Affairs (Hybrid EE) | HCCA 27th Annual Compliance Institute | C | OUT | Anaheim CA | 04.22.23 | 04.28.23 | 2,017.11 | 30.00 | 2,047.11 |
| 106 Chief Compliance & Fraud Prevention Officer | DOJ/Managed Care Anti-Fraud Training | P | OUT | San Francisco CA | 05.08.23 | 05.09.23 | 828.56 | 118.50 | 947.06 |
| 107 Director of Compliance & Regulatory Affairs (Hybrid EE) | Onsite DHCS Audit | R | IN | Bakersfield CA | 11.26.23 | 12.08.23 | 2,116.84 | - | 2,116.84 |
| Compliance Total | | | | | | | 5,966.50 | 444.50 | 6,411.00 |
| 108 Chief Human Resources Officer | LHPC HR Executives Quarterly Meeting | P | OUT | Los Angeles CA | 04.13.23 | 04.14.23 | 454.96 | 111.00 | 565.96 |
| 109 Lead Instructional Designer III | LHPC L&D Synergies Conference | C | OUT | Fairfield CA | 9.26.23 | 9.28.23 | 306.03 | - | 306.03 |
| 110 HR and HCM Program Manager | 2023 Ceridian Insights | C | OS | Las Vegas NV | 10.02.23 | 10.05.23 | 1,686.62 | 310.50 | 1,997.12 |
| 111 HCM Manager | 2023 Ceridian Insights | C | OS | Las Vegas NV | 10.02.23 | 10.05.23 | 1,686.62 | 293.25 | 1,979.87 |
| Human Resources | | | | | | | 4,134.23 | 714.75 | 4,848.98 |
| 112 Director Behavioral Health | NatCon 2023 | C | OUT | Los Angeles CA | 05.01.23 | 05.03.23 | 1,000.56 | 111.00 | 1,111.56 |
| Behavioral Health | | | | | | | 1,000.56 | 111.00 | 1,111.56 |

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|---|---|--|---|----------------|------------|----------|------------------|---------------|--------------------|
| 113 Chief Health Equity Officer | 2023 ITUP Conference | C | OUT | Sacramento CA | 02.06.23 | 02.07.23 | 1,122.18 | 172.50 | 1,294.68 |
| 114 Chief Health Equity Officer | AHIP 2023 Forum | C | OS | Washington DC | 03.13.23 | 03.17.23 | 3,305.97 | 316.00 | 3,621.97 |
| 115 Health Equity Manager | ESRI Equity & social Justice Conference | C | OUT | San Diego CA | 07.09.23 | 07.14.23 | 2,885.69 | 370.00 | 3,255.69 |
| Quality and Health Equity Total | | | | | | | 7,313.84 | 858.50 | 8,172.34 |
| 116 Executive Director, Medicare | AHIP 2023 Forum | C | OS | Washington DC | 03.14.23 | 03.16.23 | 2,860.34 | 316.00 | 3,176.34 |
| Medicare Total | | | | | | | 2,860.34 | 316.00 | 3,176.34 |
| 117 System Configuration Supervisor (Remote EE) | Supervisor Bootcamp 1st Session | P | IN | Bakersfield CA | 05.30.23 | 06.02.23 | 2,417.64 | 224.00 | 2,641.64 |
| 118 Claims Supervisor (Remote EE) | Supervisor Bootcamp 1st Session | P | IN | Bakersfield CA | 05.30.23 | 06.02.23 | 842.00 | - | 842.00 |
| 119 System Configuration Supervisor (Remote EE) | Supervisor Bootcamp 2nd Session | P | IN | Bakersfield CA | 06.20.23 | 06.23.23 | 2,159.48 | 224.00 | 2,383.48 |
| 120 Claims Supervisor (Remote EE) | Supervisor Bootcamp 2nd Session | P | IN | Bakersfield CA | 06.20.23 | 06.23.23 | 972.79 | - | 972.79 |
| 121 System Configuration Supervisor (Remote EE) | Supervisor Bootcamp 3rd Session | P | IN | Bakersfield CA | 07.25.23 | 07.28.23 | 1,178.41 | 256.00 | 1,434.41 |
| 122 System Configuration Supervisor (Remote EE) | Supervisor Bootcamp 4th Session | P | IN | Bakersfield CA | 08.22.23 | 08.25.23 | 1,528.46 | 256.00 | 1,784.46 |
| 123 Claims Supervisor (Remote EE) | Supervisor Bootcamp 4th Session | P | IN | Bakersfield CA | 08.22.23 | 08.25.23 | 1,575.03 | - | 1,575.03 |
| 124 Health Services Manager (Remote EE) | Bootcamp | P | IN | Bakersfield CA | 11.01.23 | 11.05.23 | 1,371.20 | - | 1,371.20 |
| 125 Member Services Manager (Remote EE) | Era Work Session | P | IN | Bakersfield CA | 11.02.23 | 11.03.23 | 764.58 | - | 764.58 |
| 126 Member Services Manager (Remote EE) | Era Work Session | P | IN | Bakersfield CA | 11.02.23 | 11.03.23 | 686.23 | - | 686.23 |

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|--|------------------|--|---|----------------|------------|----------|------------------|-----------------|--------------------|
| 127 Enterprise Configuration Manager (Remote EE) | Bootcamp | P | IN | Bakersfield CA | 11.01.23 | 11.05.23 | 594.26 | 85.12 | 679.38 |
| 127 Director of Development (Remote EE) | Era Work Session | P | IN | Bakersfield CA | 7.11.23 | 7.12.23 | 359.01 | 80.00 | 439.01 |
| 127 Enterprise Configuration Manager (Remote EE) | Bootcamp | P | IN | Bakersfield CA | 11.01.23 | 11.05.23 | 1,736.59 | 160.00 | 1,896.59 |
| Onsite Total | | | | | | | 16,185.68 | 1,285.12 | 17,470.80 |

| Sub-Totals by Travel Type | Regulatory or Trade Associations | Professional Development | Conferences | Other-Vendor | Total |
|---------------------------|----------------------------------|--------------------------|-------------|--------------|------------|
| | 23,129.61 | 23,369.68 | 89,186.12 | 22,552.98 | 158,238.39 |



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Robert Landis, Chief Financial Officer
SUBJECT: 2023 Annual Report for Disposed Assets
DATE: February 15, 2024

Background

Kern Health Systems Asset and Surplus Property or Equipment Disposition Policy (Attachment 2) requires an annual report (Attachment 1) to be submitted to the KHS Finance Committee.

Discussion

KHS Department Managers are to identify property or equipment that is no longer being used in operations, indicate an item as non-repairable, obsolete, or surplus and are to submit a request for disposal of the item. It is the responsibility of the Corporate Services Department to dispose of equipment in a manner that maximizes returns while ensuring open and effective competition.

The principal methods for disposing of equipment no longer in use (in priority order) are:

1. Determine if the equipment can be used by another department at KHS.
2. Sale by competitive bid or direct negotiation.
3. Trade-in towards the purchase of a new, like item.
4. Donate surplus equipment within Kern County according to the following priority:
 - a) Offer equipment to contracted providers to promote electronic business to business interactions.
 - b) Offer to non-profit organizations and government agencies.
5. Sell or donate to KHS employees.
6. Items with a value of less than \$50 which cannot be sold or donated will be recycled using an E-Waste vendor.

During 2023, a loss of \$403 was recorded on the disposition of obsolete equipment.

Requested Actions

Receive and file for informational purposes only.



Attachment 1

2023 Asset Dispositions

| Date in Service | Category | Description | Book Value at Date of Disposal | Disposition Date | Reason for Disposal | Disposition Notes |
|-----------------|-----------|--|--------------------------------|------------------|---------------------|--|
| 9/4/2014 | Equipment | 1 - Optiplex 3020 w/2 Monitors | - | 2/28/2023 | Obsolete | Donated to CASA (Court Appointed Special Advocate) |
| 11/25/2014 | Equipment | 1 - Optiplex 3020 | - | 2/28/2023 | Obsolete | Donated to CASA (Court Appointed Special Advocate) |
| 12/19/2014 | Equipment | 2 - Optiplex 3020 Small Factor CTO | - | 2/28/2023 | Obsolete | Donated to CASA (Court Appointed Special Advocate) |
| 3/5/2014 | Equipment | 2 - Optiplex 3020 Small Factor CTO | - | 2/28/2023 | Obsolete | Donated to CASA (Court Appointed Special Advocate) |
| 6/11/2015 | Equipment | 3 - Optiplex 3020 | - | 2/28/2023 | Obsolete | Donated to CASA (Court Appointed Special Advocate) |
| 9/22/2016 | Equipment | 4 - Optiplex 3040XCTO | - | 3/31/2023 | Obsolete | Donated to Boys & Girls Club |
| 7/29/2016 | Equipment | 1 - Optiplex 3010 | - | 3/31/2023 | Obsolete | Donated to Boys & Girls Club |
| 10/24/2013 | Equipment | 1 - Optiplex 9020 Mini Tower | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 10/6/2017 | Equipment | 2 - Optiplex 3050 Small Form Factor XCTO | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 2/20/2014 | Equipment | 1 - Latitude 14 5000 w/dual monitor | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 9/4/2014 | Equipment | 8 - Optiplex 3020 w/ 2 monitors | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 10/15/2014 | Equipment | 2 - Latitude E7440 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 11/25/2014 | Equipment | 3 - Optiplex 3020 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 11/25/2014 | Equipment | 8 - Optiplex 3020 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 12/19/2014 | Equipment | 11 - Optiplex 3020 Factor CTO | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 3/5/2015 | Equipment | 4 - Optiplex 3020 Factor CTO | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 3/19/2015 | Equipment | 5 - Optiplex 3020 Factor CTO | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 6/11/2015 | Equipment | 5 - Optiplex 3020 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 7/9/2015 | Equipment | 7 - Optiplex 3020 Small | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 8/6/2015 | Equipment | 2 - Optiplex 3020 Small | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 5/28/2015 | Equipment | 1 - Dell Latitude E5450 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 1/26/2017 | Equipment | 2 - Dell Latitude E5470 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 2/23/2017 | Equipment | 4 - Dell Latitude E5470 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 4/5/2017 | Equipment | 3 - Dell Latitude E5470 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 5/4/2017 | Equipment | 1 - Dell Latitude E5470 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 7/29/2016 | Equipment | 1 - Dell Latitude E5470 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 9/21/2017 | Equipment | 2 - Dell Latitude E5470 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 10/23/2016 | Equipment | 4 - Dell Latitude E5470 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 11/22/2017 | Equipment | 1 - Dell Latitude E5470 | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 9/22/2016 | Equipment | 5 - Optiplex 3040XCTO | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 2/9/2017 | Equipment | 3 - Unified Conference Phone 8831 Base | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 1/4/2018 | Equipment | 1 - Dell Latitude 5480XCTO | - | 4/30/2023 | Obsolete | Donated to Premier Valley Medical Group |
| 10/23/2009 | Equipment | 1 - Canon IR 5065 W/Paper Deck | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 5/26/2016 | Equipment | 1 - HP Laser Jet Printer | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 3/8/2016 | Equipment | 1 - Laser Jet Printer | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 5/25/2012 | Equipment | 2 - Optiplex 790 Desktop | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 7/11/2012 | Equipment | 3 - Optiplex 790 Desktop | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 7/27/2012 | Equipment | 1 - Optiplex 790 Desktop | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 8/3/2012 | Equipment | 1 - Optiplex 790 Desktop | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 10/30/2012 | Equipment | 1 - Optiplex 3010 Desktop | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 2/8/2013 | Equipment | 1 - XPS 12 MOBILE DEVICE | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 9/4/2014 | Equipment | 1 - Optiplex 3020 w/2 Monitors | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 6/4/2014 | Equipment | 1 - Optiplex 9020 Mini Tower | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 9/26/2014 | Equipment | 1 - Optiplex 9020 Mini Tower | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 10/15/2014 | Equipment | 1 - Latitude E7440 | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 10/23/2014 | Equipment | 4 - Optiplex 3020 | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 10/23/2014 | Equipment | 1 - Latitude 14 5000 Series | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 11/25/2014 | Equipment | 4 - Optiplex 3020 | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 12/19/2014 | Equipment | 5 - Optiplex Small Form Factor | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 3/5/2015 | Equipment | 3 - Optiplex 9020 | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 3/5/2015 | Equipment | 3 - Optiplex 3020 | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 3/19/2015 | Equipment | 3 - Optiplex Small Form Factor | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 6/1/2015 | Equipment | 3 - Optiplex 3020 | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 7/9/2015 | Equipment | 1 - XPS 13 | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 7/9/2015 | Equipment | 4 - Optiplex 3020 | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 8/6/2015 | Equipment | 1 - Optiplex 3020 Small | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 10/5/2015 | Equipment | 5 - Optiplex Small Form Factor | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 12/11/2015 | Equipment | 1 - Dell Latitude E5400 | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 7/29/2016 | Equipment | 3 - optiplex 3010 w/2 monitors | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 9/22/2016 | Equipment | 7 - Optiplex 3040XCTO | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 10/27/2016 | Equipment | 2 - Dell Latitude E5470 XCTO | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 4/5/2017 | Equipment | 2 - Dell Latitude E5470 XCTO | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 9/21/2017 | Equipment | 2 - Dell Latitude E5470 XCTO | - | 7/31/2023 | Obsolete | Disposed-Recycled |



Attachment 1

2023 Asset Dispositions

| Date in Service | Category | Description | Book Value at Date of Disposal | Disposition Date | Reason for Disposal | Disposition Notes |
|---|-----------|--|--------------------------------|------------------|---------------------|-------------------|
| 11/22/2017 | Equipment | 1 - Dell Latitude E5470 XCTO | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 1/4/2018 | Equipment | 2 -Dell Latitude 5480XCTO | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 2/9/2018 | Equipment | 1 - Dell Latitude 5480XCTO | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 4/19/2018 | Equipment | 1 - Dell Latitude 5480XCTO | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 7/9/2018 | Equipment | 2 - Dell Latitude 5480XCTO | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 2/3/2003 | Equipment | 1 - HP LaserJet 9050 | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 10/6/2017 | Equipment | 1 - Optiplex 3050 Small Form Factor XCTO | - | 7/31/2023 | Obsolete | Disposed-Recycled |
| 2/27/2013 | Equipment | 1 - APC Symmetra OPX Power Module | 178.77 | 11/30/2023 | Obsolete | Disposed-Recycled |
| 6/4/2014 | Equipment | 1 - Optiplex 3020 Minitower CTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 11/25/2014 | Equipment | 2 - Optiplex 3020 | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 12/19/214 | Equipment | 3 - Optiplex 3020 Small Factor CTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 8/6/2015 | Equipment | 2 - Optiplex 3020 Small Factor CTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 10/5/2015 | Equipment | 1- Optiplex 3020 Small Factor CTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 7/29/2016 | Equipment | 1 - Optiplex 3010 w/2 monilors | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 9/22/2016 | Equipment | 5 - Optiplex 3040XCTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 10/27/2016 | Equipment | 1 - Dell Latitude E5470 CXCTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 2/9/2017 | Equipment | 1 - Unified Conference Phone 8831 Base | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 4/5/2017 | Equipment | 2 - Dell Latitude E5470 CXCTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 10/6/2017 | Equipment | 1 - OptiPlex 3050 Small Form Factor XCTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 1/4/2018 | Equipment | 1 - Dell Latitude 5480XCTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 2/9/2018 | Equipment | 6 - Dell Latitude 5480XCTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 4/12/2018 | Equipment | 1 - Dell Latitude 5480XCTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 7/9/2018 | Equipment | 1 - Dell Latitude 5480XCTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 9/26/2018 | Equipment | 3 - Dell Latitude 5480XCTO | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 10/31/2018 | Equipment | 2 - Dell Latitude 5490 Laptop | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| 3/29/2019 | Equipment | 2 - Dell Latitude 5490XCTO | 223.80 | 11/30/2023 | Obsolete | Disposed-Recycled |
| 5/31/2019 | Equipment | 1 - Dell Latitude 5490XCTO (6) | - | 11/30/2023 | Obsolete | Disposed-Recycled |
| TOTAL LOSS RECOGNIZED ON DISPOSITION OF OFFICE FURNITURE & EQUIPMENT | | | \$ 402.57 | | | |



| KERN HEALTH SYSTEMS POLICY AND PROCEDURES | | | |
|--|--|--------------------------------|------------|
| Policy Title | Asset and Surplus Property or Equipment Disposition | Policy # | 80.21-I |
| Policy Owner | Accounting | Original Effective Date | 01/06/2012 |
| Revision Effective Date | 01/24/2024 | Approval Date | 1/31/2024 |
| Line of Business | <input checked="" type="checkbox"/> Medi-Cal <input type="checkbox"/> Medicare | | |

I. PURPOSE

To appropriately dispose of Kern Health Systems (KHS) owned tagged assets and surplus equipment that no longer has operational value.

II. POLICY

A. ASSET DISPOSITION AUTHORITY

Any Department Manager may identify KHS' property or equipment that is no longer being used in operations, whether that item is non-repairable, obsolete, or surplus, and may submit a request for disposal of that item. It is the responsibility of the Corporate Services department to dispose of surplus equipment in a manner that maximizes returns while ensuring open and effective competition. Surplus equipment and property may be disposed of via: interdepartmental transfer, sale by competitive bid or direct negotiation, trade-in on new property, donation, e-waste recycling, or scrap. Proceeds from the sale or recycling of equipment shall go into the KHS General Fund.

B. NOTIFICATION AND VERIFICATION

1. Notification to Accounting of intent to dispose of property
 - a. When a Department Manager has determined an item is non-repairable, obsolete or surplus, they will notify the Accounting department to obtain the necessary specification details located on either the item's existing equipment card (in the case of a fixed asset) or purchasing documentation for non-capitalized items.
 - b. Upon receipt of the information from the Accounting department, the Department Manager will complete the Intent to Dispose of Property (IDP) form and will submit the form to Corporate Services.
2. Verification of Non-Repairable, Obsolete or Surplus

Corporate Services will make a reasonable effort to classify the item into one of the following categories: Non-Repairable, Obsolete or Surplus.

- a. Non-Repairable Equipment: equipment that is broken beyond repair.
 - b. Obsolete Equipment: equipment that has no useful value to KHS, has little to no monetary value, but may have value to another organization.
 - c. Surplus Equipment: equipment in working order that is no longer being used by a department.
3. Notification to Accounting of sale, donation or recycling of property
When a fixed asset is sold, donated, or recycled, Corporate Services will notify Accounting by completing a Disposal of Fixed Asset (DFA) form. Corporate Services will attach the completed and executed IDP form to the DFA form. Accounting will review the DFA form and will record the disposition of the fixed asset on the equipment card.
4. The Controller will maintain the log of assets sold, transferred, traded, donated or scrapped.
 5. On an annual basis, the Chief Financial Officer (CFO) will present a listing of disposed assets for review by the Finance Committee.
 6. In the event a potential disposal item has a book or market value in excess of \$5,000.00, then Board approval is required before disposition is authorized.

C. DISPOSITION METHODS

The principal methods for disposal of surplus equipment are:

1. Interdepartmental transfer: Prior to disposal, Corporate Services will make a reasonable effort to ensure the equipment cannot be used by another department. If the item can be used by another department, Corporate Services will deliver that item to the requesting department. In the case of a fixed asset, Corporate Services will indicate the new location on the IDP form and will forward the form to Accounting so that a change in location can be recorded on the equipment card. A copy of the IDP form will also be sent to the requesting Department Manager.
2. Sale by competitive bid or direct negotiation: If obsolete or surplus equipment is in working condition and has previously been determined to have a resale value greater than \$100, Corporate Services will attempt to bundle like (or networked) items and sell the equipment via an online auction competitive bidding process or directly negotiated sale. It will be made clear to all prospective buyers that assets are sold as-is and at the buyer's risk. No warranty or after sale service will be offered. Delivery of the equipment will be at the buyer's expense.
3. Trade-in: If the surplus equipment has trade-in value toward the purchase of a new, like item, the item will be hauled away by the new equipment vendor. The trade-in value will be reflected on the invoice for the new equipment.
4. Donate or Sell:
 - a. KHS will donate surplus equipment within Kern County according to the following priority list:
 - b. KHS Provider Network Management will offer computer equipment to contracted providers to promote electronic business to
 - c. business interactions.
 - d. KHS will offer equipment to non-profit organizations and governmental agencies.

- e. KHS will sell equipment to KHS employees.
5. Prior to the sale or donation of any computer equipment, KHS will ensure that the computers are scrubbed clean of all corporate information (all electronic files deleted and licensed software removed), and the operating system will be reloaded. Inventory and identification tags will be removed. KHS will donate computer equipment as is, with no guarantee toward the current or future working condition of the equipment. KHS will not provide technical assistance with set-up or operation of the equipment.
 6. E-Waste: Electronic items that have monetary value less than \$50.00, which cannot be sold or donated, will be recycled using an approved e-waste vendor selected by Corporate Services. Corporate Services will complete a DFA form and will submit to Accounting.
 7. Scrap: If the surplus equipment is broken and is not e-waste, Corporate Services will make a reasonable effort to determine the cost of repairs, the extended life of the repairs, and compare the repaired value against the cost of a replacement item. If the cost to repair the item is greater than replacement or if the item cannot be repaired due to the non-availability of parts, the item will be marked as scrap. Scrap equipment will be physically disposed of following current city and county dump site requirements.

III. DEFINITIONS

| TERMS | DEFINITIONS |
|----------------------|---|
| Asset | Any tangible property owned by KHS, either with or without value, excluding real property. |
| Disposal/Disposition | The sale, replacement, transfer, scrap, discard, recycling or other means of disposing of assets. |
| E Waste | Electronic items to be recycled such as computers, monitors, phones. |
| Fixed Asset | Classification of an item determined at the time of purchase to meet the capitalization requirements established by policy 80.11, Budget Guidelines. |
| Item | Any piece of property or equipment. |
| Obsolete | Significant decline in the competitiveness, usefulness, or value of an item or property whether due to alternatives that perform better, are cheaper, or both; or due to changes in user preference or requirements. For the purposes of this policy, obsolete will mean little to no monetary value. |
| Salvage Value | The estimated residual value of a depreciable asset (fixed asset) at the end of its economic or useful life. |
| Surplus Equipment | Excess, obsolete, salvageable or non-salvageable assets which are sold, replaced through the budget process, transferred, scrapped, discarded or otherwise removed from service by any other means of disposal. |

| | |
|-------------|--|
| Useful Life | The number of years an asset is determined to last at the time of purchase, to which a matching depreciation period is assigned. |
|-------------|--|

IV. ATTACHMENTS

| |
|---|
| Attachment A: Intent to Dispose of KHS Property |
| Attachment B: Disposal of Fixed Asset(s) |

V. REFERENCES

| Reference Type | Specific Reference |
|----------------|--------------------|
| Other | N/A |

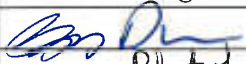
VI. REVISION HISTORY

| Action | Date | Brief Description of Updates | Author |
|-----------|------------|--|----------------|
| Revisions | 01/24/2024 | Revisions made by Accounting Manager to include Provider Network Management to Section 4.0, Donate or Sell. Updates also made to Attachments A & B were also made. | Maria Gonzalez |
| Effective | 01/06/2012 | Developed by KHS' Chief Financial Officer to appropriately dispose of KHS owned assets and surplus equipment that no longer have an operational value. | Robert Landis |

VII. APPROVALS

| Committees Board (if applicable) | Date Reviewed | Date Approved |
|------------------------------------|---------------|---------------|
| Board of Directors (BOD) | | N/A |
| Choose an item. | | |

| Regulatory Agencies (if applicable) | Date Reviewed | Date Approved |
|-------------------------------------|---------------|---------------|
| Choose an item. | | N/A |

| Chief Executive Leadership Approval * | | |
|---------------------------------------|--|---------------|
| Title | Signature | Date Approved |
| Chief Executive Officer |  | 1/31/24 |
| Chief Financial Officer | Robert Landis | 1/29/24 |

*Signatures are kept on file for reference but will not be on the published copy




KERN HEALTH SYSTEMS

Policy and Procedure Review

KHS Policy & Procedure: 80.21-I, Asset and Surplus Property or Equipment Disposition

Reason for revision: Revisions made by Accounting Manager to include Provider Network Management to Section 4.0, Donate or Sell. Updates also made to Attachments A & B were also made.

| Director Approval | | |
|---|---|---------------|
| Title | Signature | Date Approved |
| Veronica Barker Controller | <i>Veronica Barker</i> | 1/26/2024 |
| Andrea Hylton Director of Procurement and Facilities |  | 1/26/2024 |

Date posted to public drive: _____

Date posted to website ("P" policies only) : _____

| | |
|--|--|
|  KERN HEALTH SYSTEMS 2900 Buck Owens Blvd Bakersfield, CA 93308 661-664-5000 | <h2 style="margin: 0;">Intent to Dispose of Property, Plant & Equipment</h2> |
|--|--|

| | |
|------------------------|---------------|
| Department: | |
| Contact Person: | Phone: |

| QTY | Serial number | Description | KHS Tag # |
|-----|---------------|-------------|-----------|
| | | | |

Status of Item: Non-Repairable Obsolete Surplus


Comments:

Verification of Item Status: _____

New Location of Surplus Equipment: _____

Provider Network Management _____

Cc: Accounting, Provider Network Management, Corporate Service, Department Manager

| | |
|---|---|
|  <p style="margin: 0;">KERN HEALTH SYSTEMS</p> <p style="margin: 0; font-size: small;">2900 Buck Owens Blvd Bakersfield, CA 93308 661-664-5000</p> | <h2 style="margin: 0;">Disposal of Fixed Asset</h2> |
|---|---|

| | |
|------------------------|---------------|
| Department: | |
| Contact Person: | Phone: |

| QTY | Serial number | Description | KHS Tag # |
|-----|---------------|-------------|-----------|
| | | | |
| | | | |
| | | | |

Disposition Notes: (method and details of disposal: donate, trade-in, sell, E-waste, scrap)

CHAIN OF CUSTODY

MIS (computer equip only): _____ **Date:** _____ **Time:** _____

Relinquished: _____ **Date:** _____ **Time:** _____

Received: _____ **Date:** _____ **Time:** _____

cc: Accounting, Relinquishing Department and Corporate Services (Original stays with accounting)



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: Compliance Committee Charter
DATE: February 15, 2024

BACKGROUND

Kern Health Systems (KHS) is required to implement an effective Compliance Program that meets the regulatory requirements set forth in both the Department of Health Care Services (DHCS) contract and the Department of Managed Health Care (DMHC) Knox-Keene license.

The Governance and Compliance Committee (Committee) has the fiduciary responsibility to oversee Kern Health System's (KHS) regulatory Compliance Program and shall ensure the establishment and maintenance of an effective compliance and ethics program by assuring compliance activities are reasonably designed, implemented, and generally effective in preventing and detecting risks or compliance violations. Specifically, the Committee shall be primarily responsible for overseeing, monitoring and evaluating KHS's compliance with all regulatory (federal, state and local), as applicable and contractual obligations of KHS.

This Committee assists the Board to improve its functioning, structure, and infrastructure. The Committee reviews and makes recommendations regarding KHS's Bylaws and Governance Structure, including Board composition.

The goal of KHS's Governance and Compliance Committee is to advance the transparency of all Compliance related activities to mitigate risk to the organization through a centrally comprised committee.

REQUESTED ACTION

Approve.

Kern Health Systems Governance & Compliance Committee Charter

The Governance and Compliance Committee (Committee) has the fiduciary responsibility to oversee Kern Health System's (KHS) regulatory Compliance Program and shall ensure the establishment and maintenance of an effective compliance and ethics program by assuring compliance activities are reasonably designed, implemented, and generally effective in preventing and detecting risks or compliance violations. Specifically, the Committee shall be primarily responsible for overseeing, monitoring and evaluating KHS's compliance with all regulatory (federal, state and local), as applicable and contractual obligations of KHS.

This Committee assists the Board to improve its functioning, structure, and infrastructure. The Committee reviews and makes recommendations regarding KHS's Bylaws and Governance Structure, including Board composition.

Among its authority and responsibilities, the Governance and Compliance Committee shall:

- Be knowledgeable about the content and operation of KHS's overall compliance program and collaborate on the development, review, evaluation, implementation and effectiveness of the Compliance program activities.
- Ensure KHS Board stays abreast of significant developments relating to the compliance expectations from federal and state legislators, regulators, and/or enforcement officials.
- Review and approve the policies and procedures impacting the Compliance Program. These policies provide guidance and promote KHS workforce members and affiliates awareness of, and compliance with, all applicable laws, regulations, guidance, and contractual obligations.
- Receive, review, and act upon reports and recommendations from the Compliance Officer, subcommittees, and work groups regarding compliance and/or ethics issues generated through internal and external audits, monitoring, and individual reporting or referrals. As such, overseeing implementation and adherence with corrective actions.
- Assist the Compliance Officer by participating in discussions aimed at identifying, prioritizing, mitigating and remediating organizational risk related to compliance and regulatory requirements. This may include but is not limited to reviewing the effectiveness of open lines of communication between staff and compliance leadership; assuring disciplinary guidelines are well publicized; and ensuring the compliance programs acts independently from operational programs.
- Review the Fraud Prevention program on an annual basis and approve

quarterly reporting.

- Receives the Delegation Reporting Compliance Plan and reviews the delegation audits and outcomes of monitoring during the applicable time period.
- Biannually review and approve trainings for Network Providers and KHS staff which may include, but is not limited to, HIPAA; Fraud, Waste, and Abuse; Provider Trainings mandated by DHCS; and Diversity, Equity, and Inclusion.
- Annually review and approve KHS's Code of Conduct and Compliance Plan.
- Annually review KHS Bylaws and recommend necessary changes to the KHS Board.
- Regularly review KHS Board membership to monitor participation in governance and diverse representation of the communities we serve.
- Annually review Board Committees' membership to encourage participation from KHS's Board members and other stakeholders as appropriate.
- Annually review of KHS Board Committee charters.
- Perform other functions as reasonably necessary to assist the Compliance Officer in fulfilling the intent and purpose of the Compliance Program.

GOVERNANCE, STRUCTURE AND ORGANIZATION

The Chair of the Governance and Compliance Committee shall be a member of the KHS Board of Directors. The Chair, in consultation with other members of the Committee, will determine the frequency and duration of the meetings of the Committee and the agenda of items to be addressed at each meeting. This Committee shall meet no less than four (4) times a year.

This Committee shall have no less than four (4) members from the Board of Directors, with board member representation from different districts.

KHS Governance & Compliance Committee Standing Staff Invites

- Chief Compliance and Fraud Prevention Officer
- Chief Executive Officer
- Chief Operating Officer (optional)
- Chief Information Officer (optional)

- Chief Financial Officer
(optional)
- Chief Medical Officer (optional)
- Chief Health Equity Officer
(optional)
- Executive Services Coordinator

DRAFT



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: Chief Compliance Officer Priorities
DATE: February 15, 2024

BACKGROUND

As the healthcare industry evolves, compliance risks will evolve in tandem. Organizations must be prepared and well-resourced to navigate the emerging changes within healthcare compliance. The complexity of the regulatory landscape and the mandate for compliance programs continue to expand. Managing compliance risk now includes areas like environmental, social and governance (ESG) and diversity, equity and inclusion (DEI), as the Chief Compliance Officers (CCOs), will assume a more prominent roles with our organization.

To meet these challenges, KHS must build a strong culture of integrity. These shifts are reflected in new priorities, including providing compliance guidance in new and emerging focus areas, improving compliance risk management support across the business, and assessing the health of speak-up and investigations processes. KHS strives to evolve our program activities across the next several years to keep pace with these changes and remain effective.

Key areas include data driven risk management assessments utilizing granular, tailored, shared and continuous and predictive performance measures and outcomes. Additionally, implementation of personalized touchpoints that are employee centric, embedded company wide, and trust oriented to embody a culture of compliance across the organization.

REQUESTED ACTION






Receive and file; for informational purposes only.








10 key program shifts to make by 2030

There are 10 shifts compliance leaders must make to program elements to adopt data-driven risk management and personal compliance touchpoints.

Data-Driven Risk Management

| | | | | |
|---|---|---|---|---|
|  |  |  |  |  |
| 1. Risk assessment and monitoring | 2. Policy management | 3. Third-party management | 4. Program improvement, testing and review | 5. Analysis and remediation of underlying misconduct |
| From High-Level To Granular | From One-Size-Fits-All To Tailored | From Manual To Shared | From Intermittent To Continuous | From Backward-Looking To Predictive |

Personalized Touchpoints

| | | | | |
|---|---|--|---|---|
|  |  |  |  |  |
| 6. Speak-up culture and reporting structure | 7. Training and communications | 8. Compliance staff and liaisons | 9. Compensation structures and consequence management | 10. Investigation of misconduct |
| From Company-Centric To Employee-Centric | From Burdensome To Embedded | From Central To Local | From Narrow To Companywide | From Process-Oriented To Trust-Oriented |



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: 2024 Compliance Program Description
DATE: February 15, 2024

BACKGROUND

The Department of Health Care Services (DHCS) and Department of Managed Health Care (DMHC), requires organizations that participate as a California Med-Cal plan, to have a formal compliance program. Additionally, in response to the many laws, rules and regulations governing healthcare, e.g., federal and state false claims and whistleblower laws, KHS has established a comprehensive compliance program to help the organization achieve our commitment to adhere to the highest ethical standards of conduct in all business practices.

The focus of KHS's compliance program is to prevent fraud, waste, and abuse while at the same time advancing the mission of providing affordable and extraordinary primary and specialty care that adheres and aligns with to the regulatory requirements under the office of Inspector General (OIG). Our overall compliance efforts are aimed at prevention, detection, and resolution of variances through audits and monitoring activities to identify new or emerging risk.

Violations of the organization's compliance program, failure to comply with applicable state or federal law, and other requirements of government health plans, and other types of misconduct may threaten KHS's status as a reliable, honest, and trustworthy provider, capable of participating in federal and state healthcare programs. Detected, but uncorrected, misconduct may seriously endanger the mission, reputation, and legal status of the organization.

REQUESTED ACTION

Approve.



Kern Health Systems

2900 Buck Owens Blvd
Bakersfield CA 93308
661/664-5000

2024 CORPORATE
COMPLIANCE
PROGRAM

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Executive Summary

Why Have a Compliance Program

Kern Health System's Compliance Program is necessary because it:

- Stops fraud.
- Protects patient privacy.
- Nurtures an ethical culture.
- Prevents conflicts of interest.
- Ensures proper credentialing.
- Identifies and prevents waste.
- Furthers accurate billing and coding.
- Assists in obeying state and federal laws.
- Maintains and promotes high quality care; and
- Strives to promote the use of best practices in management and board governance.

Kern Health System Health's Compliance Program applies to:

- Vendors
- Contractors
- Consultants
- All staff no matter the title or position
- Board of Directors

What you must do:

- Act fairly.
- Act ethically.
- Act honestly.
- Act as a team.
- Report a conflict of interest that you may have.
- Treat patients and one another with respect at all times.
- Identify ways to do things better in your department and act; and
- Report problems immediately to your supervisor, directly to the Compliance Director and/or the Chief Compliance and Fraud Prevention Officer or take advantage of our anonymous compliance hotline options.

COMPLIANCE PROGRAM

I. INTRODUCTION

Kern Health System (KHS) d.b.a. Kern Family Health Care (KFHC) is the Local Initiative for the arrangement of medical, social, and behavioral health care for Medi-Cal enrollees in Kern County. KHS is a public agency formed under Section 14087.38 of the California Welfare and Institutions Code. KHS began full operations on September 1, 1996, under the Kern County Board of Supervisors. KHS serves more than 365,000 Medi-Cal participants in Kern County. Medi-Cal is a jointly funded, Federal-State health insurance program for certain low-income beneficiaries. KHS is committed to the mission of improving the health of members with an emphasis on prevention and access to quality healthcare services. KHS strives to be a leader in developing innovative partnerships with the safety net and community providers to elevate the health status of all community members. with a commitment to health equity, diversity, and inclusion. We are strongly committed to and have a longstanding reputation for lawful and ethical conduct. We take pride in earning the trust of those we serve, government regulators and one another.

The Department of Health Care Services (DHCS), Department of Managed Health Care, and Knox Keene License, requires organizations that participate as California Med-Cal plan, to have a formal compliance program. The United States Department of Health and Human Services, Office of the Inspector General (OIG) requires Medi-Cal providers to have a compliance program as well. Additionally, in response to the many laws, rules and regulations governing healthcare, e.g., federal and state false claims and whistleblower laws, KHS has established a comprehensive compliance program to help the organization achieve our commitment to adhere to the highest ethical standards of conduct in all business practices.

One goal of KHS's compliance program is to prevent fraud, waste, and abuse while at the same time advancing the mission of providing affordable and extraordinary primary and specialty care. Our compliance efforts are aimed at prevention, detection, and resolution of variances.

The eight elements of the KHS's Compliance Plan are:

1. Designation of a Compliance Officer/Committee
2. Written policies and procedures, including Standards of Conduct
3. Training and education programs
4. Open lines of communication to the responsible compliance position
5. Disciplinary [enforcement](#) policies/[standards](#) to encourage good faith participation

COMPLIANCE PROGRAM

6. A system for routine identification of compliance risk areas [and responding to issues identified](#)

~~7. A system for responding to compliance issues~~

~~8.7.~~ A policy of non-intimidation and non-retaliation for good faith participation in the compliance program

Our Compliance Program further supports KHS' overall commitment to ensure we have the organizational capacity, leadership, financial well-being, commitment to invest in our communities, and demonstrated ability to ensure program integrity and compliance with all applicable federal and state requirements and the standards under the DHCS Contract.

II. COMPLIANCE STRUCTURE

KHS's compliance program starts with its Board of Directors, who must assure the organization operates in compliance with applicable Federal, state, and local laws and regulations. The Board of Directors provide direction to our CEO, who sets the tone for the organization's compliance activities.

The Chief Compliance and Fraud Prevention Officer works to ensure the organization has the appropriate policies, procedures, and processes in place to minimize its risk and further the organization's mission to provide a holistic approach to services offerings while promoting equitable and timely access. In addition to the Chief Compliance and Fraud Prevention Officer, the Compliance Team consists of the Director of Compliance, a Compliance Manager, a Compliance Manager of Audits and Investigations, Compliance Analyst(s), Compliance Auditor, and Compliance Specialist. On a quarterly basis, the Chief Compliance and Fraud Prevention Officer and the Director of Compliance meet with the Compliance Committee and provide updates on the department's current and future activities.

KHS recognizes the importance of fostering a culture of compliance. As a result, KHS maintains and supports a Compliance ~~Organizational~~ [organizational Structure](#) ~~structure~~ that allows the Compliance Program to act independently of operational and program areas without fear of repercussions for uncovering deficiencies or areas of noncompliance.

How KHS's Compliance Program Aligns to OIG Standards

| Eight Steps of Compliance | | | | | | | |
|---|--|---|--|--|---|---|---|
| Written Policies and Procedures | Designation of a Compliance Officer/ Committee | Training and Education Programs | Open Lines of Communication | Disciplinary policies to encourage good faith participation | A system for routine identification of compliance risk areas | A system for responding to compliance issues | A policy of non-intimidation and non-retaliation |
| <ul style="list-style-type: none"> • Fraud, Waste & Abuse, Anti-Kickback Statute, False Claims Act and Stark Law policies • Whistle Blower/ Non-retaliation policy • Clinical policies • HIPAA • Conflict of Interest • Exclusion screening | <ul style="list-style-type: none"> • Compliance Officer job description • Compliance Committee Chair • Oversight responsibility of the Program • Prepare an Annual Compliance Report | <ul style="list-style-type: none"> • Annual compliance training • Compliance on-boarding training • Monthly Spotlight • Department training events • Training at periodic all Staff meetings • Ad Hoc training informs and train on recent events | <ul style="list-style-type: none"> • Open door policy • Compliance Hotline: allows individuals to report perceived compliance issues anonymously either online, through email, fax or mail | <ul style="list-style-type: none"> • All members of organization are required to comply with applicable standards, laws, and procedures. • Supervisors and/or Managers are accountable for the foreseeable compliance failures of their subordinates | <ul style="list-style-type: none"> • Annual identification of top risks • Ongoing audit and monitoring activities • Ad hoc audits • Monthly exclusion screening • Maintain anonymous outside Hotline. • Annual risk assessment • Credentialing and peer review | <ul style="list-style-type: none"> • Internal investigations and reporting • Review of an Annual Conflict of Interest Disclosure Forms • Process for reporting and resolving incidents | <ul style="list-style-type: none"> • Whistleblower/ non-retaliation policy |

III. WRITTEN POLICIES AND PROCEDURES

The written compliance policies and procedures provide a clear explanation of the organization's compliance and quality goals and provide clear and understandable mechanisms and procedures designed to achieve those goals in compliance with Federal, state, and other program requirements and standards. The organization has specific, individual policies for an array of matters ranging from proper documentation of services to whistle blower protections. In addition, the Compliance Policies describe how we implement and operationalize the Compliance Program. KHS' policies and procedures are available online at the KHS's company site.

A. Code of Conduct

The KHS Code of Conduct is a foundational statement of our governing principles and clearly articulates KHS' commitment to comply with all applicable regulatory requirements, including the DHCS contract, and all applicable state and federal laws. The Code of Conduct describes KHS expectation that all employees act ethically and have a responsibility for ensuring compliance. The full Board of Directors will approve the Code of Conduct. The Code of Conduct is part of the training provided upon hire and annually thereafter. It is also reviewed during the New Hire Orientation and available on the KHS Intranet.

B. Conflict of Interest Policy and Disclosure Statement

KHS is required to ensure that it adheres to the highest standards of ethical conduct by identifying instances which an independent observer might reasonably conclude that the potential for individual or institutional conflict could influence decision making or carrying out responsibilities. KHS has a ~~conflict of interest~~[conflict-of-interest](#) policy that is based upon full disclosure and appropriate management of any possible conflict of interest. The policy requires staff to conduct their business according to the highest ethical standards of conduct and to comply with all applicable laws.

KHS requires individuals to complete the annual conflict of interest disclosure form to assist in identifying and evaluating potential conflicts of interests. Individuals also are required to disclose any actual, potential, or perceived conflicts as they arise during their affiliation or employment with KHS. The forms are reviewed on an annual basis or when the need to complete the statement arises (new hires or changed circumstances). It is the responsibility of everyone to have a working knowledge of these policies and procedures and refer to them.

KHS does not utilize any state officer, employee in state civil service, other appointed state official, or intermittent state employee, or contracting consultant for DHCS, unless the employment, activity, or enterprise is required as a condition of the officer's or employee's regular state employment.

COMPLIANCE PROGRAM

C. Other Written Policies and Procedures

Annual Work Plan

Every year, the Chief Compliance and Fraud Prevention Officer will prepare a Work Plan after reviewing the latest Department of Health Care Services (DHCS) and Department of Managed Care (DMHC) priorities, recent enforcement activities, recent internal and external audit findings and other relevant topics that necessitate additional scrutiny. Additionally, the Chief Compliance and Fraud Prevention Officer will obtain input from the Chief Executive Officer, the Director of Compliance, the Compliance Committee, and various departments.

Additionally, the Work Plan includes a list of areas that the Compliance Department will audit and monitor. The Compliance Department may add additional monitoring audits to its duties in response to new and emerging risks. The Compliance Department and audited departments will review the audit findings and develop audit responses to address findings. The parties will develop remediation plans and associated timelines. The Compliance Department will conduct follow-up on remediation activities and report progress to the Chief Executive Officer and the Chief Compliance and Fraud Prevention Officer. Additionally, the Compliance Department will coordinate external audits from state and other regulatory oversight organizations.

D. Ad Hoc Policy and Procedure Development

From time to time, the Compliance Department will work with other departments to develop and revise policies and procedures to reflect new legal requirements and new concerns that may arise.

IV. DESIGNATION OF A COMPLIANCE OFFICER AND/OR A COMPLIANCE COMMITTEE

DHCS requires KHS to designate a compliance officer to carry out and enforce compliance activities. The compliance officer functions as an independent and objective person that reviews and evaluates organizational compliance and privacy/confidentiality issues and concerns. The compliance officer's main duties include coordination and communication of the compliance plan; this involves planning, implementing, and monitoring the program. The Chief Compliance and Fraud Prevention Officer is a full-time employee, reporting directly to the Chief Executive Officer (CEO) and the Board of Directors. The CCO reports to the Compliance Committee on the activities and status of the Compliance Program and has the authority to report matters directly to the Board of Directors at any time. The Chief Compliance Officer is an independent employee of KHS and does not serve in any operational capacity.

COMPLIANCE PROGRAM

A. Chief Compliance Officer

The responsibilities of the Chief Compliance Officer include:

- ~~developing~~Developing, implementing, and ensuring compliance with the requirements and standards under the DHCS contract.
- Chair the Compliance Committee and serve as a spokesperson for the Committee.
- Oversee and monitor the implementation of the compliance program.
- Report periodically to the Compliance Committee, the Chief Executive Officer, and the Board of Directors on the progress of implementation of compliance initiatives, corrective actions, and recommendations to reduce the vulnerability to allegations of fraud, waste, and abuse.
- Develop and distribute all written compliance policies and procedures to all affected employees.
- Periodically revise the program in light of changes in the needs of the organization and in the law, and changes in policies and procedures of government payer health plans and emerging threats.
- Develop, coordinate, and participate in a multifaceted educational and training program that focuses on the elements of the compliance program and seeks to ensure that all employees are knowledgeable of, and comply with, pertinent federal and state payer standards.
- Ensure that employees, vendors, and Board of Directors do not appear on any of the Federal or State "excluded, debarred or suspended" listings published by Medicare and Medicaid.
- Ensure that all Providers/Staff are informed of compliance program standards with respect to coding, billing, documentation, and marketing, etc.
- Assist in coordinating internal compliance review and monitoring activities, including annual or whenever necessary reviews of policies.
- Review the results of compliance audits, including internal reviews of compliance, independent reviews, and external compliance audits.
- Independently investigate and act on matters related to compliance, including the flexibility to design and coordinate internal investigations.
- Develop policies and programs that encourage managers and employees to report suspected fraud and other improprieties without fear of retaliation. (See Whistleblower Policy)
- Interact with external legal counsel to discuss the Organization's initiatives on regulatory compliance.
- Handle inquiries by employees, affiliates, members, and family members regarding compliance issues.

The Chief Compliance and Fraud Prevention Officer has the authority to review all documents and other information relative to compliance activities, including, but not limited to Human Resources/Personnel records, requisition forms, billing

COMPLIANCE PROGRAM

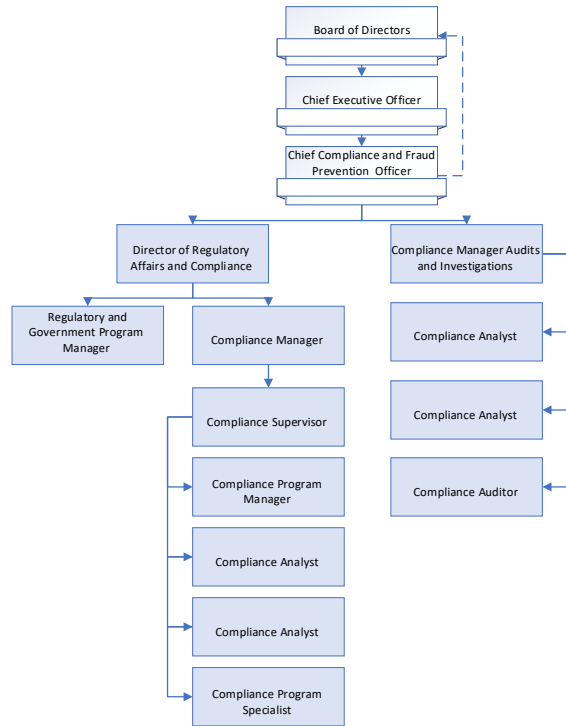
information, claims information, and records concerning marketing efforts and arrangements with vendors.

B. Compliance Department Organizational Structure

The Chief Compliance and Fraud Prevention Officer supervises the Director of Compliance. The Director of Compliance and Regulatory Affairs supervises the Compliance Manager. The Compliance Manager oversees the Compliance Program Manager, Compliance Analyst(s), Compliance Auditor, and compliance Specialist, and other positions which may be added based on the department's identified operational needs.

Because the Chief Compliance and Fraud Prevention Officer is responsible for compliance oversight for all other departments of the organization, this position reports directly to the Chief Executive Officer to mitigate risk.

COMPLIANCE PROGRAM



Field Code Changed

C. Compliance Committee

KHS has established a regulatory Compliance Committee on the Board of Directors and at the senior management level charged with overseeing the Compliance Program and compliance with the state and federal requirements, and the DHCS contract. The Compliance Committee will advise the Chief Compliance and Fraud Prevention Officer and assist in the implementation of the compliance program as needed. The Compliance Committee will consist of at least the Executive Officers and Departmental leadership. The Chief Compliance and Fraud Prevention Officer will also select designees representing other departments as needed.

The functions of the Compliance Committee are to:

COMPLIANCE PROGRAM

- Analyze the organization's regulatory environment, the legal requirements with which it must comply, and specific risk areas.
- Assess existing policies and procedures that address risk areas for possible incorporation into the Compliance Program.
- Work within the organization's standards of conduct, policies, and procedures to promote compliance.
- Recommend and monitor the development of internal systems and controls to implement standards, policies, and procedures as part of the daily operations.
- Determine the appropriate strategy/approach to promote compliance with the program and detection of any potential problems or violations.
- Develop a system to solicit, evaluate, and respond to complaints and problems.
- Monitor Corrective Action Plans
- Review and approve the Compliance Program at least ~~biennially~~ annually.

D. Governance and Compliance Committee

Newly created in 2024, The Governance and Compliance Committee has the fiduciary responsibility to oversee the KHS regulatory Compliance Program to ensure an effective and ethical program through its design, implementation, and monitoring in the prevention and detection of risks or compliance violations. Specifically, for evaluating KHS's compliance with all regulatory (federal, state, and local) as applicable and contractual obligations for all internal and delegated activities.

This Committee assists the Board to improve its functioning, structure, and infrastructure. The Committee reviews and makes recommendations regarding KHS's Bylaws and Governance Structure, including committee composition, auditing and investigative practices.

V. CONDUCTING EFFECTIVE TRAINING AND EDUCATION

An effective Compliance Program is rooted in an active and adaptive education and training program. Active education and training are designed to teach each individual how to carry out their responsibilities effectively, efficiently and in compliance with statutory and regulatory compliance requirements. Adaptive education and training are designed to be responsive to the educational needs of the organization's workforce identified through internal and/or external reviews, audits, or compliance assessments or by government notices, alerts, and/or other advisory statements. KHS has established a system for training and educating the compliance officer, senior management, and employees on federal and State standards and requirements of the DHCS contract.

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COMPLIANCE PROGRAM

KHS utilizes a variety of training methods including but not limited to web-based training courses and in-person training. Compliance trainings must be verified such as through a certification or attestation upon training completion and review of the standard of conduct, compliance program, and compliance policies and procedures.

Inadequate training significantly increases the risks of compliance issues and possible violations of the applicable statutes and regulations. KHS requires all employees, contractors, and volunteers to attend specific training upon hire and on an annual and as needed basis thereafter. This will include training in federal and state statutes, regulations, program requirements, policies, code of conduct and corporate ethics. The training emphasizes KHS's commitment to compliance with these legal requirements and policies.

The training programs will include sessions highlighting KHS's Compliance Program, summaries of fraud and abuse laws, HIPAA regulations, policy and procedures that reflect current legal and program standards.

The Chief Compliance and Fraud Prevention Officer or other designated staff member will document the attendees, the subjects covered, and any materials distributed at the training sessions.

Basic training will include:

- Overview of the organization's regulatory environment
- Examples of fraud, waste, and abuse.
- Recent enforcement activities
- KHS's compliance structure
- Eight elements of compliance
- Location of compliance plan and policies and procedures on the KHS's SharePoint site and company website
- Key laws and regulations
- KHS's commitment to non-retaliation
- Compliance hotline information for making anonymous complaints
- Duty to report misconduct.

The Compliance Program will be posted to the KHS Intranet and website.

VI. DEVELOPING EFFECTIVE AND OPEN LINES OF COMMUNICATION

A. Open Lines of Communication

Open lines of communication encourage everyone to express their compliance, quality, and other concerns and/or suggestions for improvement without fear of retaliation. Open communication is essential to maintaining an effective Compliance Program and enables the organization to learn about issues that may arise, generating faster responses and quicker fixes. Additionally, open

COMPLIANCE PROGRAM

communications allow KHS to address small problems before they become big ones.

Any potential problem or questionable practice which is, or is reasonably likely to be, in violation of, or inconsistent with, federal or state laws, rules, regulations, or directives or the organization rules or policies relative to the delivery of healthcare services, or the billing and collection of revenue derived from such services, and any associated requirements regarding documentation, coding, supervision, and other professional or business practices must be reported to the Chief Compliance and Fraud Prevention Officer.

Any person who has reason to believe that a potential problem or questionable practice is or may be in existence should report the circumstance to the Chief Compliance and Fraud Prevention Officer. Such reports may be made verbally or in writing and may be made on an anonymous basis. KHS utilizes an external vendor, Ethics Point, so that employees may anonymously report violations through the following mediums:

Online: www.kernfamilyhealthcare.com
FraudTeam@khs-net.com
HIPAAteam@khs-net.com
Compliance@khs-net.com

Phone: Ethics Hotline 1 (833) 607-6589

Mail: Kern Health System Health c/o Chief Compliance and Fraud Prevention Officer, 2900 Buck Owens Blvd, Bakersfield CA 93308.

The Chief Compliance and Fraud Prevention Officer or designee will promptly document and investigate reported matters that suggest substantial violations of policies, regulations, statutes, or program requirements to determine their veracity.

The Chief Compliance and Fraud Prevention Officer will work closely with legal counsel who can provide guidance regarding complex legal and management issues.

B. Exit Interviews

VII. DISCIPLINARY GUIDELINES

COMPLIANCE PROGRAM

All employees of KHS will be held accountable for failing to comply with applicable standards, laws, and procedures. Directors, Managers, and/or Supervisors will be held accountable for the foreseeable compliance failures of their subordinates.

The Director, Manager, or Supervisor will be responsible for taking appropriate disciplinary actions in the event an employee fails to comply with applicable regulations or policies. The disciplinary process for violations of compliance programs will be administered according to KHS protocols (generally oral warning, written warning, suspension without pay, and may lead to termination) depending upon the seriousness of the violation. The Chief Compliance and Fraud Prevention Officer is to be consulted and may consult legal counsel in determining the seriousness of the violation. However, the Chief Compliance and Fraud Prevention Officer should never be involved in imposing discipline.

If the deviation occurred due to legitimate, explainable reasons, the Chief Compliance and Fraud Prevention Officer and director/manager/supervisor may want to limit disciplinary action or take no action. If the deviation occurred because of improper procedures, misunderstanding of rules, including systemic problems, KHS should take immediate action to correct the problem.

When disciplinary action is warranted, it should be prompt and imposed according to written standards of disciplinary action established and defined within the Human Resources Personnel Manual.

Within thirty (30) working days after receipt of an investigative report, the Director/Manager/Supervisor and/or Chief Human Resources Officer or their designee shall determine the action to be taken upon the matter and refer to the CEO for final recommendations. The action may include, without limitation, one or more of the following:

- 1) Dismissal of the matter.
- 2) Verbal counseling.
- 3) Issuing a warning, a letter of admonition, or a letter of reprimand.
- 4) Entering and monitoring of a formal corrective action plan. The corrective action plan may include requirements for individual or group remedial education and training, consultation, proctoring, and/or concurrent review.
- 5) Reduction, suspension, or revocation of clinical/assigned privileges.
- 6) Suspension or termination of employment.
- 7) Modification of assigned duties.
- 8) Reduction in the amount of salary compensation in parallel with demotion.

The CEO shall have the authority to, at any time, suspend summarily the involved employee or contractor's privileges or to summarily impose consultation, concurrent review, proctoring, or other conditions or restrictions on the assigned duties of the involved party in order to reduce the substantial likelihood of violation of standards of conduct.

COMPLIANCE PROGRAM

VIII. AUDITING AND MONITORING

The Chief Compliance and Fraud Prevention Officer will conduct ongoing evaluations of compliance processes involving thorough monitoring and regular reporting to the KHS Executive leadership/officers.

The Chief Compliance and Fraud Prevention Officer will develop an annual audit plan that is designed to address KHS's key compliance risks, including but not limited to the Department of Health Care Services contract and the Department of Managed Care Knox-Keen license requirements. The audit work program steps will inquire into compliance with specific rules and policies that have been the focus of Medi-Cal regulatory agencies.

The Chief Compliance and Fraud Prevention Officer should be aware of patterns and trends in deviations identified by the audit that may indicate a systemic problem.

IX. RESPONDING TO DETECTED OFFENSES AND DEVELOPING CORRECTIVE ACTION INITIATIVES

Violations of the organization's compliance program, failure to comply with applicable state or federal law, and other requirements of government health plans, and other types of misconduct may threaten KHS's status as a reliable, honest, and trustworthy provider, capable of participating in federal and state healthcare programs. Detected, but uncorrected, misconduct may seriously endanger the mission, reputation, and legal status of the organization. Consequently, upon reports or reasonable indications of suspected noncompliance, the Chief Compliance and Fraud Prevention Officer must initiate an investigation to determine whether a material violation of applicable laws or requirements has occurred.

The steps in the internal investigation may include interviews and a review of relevant documentation. Records of the investigation should contain documentation of the alleged violation, a description of the investigative process, copies of interview notes and key documents, a log of witnesses interviewed, and the documents reviewed, results of the investigation, and the corrective actions implemented.

Additionally, the Chief Compliance and Fraud Prevention Officer must take appropriate steps to secure or prevent the destruction of documents or other evidence relevant to the investigation.

COMPLIANCE PROGRAM

If the results of the internal investigation identify a problem, the response may be immediate referral to criminal and/or civil law enforcement authorities, development of a corrective action plan, a report to the government, and submission of any overpayments, if applicable. If potential fraud or violations of the False Claims Act are involved, the Chief Compliance and Fraud Prevention Officer should report the potential violation to the Office of the Inspector General or the Department of Justice.

The CEO shall have the authority and responsibility to direct repayment to payers and the reporting of misconduct to enforcement authorities as is determined, in consultation with legal counsel, to be appropriate or required by applicable laws and rules.

If the CEO discovers credible evidence of misconduct and has reason to believe that the misconduct may violate criminal, civil, or administrative law, then the Chief Compliance and Fraud Prevention Officer will promptly report the matter to the appropriate government authority within the required timeframe after determining that there is credible evidence of a violation.

When reporting misconduct to the government, the Chief Compliance and Fraud Prevention Officer should provide all evidence relevant to the potential violation of applicable federal or state laws and the potential cost impact.

X. NON-INTIMIDATION AND NON-RETALIATION POLICIES

The organization will protect whistle-blowers from retaliation. KHS will not retaliate against employees who, in good faith, have raised a complaint against some practice of the organization, or of another individual or entity with whom KHS has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

Staff, vendors, interns, contractors, and Board Members are obligated to report to the Chief Compliance and Fraud Prevention Officer any activity he or she believes to be inconsistent with KHS's policies or state and federal law. KHS has a Whistleblower policy which is intended to encourage and enable employees and others to raise serious concerns within the organization, prior to seeking resolution outside of the organization. The policy protects employees who in good faith reports an ethics violation from harassment, retaliation, or adverse employment consequence. Any employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The Chief Compliance and Fraud Prevention Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within the

COMPLIANCE PROGRAM

required timeframes. All reports will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation.

XI. KERN HEALTH SYSTEM'S COMMITMENT TO COMPLIANCE

A. Standards of Conduct

KHS's employees are bound to comply, in all official acts and duties, with all applicable laws, rules, regulations, standards of conduct, including, but not limited to laws, rules, regulations, and directives of the federal government and the state of California, including KHS's rules, policies, and procedures. These current and future standards of conduct are incorporated by reference in this Compliance [PlanProgram](#).

All candidates for employment shall undergo a reasonable and prudent background investigation, including a reference and criminal background check. Due diligence will be used in the recruitment and hiring process to prevent the appointment to positions with substantial discretionary authority, persons whose record (professional licensure, credentials, prior employment, criminal record or specific "exclusion" from Medi-Cal funded programs) gives reasonable cause to believe the individual has a propensity to fail to adhere to applicable standards of conduct.

All new employees will receive orientation and training in compliance policies and procedures. Participation in required training is a condition of employment. Failure to participate in required training may result in disciplinary actions, up to and including, termination of employment.

Every employee is asked to attest that they have received, read, and understood the contents of the compliance plan.

Every employee will receive an initial compliance orientation and periodic training updates in compliance protocols as they relate to the employee's individual duties.

Non-compliance with the plan or violations will result in sanctioning of the involved employee(s) up to, and including, termination of employment.

B. Member Rights

We treat our members with respect and dignity and provide care that is both necessary and appropriate. No distinction is made in the admission, transfer, discharge, or care of individuals on the basis of race, creed, religion, national origin, gender, gender expression, sexual orientation, or disability. Clinical care is provided based on identified healthcare needs and Care Management is provided

COMPLIANCE PROGRAM

based on needs identified through a uniform assessment tool, and no treatment or action is undertaken without the informed consent of the patient or an authorized representative. Members are provided with a written statement of rights which conforms to all applicable laws, and ensure their autonomy and privacy are respected.

Employees involved in member's care are expected to know and comply with all applicable laws and regulations and our policies and procedures governing their particular program.

C. Personal Health Information/HIPAA

KHS collects and aggregates personal health information about our members to provide the best possible care. We realize the sensitive nature of this information and are committed to safeguarding our member's privacy.

The Chief Compliance and Fraud Prevention Officer is responsible for development and implementation of policies, procedures and educational programs that will ensure that KHS will continue to be compliant with the Privacy regulations and will also ensure that protected health information is secure.

To ensure that confidentiality is maintained, employees and their representatives must adhere to the following rules:

- Do not discuss protected health information (PHI)/ client information in public areas such as elevators, hallways, common gathering areas.
- Limit release of PHI/client information to the minimum reasonably necessary for the purpose of the disclosure.
- Do not disclose PHI without an appropriate consent signed by the member unless it is related to the person's care, payment of care, or health care operations of the organization. In an emergency, a member's consent may not be required when a healthcare provider treating the patient requests information, but the name and affiliation of the person requesting the information must be confirmed and documented in the medical record.
- Honor any restrictions on uses or disclosure of information placed by the member.
- Make sure PHI/member information stored in the computer system is properly secured.
- Be familiar with and comply with special confidentiality rules governing the disclosure of sensitive health care conditions, alcohol and substance abuse and behavioral/mental health treatment.

KHS maintains a Chief Information Officer who is responsible for the development and implementation of the policies and procedures required by the Security Rule.

COMPLIANCE PROGRAM

The Chief Information Officer is responsible for ensuring Kern Health System engages in the following activities:

- Maintain appropriate security measures to ensure the confidentiality, integrity, and availability of patients' electronic protected health information (EPHI).
- Adhere to applicable federal and state security laws and standards.
- Provide security training and orientation to all employees, volunteers, medical and professional staff.
- Comply with Security Policies including periodic risk assessments.
- Monitor access controls to EPHI to ensure appropriate access to authorized personnel.
- Maintain hardware and software with the appropriate patches and updates.
- Maintain a validation of compliance with the Data Security Standards, a set of security controls that businesses are required to implement to protect data.

D. Medical Necessity

KHS will take reasonable measures to ensure that only claims for services that are reasonable and necessary, given the member's condition/ client's needs are billed.

Documentation will support the determinations of medical necessity/member need when providing services.

KHS is aware that DHCS will only pay for services that meet the coverage criteria and are reasonable and necessary to treat or diagnose a suspected condition. Therefore, KHS's Providers will use prudent ordering practices.

In requesting diagnostic procedures or tests, KHS's Providers will make an independent medical necessity decision with regard a treatment plan. Documentation of findings and diagnoses will support the medical necessity of the service.

KHS's Providers understand that there may be limitations on services; therefore, the prior authorization process will be followed.

E. Billing

All claims for services submitted will correctly identify the services ordered. Only those services that are performed and that meet payer criteria will be billed.

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Intentionally or knowingly up coding (the selection of a code to maximize reimbursement when such code is not the most appropriate descriptor of the service offered) may result in disciplinary. KHS's providers must provide documentation to support services provided and billed based on clinical and behavioral findings and diagnoses.

Immediate disciplinary action, up to and including termination will be implemented for instances of intentional misrepresentation of any service if results in over billing.

All individuals who provide billing information and billing department employees who prepare or submit billing statements must comply with all applicable laws, rules and regulations and the organization's policies.

KHS will promptly return to payers any payments which we determine do not conform to our policies and applicable laws.

As healthcare providers, KHS's business involves reimbursement under government programs which require submission of certain reports of our costs of operations. KHS complies with all federal and state laws and regulations relating to cost reports, which define what costs are allowable and describe the appropriate methodologies to claim reimbursement for the cost of services provided to program beneficiaries. Given the complexity of this area, all issues related to the completion and settlement of cost reports must be communicated through or coordinated with the Chief Financial Officer.

F. Compliance with Applicable Fraud Alerts

The Chief Compliance and Fraud Prevention Officer will review the Medi-Cal/Medicare Fraud Alerts. [KHS has an established Fraud, Waste and Abuse Committee that assists as a consolidation point for monitoring of FWA activities within the health plan. The committee also serves as a forum for the exchange of ideas and make recommendations for remediation.](#)

The Chief Compliance and Fraud Prevention Officer will ensure that any conduct disparaged by the Fraud Alert is immediately ceased, implement corrective actions, and take reasonable actions to ensure that future violations do not occur.

[KHS has a Fraud Plan that is submitted to the regulators on an annual basis that outlines the internal process for mitigating the implication of fraudulent activities. Fraud Risk Management demonstrates the commitment to high integrity, control, and ethical values of the organization.](#)

G. Marketing

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KHS will promote only honest, straightforward, fully informative, and non-deceptive marketing. We use marketing to educate the public, increase awareness of our services and recruit employees. All marketing materials must accurately describe our services and programs. To ensure that no incorrect information is disseminated, employees must coordinate all marketing materials with and direct all media requests to the CEO or designee. KHS will only use and/or disclose any member protected health information for marketing activities if a written prior authorization is obtained.

[Marketing materials, including health education information, is subject to DHCS review and approval before using with community events or member education.](#)

H. Anti-Kickback/Inducements

KHS will not participate in nor condone the provision of inducements or receipt of kickbacks to gain business or influence referrals. KHS's Providers will consider the member's interests in offering referral for treatment, diagnostic, or service options.

Federal and state laws prohibit any form of kickback, bribe, or rebate, either directly or indirectly, in cash or in kind, to induce the purchase or referral of goods, services or items paid for by Medicare or Medi-Cal.

Self-referral laws prohibit a Provider from referring a patient for certain types of health services to an entity with which the Provider or members of his or her immediate family has a financial relationship unless there is an applicable exception under the self-referral law.

Since violations of these laws may subject both KHS and the individual involved to civil and criminal penalties and exclusion from government-funded healthcare programs, all proposed transactions with healthcare providers must be reviewed with legal counsel.

Any employee involved in promoting or accepting kickbacks or offering inducements may be terminated immediately.

I. Relationships with Subcontractors, Vendors and Suppliers

KHS is committed to employing the highest ethical standards in its relationships with subcontractors, vendors, and suppliers with respect to source selection, negotiation, determination of contract awards, and administration of purchasing activities. All subcontractors, vendors, and suppliers are to be selected solely based on objective criteria; personal relationships and friendships will play no part in the selection process. KHS does not knowingly contract or do business with a subcontractor, or vendor that has been excluded from a government-funded healthcare program. Any subcontractor, vendor, or supplier who has access to the

COMPLIANCE PROGRAM

organization's PHI and is not a covered entity, will be required to enter into a Business Associate Agreement to comply with applicable federal and state confidentiality and data protections rules, including HIPAA and 42 C.F.R. KHS will maintain a subcontractor review program for selecting and assessing the appropriate safeguards and security controls for key vendors.

J. Delegation Reporting and Compliance Plan

KHS will provide the Department of Health Care Services (DHCS) with a delegation reporting and compliance plan describing, all contractual relationships with Subcontractors and Downstream Subcontractors; KHS's oversight responsibilities for all delegated obligations; and how KHS will oversee all delegated activities, including, but not limited to, details regarding key personnel who will be overseeing such delegated functions. This reporting is provided to DHCS in the format and frequency requested and outlined in KHS policies and procedures.

[KHS maintains a Delegation Oversight Committee to ensure adequate oversight and enforcement of all regulatory, contractual, and policy requirements under which KHS is accountable to contractually to our regulatory agencies. This oversight entails the entire spectrum from pre-delegation auditing to annual compliance audits, both internally and externally, conducted by Department heads and staff with coordination through the Compliance department.](#)

K. Retention of Records/Documentation/Destruction

KHS will ensure that all records required by federal and/or state law are created and maintained. All records will be maintained as required under specific laws.

Documentation of compliance efforts will include staff meeting and committee minutes, audit reports, memoranda concerning compliance protocols, problems identified, and corrective actions taken, the results of any investigations, and documentation supportive of assessment findings, diagnoses, treatments, and plan of care.

Hard copy data that is not necessary or which the organization is no longer required to retain will be shredded and disposed of according to KHS policies.

L. Medical Record Documentation

Timely, accurate and complete documentation is important to clinical care. This documentation not only facilitates high quality care, but also serves to verify that billing is accurate as submitted.

COMPLIANCE PROGRAM

KHS requires that Providers follow these documentation guidelines:

- The medical record is complete and organized.
- Documentation is timely
- The documentation of each encounter includes the reason for the encounter, any relevant history, physical examination findings, prior diagnostic test results, assessment, clinical impression or diagnosis, plan of care, and date and legible identity of the observer.
- CPT and ICD-10 codes used for claims submission are supported by documentation in the medical record.
- Appropriate health risk factors are identified. The patient's progress, his or her response to treatment.
- Care management encounters will be documented

KHS will maintain a process for identifying and reviewing its billing and coding to ensure compliance with applicable state and federal requirements.

[This plan](#)~~KHS has attempted~~drives to provide the foundation for the development and sustainment of an effective and cost-efficient compliance program. By fostering a true cultural shift for the organization from "following" risk management to "living" risk management, KHS is poised to strengthen its enterprise-wide governance, risk, and compliance, now and in the future.



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: 2023 and 2024 Compliance Work Plan
DATE: February 15, 2024

BACKGROUND

The Department of Health Care Services (DHCS) and Department of Managed Health Care (DMHC), requires organizations that participate as a California Med-Cal plan, to have a formal compliance program. Additionally, in response to the many laws, rules and regulations governing healthcare, e.g., federal and state false claims and whistleblower laws, KHS has established an annual work plan to help the organization achieve our commitment to adhere to the highest ethical standards of conduct in all business practices.

The U.S. Health and Human Services Office of Inspector General (OIG) outlines a structure for implementing an ongoing evaluation process which is critical to a successful compliance program. Through annual review and renewal, KHS can adjust the work plan accordingly to align with the changing healthcare landscape and regulatory requirements.

Annually, KHS prepares a workplan after reviewing the latest Department of Health Care Services (DHCS) and Department of Managed Care (DMHC) priorities, recent enforcement activities, recent internal and external audit findings and other relevant topics that necessitate additional scrutiny. Additionally, the workplan includes a list of areas that the Compliance Department will audit and monitor as a risk mitigation strategy for ongoing compliance under KHS's contract and licensure.

REQUESTED ACTION

Approve.

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| ACTIVITY | DETAIL/TASK | TARGET DATE | ACCOUNTABILITY | Risk | STATUS | Q1 COMMENTS | Q2 COMMENTS | Q3 COMMENTS | Q4 COMMENTS |
|--|---|-----------------|---|------|-------------|--|---|---|--|
| Compliance Plan | | | | | | | | | |
| A. Annual Review/Update of Compliance Documents and Written Policies and Procedures | | | | | | | | | |
| 1. 2023 Compliance Plan | Create 2023 Compliance Plan and for Executive approval | 3/31/2023 | Director of Compliance | | Complete | Draft submitted to CCO 03/29/2023 | | | |
| 1a. Obtain Board Approval | Obtain Board Approval of Compliance Plan | 4/16/2023 | Chief Compliance Officer | | Complete | | BOD approval on 4/16/2023 | | |
| 2. Review/Update and Approval of Compliance Code of Conduct | Update Code of Conduct to align with 2024 DHCS Contract and obtain Board approval | 8/22/2023 | Director of Compliance | | Complete | | Updated Code of Conduct to incorporate 2024 language; approved by DHCS on 06/14/2023; will be reviewed by CEO/CCO to determine if additional updates are needed. | | |
| 2a. Obtain Board Approval of Compliance Code of Conduct | Obtain Board Approval of Compliance Code of Conduct | 11/15/2023 | Chief Compliance Officer | | In Progress | | | | Moved to Q1 2024 for Governance and Compliance Committee review and approval and forward to BOD in 2024 |
| 3. Review/Update and Approval of Compliance Guide | Update Code of Conduct to align with 2024 DHCS Contract and obtain Board approval | 11/15/2023 | Director of Compliance | | In Progress | | | | Moved to Q1 2024 for Governance and Compliance Committee review and approval and forward to BOD in 2024 |
| 3a. Obtain Compliance Committee Approval of Compliance Guide | Obtain Compliance Committee Approval of Compliance Guide | 11/15/2023 | Chief Compliance Officer | | In Progress | | | | Moved to Q1 2024 for Governance and Compliance Committee review and approval and forward to BOD in 2024 |
| 4. Create 2023 Compliance Program | Create 2023 Compliance Program description and obtain Board approval | 5/22/2023 | Director of Compliance | | | | | | |
| 4a. Obtain Compliance Committee Approval of Compliance Program | Obtain Compliance Committee Approval of Compliance Program | 11/15/2023 | Chief Compliance Officer | | Complete | Many reviews/updates underway as part of 2024 contract readiness | Updated to incorporate 2024 language; approved by DHCS on 06/14/2023; will be reviewed by CEO/CCO to determine if additional updates are needed. | | |
| 5. Coordinate Departmental Review/Update of all Policy and Procedures | Create schedule & ensure all policies | 12/31/2023 | Compliance Manager Compliance Analyst Compliance Specialist | | Pause/Delay | Many reviews/updates underway as part of 2024 contract readiness | Currently reconciling policies updated through 2024 contract readiness activities vs. policy updates for other regulatory efforts. | | Policies that were not impacted by revisions for 2024 contract review will extend into 2024 effort |
| 5a. Create schedule and distribute to stakeholders | Create schedule for policy reviews and distribute | 8/15/2023 | Compliance Manager | | Complete | | In progress and on track | Tasks created and distributed according to regulatory requirements | |
| 5b. Track to completion | All policies to be reviewed by end of year | 12/31/2023 | Compliance Manager Compliance Analyst Compliance Specialist | | In Progress | | | Policy reconciliation ongoing | Departments notified of policies needing updates. Several have been revised for 2024 contract and will be placed on new template as part of 2024 initiative. |
| 5c. Report Policy Review Status in Compliance Committee Meetings | Provide quarterly update to Compliance Committee (number reviewed/to be reviewed by department) | 3Q 2023 forward | Compliance Manager Compliance Analyst Compliance Specialist | | In Progress | | Updated to begin reporting in Compliance Committee in the third quarter meeting | Reconciling policies for 2024 contract, NCQA, and APL alignment ongoing | Q4 2023 Compliance meeting with be held in Q1 2024 |
| 6. Review/Update Compliance Policy & Procedures | Review/Update all Compliance owned policy and procedures | 12/31/2023 | Director of Compliance Compliance Manager | | Complete | | Several policies updated through 2024 Contract Readiness deliverables; remaining policies will be reviewed by target date | Reconciling policies for 2024 contract, NCQA, and APL alignment ongoing | Updates completed |
| 6a. Create Public versions of policies where needed (e.g. FWA, HIPAA) | Create public facing versions of identified policies (e.g. HIPAA; FWA; etc) | 10/31/2023 | Director of Compliance Compliance Analyst | | Complete | | Updated for 2024 DHCS Contract Readiness; public-facing policies created, will be sent internally for review and then filed with regulators for approvals by 08/31/2023 | Updated due date to 10/31/2023; HIPAA policies being revamped to separate into multiple new policies for multiple subjects (access; amendment, verification of authority, etc.). On track to be completed by 10/31/2023 | Updates completed |
| 6b. Finalize New HIPAA Privacy policies and procedures | Create missing privacy-related policies and procedures | 10/31/2023 | Director of Compliance Compliance Manager | | In Progress | | Updated for 2024 DHCS Contract Readiness. Gaps also identified for Federal HIPAA requirements and additional policies being created. In progress; will be sent internally for review and then filed with regulators for approvals by 08/31/2023 | Updated due date to 10/31/2023; HIPAA policies being revamped to separate into multiple new policies for multiple subjects (access; amendment, verification of authority, etc.). On track to be completed by 10/31/2023 | NCQA accreditation updates needed for finalization |
| B. Compliance Committee and Oversight | | | | | | | | | |

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| ACTIVITY | DETAIL/TASK | TARGET DATE | ACCOUNTABILITY | Risk | STATUS | Q1 COMMENTS | Q2 COMMENTS | Q3 COMMENTS | Q4 COMMENTS |
|---|--|-------------------------|--|------|-------------|----------------------------|---|--|---|
| 1. Conduct Committee Meetings at least quarterly | | | | | | | | | |
| 1a. Conduct Compliance Committee meetings at least quarterly | Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly | Quarterly | Director of Compliance Compliance Manager | | Complete | Q1 Meeting held 03/27/2023 | Q2 Meeting held 07/10/2023 | Q3 Meeting held 10/9/2023 | Q4 Meeting to be held in 2024 |
| 1b. Conduct Fraud, Waste, and Abuse Committee at least quarterly | Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly | Quarterly | Director of Compliance Compliance Manager | | Complete | Q1 Meeting held 04/17/2023 | Q2 Meeting held 07/25/2023 | Q3 meeting held 10/10/2023 | Q4 Meeting to be held in 2024 |
| 1c. Conduct Delegation Oversight Committee at least quarterly | Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly | Quarterly | Director of Compliance Compliance Manager | | Complete | Q1 Meeting held 03/24/2023 | Q2 Meeting held 07/26/2023 | Q3 meeting scheduled 10/17/2023 | Q4 Meeting to be held in 2024 |
| 2. Review/update Committee Charters at least annually | | | | | | | | | |
| Review/Update Charters and obtain Committee Approvals | | | | | | | | | |
| 2a. Compliance Committee | Review/Update Charter | 11/30/2023 | Chief Compliance Officer | | Complete | | | Will schedule review/approval to align with 2024 contract implementation | No updates were made in 2023 |
| 2a.1 Obtain Committee Approval | Obtain Committee Approval on updated Charter | 11/30/2023 | Chief Compliance Officer | | Complete | | | Will schedule review/approval to align with 2024 contract implementation | No updates were made in 2023 |
| 2b. FWA Committee | Review/Update Charter | 11/30/2023 | Chief Compliance Officer | | Complete | | | Will schedule review/approval to align with 2024 contract implementation | No updates were made in 2023 |
| 2a.1 Obtain Committee Approval | Obtain Committee Approval on updated Charter | 11/30/2023 | Chief Compliance Officer | | Complete | | | Will schedule review/approval to align with 2024 contract implementation | No updates were made in 2023 |
| 2c. Delegation Oversight Committee | Review/Update Charter | 11/30/2023 | Chief Compliance Officer | | Complete | | | Will schedule review/approval to align with 2024 contract implementation | No updates were made in 2024 |
| 2c.1 Obtain Committee Approval | Obtain Committee Approval on updated Charter | 11/30/2023 | Chief Compliance Officer | | Complete | | | Will schedule review/approval to align with 2024 contract implementation | No updates were made in 2024 |
| 3. Provide regular Compliance Updates to the Board of Directors | Distribute monthly Compliance Corner email communication by th 10th of each month | Bi-Monthly BOD Meetings | Chief Compliance and Fraud Prevention Officer/Director of Compliance | | Complete | 02/16/2023 BOD Update | Due to agenda, update not provided | 8/16/2023 BOD update, including recommendatin for new format and Board and Compliance Governance Committee, oending final approval | Compliance report is included in each bi-monthly BOD meeting with verbal updates at least quarterly |
| C. Effective Training and Education | | | | | | | | | |
| 1. In coordination with HR, review/update Corporate Compliance Training for calendar year 2024 | | | | | | | | | |
| 1a. Compliance Training | Review/update Compliance Training | 11/30/2023 | Director of Compliance | | Complete | In progress | Reviewed for 2023, but additional enhancements to be created for 2024 training. | | |
| 1b. Fraud, Waste, and Abuse Training | Review/Update FWA Training | 11/30/2023 | Director of Compliance | | Complete | | Reviewed for 2023, but additional enhancements to be created for 2024 training. | | |
| 1c. HIPAA/Privacy Training | Review/Update HIPAA/Privacy Training | 11/30/2023 | Director of Compliance | | Complete | | Reviewed for 2023, but additional enhancements to be created for 2024 training. | | |
| 2. In coordination with HR, track/report on completion of mandatory training (Compliance, FWA, HIPAA) | | | | | | | | | |
| Track annual training to completion | | | | | | | | | |
| 2a. Report training status in quarterly Compliance Committee Meetings | Report status of training completions, by department, in quarterly Compliance Committee Meetings | Quarterly | Director of Compliance (HR resource TBD) | | Complete | | Report in October Compliance Committee Meeting and moving forward | Report reviewed in 10/09/2023 Compliance Committee Meeting and moving forward | |
| 3. Review/Update New Hire Orientation Overview | Review/Update Compliance New Hire Orientation Overview | 5/15/2023 | Director of Compliance | | Complete | | Updated and completed monthly by Chief Compliance Officer with new hires | Completed monthly by Chief Compliance Officer with new hires | |
| 4. Compliance & Ethics Week | Plan and Execute activities for annual Compliance & Ethics Week | 11/15/2023 | Compliance Manager Compliance Team Members | | Complete | | | | Compliance week completed successfully with several KHS staff participating with Kern Buck awards |
| 5. Establish Compliance Training for Subcontractors | Establish content and method for delegated entity/subcontractor Compliance training | 10/31/2023 | Compliance Manager Director of Compliance | | In Progress | | | | Continued in 2024 as required in 2024 contract |
| 5a. Identify Delegated Entities/Subcontractors to receive training | Identify subcontractors to which Compliance Training applies | 8/31/2023 | Compliance Manager Director of Compliance | | Complete | | Stria no longer a business partner with KHS | KP, VSP, Health Dialog, Language Line, and AL are identified as delegated entities | KP contract ended 12/31/2023 |
| 5b. Implement Compliance Training for Subcontractors | Implement delegated entity/identified subcontractor training | 12/31/2023 | Compliance Manager Director of Compliance | | In Progress | | | | Continued in 2024 as required in 2024 contract |

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| ACTIVITY | DETAIL/TASK | TARGET DATE | ACCOUNTABILITY | Risk | STATUS | Q1 COMMENTS | Q2 COMMENTS | Q3 COMMENTS | Q4 COMMENTS |
|---|--|-------------------------|--|------|-----------------|---|--|---|---|
| 6. Review and provide feedback on content of Provider Manual | Review and continually expand upon content of Provider Manual for Compliance-related topics | Quarterly | Compliance Manager Director of Compliance | | Complete | Compliance Manager Completed Review Director to review and submit to PNM | Provided feedback to PNM for updating FWA section in Q2 On track to provide additional information to include regarding HIPAA for Q3 review | | Provided feedback to PNM for updating HIPAA/FWA section in Q4 |
| 7. Compliance distributes notifications to key stakeholders of any DHCS-related meeting/webinar/presentations | Receive, review, distribute regulatory updates regarding trainings, webinars, meetings to relevant stakeholders | Ongoing | Compliance Manager | | Complete | | | | |
| 8. 2024 DHCS Contract Readiness Activities | Compliance coordinates with project team and key stakeholders on deliverables, AIRs, and implementation readiness | Ongoing | Director of Compliance Compliance Analyst | | Complete | | 196 deliverables submitted to date and 190 approved by DHCS; 5 items still under DHCS review and 1 on hold by DHCS. 55 deliverables with future due dates remain and are on target for submission. | To date, 254 total deliverables with 218 approved by DHCS. KHS received approval from DHCS to move forward with 2024 contract based on deliverables to date. Remaining MOU work will continue through mid 2024. | All deliverables completed with MOU and reporting templates ongoing for execution and status reports as required by DHCS for Q1-Q2 2024 |
| 9. Compliance key personnel attend regulatory-focused meetings: | Attend calls and report relevant updates to key stakeholders | | | | | | | | |
| 9a. LHPC call (weekly) | | Weekly | Director of Compliance | | Complete | | Compliance attends weekly calls | Compliance attends weekly calls | Compliance attends weekly calls |
| 9b. CAHPS meeting (weekly) | | Weekly | Manager of Compliance | | Complete | | Compliance attends weekly calls | Compliance attends weekly calls | Compliance attends weekly calls |
| 9c. DHCS Plan Call (including Payment Call) (weekly) | | Weekly | Director of Compliance | | Complete | | Compliance attends weekly calls | Compliance attends weekly calls | Compliance attends weekly calls |
| 9d. DHCS topic-specific webinars/meetings (ad hoc) | | As scheduled | Director of Compliance Compliance Manager | | Complete | | Compliance attends weekly calls topic-specific and webinars as scheduled by DHCS | Compliance attends weekly calls | Compliance attends weekly calls |
| 9e. DMHC Roundtable Meetings (quarterly) | | Quarterly | Director of Compliance | | Complete | | Compliance Director attends quarterly | Compliance attends weekly calls | Compliance attends weekly calls |
| 9f. LHPC Compliance Officer Meetings (monthly) | | Monthly | Chief Compliance Officer Director of Compliance | | Complete | | Compliance attends monthly | Compliance attends weekly calls | Compliance attends weekly calls |
| 9g. LHPC Compliance Officer Contract Readiness (bi-monthly) | | Bi-Monthly | Chief Compliance Officer Director of Compliance | | Complete | | This meeting ended in Q1 and conversation rolled into 9f above. | N/A | N/A |
| D. Effective Lines of Communication | | | | | | | | | |
| 1. Distribute Monthly "Compliance Capsule" email communications | Distribute monthly Compliance Capsule email communication by th 15th of each month | 05/15/2023 - 12/15/2023 | Compliance Manager Compliance Analysts | | Complete | | Began sending out monthly Compliance Capsule and posting to Ceridian: May Compliance Capsule: HIPAA June Compliance Capsule: FWA | July Compliance Capsule: DMHC vs DHCS Education August Capsule: Communication with Compliance September Capsule: Conflict of Interest | October Capsule: Delegation and Oversight November Capsule: Compliance and Ethics Week activities December Capsule: Regulatory Calendar |
| 2. Conduct Compliance Awareness Survey | Compliance will implement a compliance survey to obtain feedback from employees regarding various compliance topics such as training, retaliation, HIPAA, and the Compliance HelpLine. Such surveys evaluate how well the compliance program is functioning and identify areas that can be strengthened. | 11/30/2023 | Compliance Manager / Director of Compliance | | Pause/ Delay | | | Updated due date to 11/30/2023 to conduct survey following completion of Compliance Week activities in early November. | Drafted for execution in 2024 |
| 4. Focus at least one monthly Compliance Capsule email on methods for communication with Compliance | | 8/15/2023 | Director of Compliance | | Complete | | Compliance Capsule posted each months Q2 | Compliance Capsule posted each months Q3-August focused on communication | Compliance Capsule posted each months Q4 with exception in November for Compliance Week activities |
| 5. Compliance Updates | | | Chief Compliance Officer Director of Compliance | | | | | | |
| 5a. Compliance provide updates at monthly in Executive Officers Meeting | | Monthly | Chief Compliance Officer Director of Compliance | | Complete | Updates on Compliance issues provided during monthly ELT meetings 2/28/23; 3/28/23. | Updates on Compliance issues provided during monthly ELT meetings 4/11/23; 5/2/23; 5/23/23; 6/6/23; 6/20/2023. | Updates on Compliance issues provided during monthly ELT meetings 8/1/23; 9/1/1/23 | Updates on Compliance issues provided during monthly ELT meetings 11/7/23; 12/5/23 |
| 5b. Compliance provides updates at least every-other-month in Operations Meeting | | Ad hoc | Chief Compliance Officer Director of Compliance | | Complete | Regulatory audits | Sanctions | Operational readiness | Regulatory audits |
| 6. Compliance continues to coordinate communication and hold meetings as needed regarding regulatory updates (APLs, emails, DHCS weekly meetings, etc.) | | Ongoing | Compliance Manager Director of Compliance | | Complete | Daily, weekly, monthly | Daily, weekly, monthly | Daily, weekly, monthly | Daily, weekly, monthly |
| 7. Participate in weekly Grievance & Appeals review meetings | review materials, attend meetings, request updates, provide education in weekly meetings | weekly | Director of Compliance | | Complete | Compliance Director has participated and provided feedback in each weekly meeting | Compliance Director has participated and provided feedback in each weekly meeting | Compliance Director has participated and provided feedback in each weekly meeting | Compliance Director has participated and provided feedback in each weekly meeting |

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| ACTIVITY | DETAIL/TASK | TARGET DATE | ACCOUNTABILITY | Risk | STATUS | Q1 COMMENTS | Q2 COMMENTS | Q3 COMMENTS | Q4 COMMENTS |
|---|--|-----------------|---|------|-------------|---|---|---|--|
| 8. Participate in weekly Discriminations review meetings | review materials, attend meetings, request updates, provide education in weekly meetings | weekly | Director of Compliance | | Complete | Compliance Director has participated and provided feedback in each weekly meeting | Compliance Director has participated and provided feedback in each weekly meeting | Compliance Director has participated and provided feedback in each weekly meeting | Compliance Director has participated and provided feedback in each weekly meeting |
| E. Well Publicized Disciplinary Standards | | | | | | | | | |
| 1. In coordination with HR, ensure review of new hires against exclusionary databases and report out in Compliance Committee | | 10/30/2023 | Director of Compliance | | Complete | | | Confirmed with HR on recent new hires for review of exclusionary database cross reference in October 2023 | |
| 2. Incorporate further emphasis on disciplinary standards into Compliance materials, trainings, policies, and new hire orientation | | 11/30/2023 | Director of Compliance | | Complete | | | Add information to new hire orientation presentation at onboarding 10/9/2023 | |
| F. Routine Monitoring and Identification of Compliance Risks | | | | | | | | | |
| 1. Complete Risk Assessments and incorporate into Compliance Auditing/Monitoring Plan for 2024 | | 8/30/2023 | Director of Compliance | | | | | | |
| 1a. 2022 APLs | | 8/30/2023 | Director of Compliance | | Complete | | Compliance completed risk assessment of 2022 APLs and prioritized for retrospective reviews | Prioritized APL retrospective reviews (10) for completion | |
| 1b. 2022 DHCS Medical Survey Findings | | 8/30/2023 | Director of Compliance | | Complete | | | CAP review and discussion | (1) outstanding finding open R/T tertiary facility ownership and disclosure documents not received |
| 1c. 2023 DMHC Medical Survey Findings | | 8/30/2023 | Director of Compliance | | Pause/Delay | | Remediations based on potential issues | | Still pending notification from DMHC |
| 1d. Prior Regulatory Audits | | 8/30/2023 | Director of Compliance | | Complete | | Exclusion criteria for credentialing | IHA, UM NOA, AA and Gold Card | |
| 4. Establish Routine monthly Operational Reporting for Monitoring/Oversight/Identification of Potential Compliance Issues (e.g. Grievance timeliness) | | 04/30/2023 | Director of Compliance | | In Progress | Has been added to 2024 Readiness project as acceptance criteria | Defined requirements and currently working with 2024 DHCS Contract Readiness Project Team to develop Compliance Dashboard On Track for Grievance team to provide independent timeliness reporting in Q3 Compliance Committee Meeting | | Dashboard under development continues in 2024 |
| 5. Based on final monitoring plan, report on items being monitored in quarterly Compliance Committee Meeting | | 10/31/2023 | Director of Compliance | | In Progress | | On track to report out in 10/9/2023 Compliance Committee Meeting | | Report Q4 in Q1 2024 |
| 6. Based on final internal auditing plan, conduct and report out on all audits in the Compliance Committee Meeting (# TBD) | | Q3 2023 | Director of Compliance | | Complete | | | (10) Internal retrospective audit began in 7/2023- Q3 Compliance committee | |
| G. Procedures and Systems for Prompt Response to Compliance Issues | | | | | | | | | |
| 1. Create Compliance Issues Tracking Log | | 2/1/2023 | Director of Compliance | | Complete | Log created and 2023 items being tracked | | | |
| 1a. Report on status of Compliance Issues in quarterly Compliance Committee Meetings | | Q3, Q4 meetings | Director of Compliance Manager of Compliance | | In Progress | | Log implemented; Compliance Committee Reporting will begin with 10/09/2023 Compliance Committee Meeting | | Review of departmental reports to identify gaps for remediation-Q4 report in Q1 2024 |
| 2. Create Compliance Policy for Prompt Response to compliance Issues (include tracking mechanism, reporting, CAP process) | | 06/30/2023 | Director of Compliance | | Complete | | Draft policy completed | | |
| 2a. Create Corrective Action Plan template for CAPs (internal/external) | | 11/30/2023 | Director of Compliance | | Complete | | Began compiling options for actual template | Q3 completion | |

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| ACTIVITY | DETAIL/TASK | TARGET DATE | ACCOUNTABILITY | Risk | STATUS | Q1 COMMENTS | Q2 COMMENTS | Q3 COMMENTS | Q4 COMMENTS |
|--|--|---------------------|--|------|-------------|---|--|--|--|
| 2b. Report on status of CAPS in quarterly Compliance Committee Meetings | | Q2, Q3, Q4 meetings | Director of Compliance | | Complete | | No Corrective Action Plans issued | CAPs in draft and will be reported in Compliance Committee Meeting on 10/09/2023: * Kaiser Audit * VSP access & availability * Provider potential FWA | CAPs issued to KP, VSP and provider FWA |
| H. Fraud, Waste, and Abuse (FWA) | | | | | | | | | |
| 1. Attend Annual and Quarterly DOJ FWA Trainings | | 12/31/2023 | Director of Compliance Chief Compliance Officer Compliance Analyst | | Complete | Director of Compliance and Compliance Analyst attended in February | CCO attended 5/9/23 in San Francisco | KHS did not attend August meeting-DOJ omitted invite | KHS attended DOJ meeting in LA November 28, 2023 |
| 2. Review/Update Annual FWA Plan | Review, update, and submit annual FWA plan to DMHC | 12/31/2023 | Director of Compliance | | Complete | | | FWA subgroup chaired by CCO to review process for monitoring/oversight | |
| 3. Facilitate FWA Data Mining Workgroup at least every other month | Facilitate workgroup meetings and prioritize | Ongoing | Director of Compliance | | Complete | | Meeting held 6/12/23 | Meeting held 9/11/2023 | Meeting held 12/11/2023 |
| 3b. Identify and assess at least one FWA Data Mining Initiative per quarter | | Ongoing | Director of Compliance / Compliance Analyst Data Mining Workgroup | | Complete | * Impossible Visits and high-level E&M currently underway * Data refresh for transportation requested for 2nd quarter initiative | Transportation (ghost/duplicate trips) | Lab tests and telehealth reviewed for overutilization | |
| 4. Conduct investigations regarding potential FWA and provide Updated FWA Reporting to FWA Committee | | Ongoing | Director of Compliance / Compliance Analyst | | Complete | | Investigations ongoing; 104 cases received in 2023 through June 30, 2023; 80 complete. Status reported in 04/17/2023 FWA Committee | Investigations ongoing; 64 cases received in 2023 Q3 2023. Total of 100 cases reported to DHCS for further investigations through Q3 2023 | Investigations ongoing; 46 cases received through November 2023. KHS submitted total of 126 609 forms to DHCS. |
| I. Delegation Oversight | | | | | | | | | |
| 1. Schedule & Coordinate Annual Delegation Oversight Audits | | | | | | | | | |
| 1a. Kaiser | | 9/30/2023 | PNM | | Complete | | KP requesting to delay until August/September 2023 due to other scheduled audits. On track to complete by end of Q3 | Completed in Spetember 2023-final report to KP October 11, 2023 | CAP issued to KP |
| 1b. VSP | | 10/31/2023 | PNM/UM | | Pause/Delay | Claims and Credentialing completed | On track to complete by end of Q3 | Planned for October 2023 | VSP issued CAP for Provider Access |
| 1c. Stria | | 8/31/2023 | Robin Dow-Morales - monthly Stria quality audit Director of Compliance | | Complete | | Stria/Bitwise business furloughed/closed May 2023-services no longer utilized/delegated. Claims completed monthly Audits through March | N/A | N/A |
| 1d. American Logistics (AL) | | 11/30/2023 | Member Services Marketing | | Pause/Delay | | | Planned for November 2023 | Moved to Q1 2024 |
| 1e. Health Dialog | | 10/31/2023 | UM | | Pause/Delay | Identify additional elements that need to be audited (in progress) | | Planned for October 2023 | Moved to Q1 2024 |
| 2. Determine additional Subcontractors to be audited (e.g. Interpreter, Health Education vendors, etc.) and develop schedule | | 8/30/2023 | Director of Compliance (w/ Director of C&L/HE) | | In progress | | Language line oversight implemented | | Moved to Q1 2024 |
| 3. Participate in quarterly delegated subcontractor joint operating meetings (JOM) | | | | | | | | | |
| 3a. Kaiser | | Ongoing | Director of Compliance | | Complete | Director of Compliance participated in 03/22/2023 JOM and 2/27/2023 Transition plan | Director of Compliance participated in 06/29/2023 JOM | Director of Compliance participated in 06/23/2023 JOM | Director of Compliance participated in 12/15/2023 JOM/Transition Plan |
| 3b. VSP | | Ongoing | Director of Compliance | | Complete | Director of Compliance participated in 02/01/2023 JOM | Director of Compliance participated in 05/10/2023 JOM | Director of Compliance participated in Q3 2023 JOM | Director of Compliance participated in Q4 2023 JOM |
| 3c. AL | | Ongoing | Director of Compliance | | Complete | | Director of Compliance added to distribution and participated in 05/25/2023 JOM | Director of Compliance participated in 8/17/2023 JOM | Director of Compliance participated in 11/28/2023 JOM |
| 3d. Health Dialog | | Ongoing | Director of Compliance | | Complete | | Director of Compliance added to distribution and participated in 05/11/2023 JOM | Director of Compliance participated in 8/24/2023 JOM | Director of Compliance participated in 11/20/2023 JOM |

**KERN HEALTH SYSTEMS
2023
Compliance Program**

| ACTIVITY | DETAIL/TASK | TARGET DATE | ACCOUNTABILITY | Risk | STATUS | Q1 COMMENTS | Q2 COMMENTS | Q3 COMMENTS | Q4 COMMENTS |
|---|--|--|------------------------|------|-------------|--|---|---|----------------------------------|
| 4. Create delegation reporting and compliance plan in accordance with 2024 contract readiness requirements | | | Director of Compliance | | Complete | | Delegation reporting and compliance plan was drafted and submitted to DHCS for approval on 06/14/2023 | | |
| 4a. Delegation Function Matrix | | 6/30/2023 | Director of Compliance | | Complete | | Delegation Function Matrix was drafted and submitted to DHCS for approval on 06/14/2023 | | |
| 4b. Delegation Justification and Plan | | 6/30/2023 | Director of Compliance | | Complete | | Delegation justification and plan was drafted and submitted to DHCS for approval on 06/14/2023 | | |
| 4c. Contract Requirements Grid | | 6/30/2023 | Director of Compliance | | Complete | | Delegation reporting and compliance plan was drafted and submitted to DHCS for approval on 06/14/2023 | | |
| 5. Track Delegated Entity Compliance with APLs through APL grid attestation at least quarterly | Distribute APL grid to Kaiser and VSP; follow up as needed with subcontractors to complete; report out on status in Delegation Oversight Committee quarterly | Send by the 15th of the month following each quarter | Compliance Manager | | In progress | 2022 Grid distributed and responses received | Q1 distributed to Kaiser and VSP 04/03/2023 | Q2 distributed to Kaiser and VSP 07/17/2023 | Q3 distributed to Kaiser and VSP |
| 5a. Report status of Delegates APL compliance quarterly | Report status in Delegation Oversight Committee meeting quarterly | Meeting schedule | Compliance Manager | | In progress | | Review in 07/26/2023 Delegation Oversight Committee Meeting | | Q3 reported in Q1 2024 |
| 5b. Determine if/how to incorporate other subcontractors and which subcontractors and begin distribution/tracking | Distribute APL grid and track to ensure responses received | Meeting schedule | Compliance Manager | | In progress | | | | |

KERN HEALTH SYSTEMS
2024
Compliance Program

| ACTIVITY | DETAIL/TASK | TARGET DATE | ACCOUNTABILITY | Risk | STATUS | Q1 COMMENTS | Q2 COMMENTS | Q3 COMMENTS | Q4 COMMENTS |
|--|--|-------------------------|---|------|-------------|-------------|-------------|-------------|-------------|
| Compliance Plan | | | | | | | | | |
| A. Annual Review/Update of Compliance Documents and Written Policies and Procedures | | | | | | | | | |
| 1. 2024 Compliance Work Plan | Create 2024 Compliance Plan | | Chief Compliance Officer Director of Compliance | | | | | | |
| 1a. Obtain Board Approval | Obtain Board Approval of Compliance Work Plan | 2/15/2024 | Chief Compliance Officer | | In Progress | | | | |
| 2. Review/Update and Approval of Compliance Code of Conduct | Update Code of Conduct to align with 2024 DHCS Contract and obtain Board approval | | Chief Compliance Officer Director of Compliance | | | | | | |
| 2a. Obtain Board Approval of Compliance Code of Conduct | Obtain Board Approval of Compliance Code of Conduct | 4/11/2024 | Chief Compliance Officer | | In Progress | | | | |
| 3. Review/Update and Approval of Compliance Guide | Update Code of Conduct and obtain Board approval | | Chief Compliance Officer Director of Compliance | | | | | | |
| 3a. Obtain Compliance Committee Approval of Compliance Guide | Obtain Compliance Committee Approval of Compliance Guide | 2/1/2024 | Chief Compliance Officer | | In Progress | | | | |
| 3b. Obtain Board approval of Compliance Guide | Obtain Board approval of Compliance Guide | 4/11/2024 | Chief Compliance Officer | | In Progress | | | | |
| 4. Create 2024 Compliance Program | Create 2024 Compliance Program | | Chief Compliance Officer Director of Compliance | | | | | | |
| 4a. Obtain Compliance Committee Approval of Compliance Program | Obtain Compliance Committee Approval of Compliance Program | 2/1/2024 | Chief Compliance Officer | | In Progress | | | | |
| 4b. Obtain Board approval of Compliance Program | Obtain Board approval of Compliance Program | 2/15/2024 | Chief Compliance Officer | | In Progress | | | | |
| 5. Coordinate Departmental Review/Update of all Policy and Procedures | Create schedule & ensure all policies | | Compliance Manager Compliance Analyst Compliance Specialist | | | | | | |
| 5a. Create schedule and distribute to stakeholders | Create schedule for policy reviews and distribute | 3/1/2024 | Compliance Manager | | In Progress | | | | |
| 5b. Track to completion | All policies to be reviewed by end of year | 12/31/2024 | Compliance Manager Compliance Analyst Compliance Specialist | | In Progress | | | | |
| 5c. Report Policy Review Status in Compliance Committee Meetings | Provide quarterly update to Compliance Committee (number reviewed/to be reviewed by department) | Quarterly | Compliance Manager Compliance Analyst Compliance Specialist | | In Progress | | | | |
| 6. Review/Update Compliance Policy & Procedures | Review/Update all Compliance owned policy and procedures | | Director of Compliance Compliance Manager | | | | | | |
| 6a. Create Public versions of policies where needed (e.g. FWA, HIPAA) | Create public facing versions of identified policies (e.g. HIPAA; FWA; etc) | 6/1/2024 | Director of Compliance Compliance Analyst | | In Progress | | | | |
| B. Compliance Committee and Oversight | | | | | | | | | |
| 1. Conduct Committee Meetings at least quarterly | | | | | | | | | |
| 1a. Conduct Compliance Committee meetings at least quarterly | Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly | Quarterly | Director of Compliance Compliance Manager | | In Progress | | | | |
| 1b. Conduct Fraud, Waste, and Abuse Committee at least quarterly | Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly | Quarterly | Director of Compliance Compliance Manager | | In Progress | | | | |
| 1c. Conduct Delegation Oversight Committee at least quarterly | Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly | Quarterly | Director of Compliance Compliance Manager | | In Progress | | | | |
| 2. Review/update Committee Charters at least annually | | | | | | | | | |
| 2a. Compliance Committee | Review/Update Charter | 3/1/2024 | Chief Compliance Officer | | | | | | |
| 2a.1 Obtain Committee Approval | Obtain Committee Approval on updated Charter | Q2 2024 | Chief Compliance Officer | | | | | | |
| 2b. FWA Committee | Review/Update Charter | 3/1/2024 | Chief Compliance Officer | | | | | | |
| 2a.1 Obtain Committee Approval | Obtain Committee Approval on updated Charter | Q2 2024 | Chief Compliance Officer | | | | | | |
| 2c. Delegation Oversight Committee | Review/Update Charter | 3/1/2024 | Chief Compliance Officer | | | | | | |
| 2c.1 Obtain Committee Approval | Obtain Committee Approval on updated Charter | Q2 2024 | Chief Compliance Officer | | | | | | |
| 3. Provide regular Compliance Updates to the Board of Directors | | Bi-Monthly BOD Meetings | Chief Compliance and Fraud Prevention Officer | | | | | | |
| C. Effective Training and Education | | | | | | | | | |

**KERN HEALTH SYSTEMS
2023
Compliance Program**

| ACTIVITY | DETAIL/TASK | TARGET DATE | ACCOUNTABILITY | Risk | STATUS | Q1 COMMENTS | Q2 COMMENTS | Q3 COMMENTS | Q4 COMMENTS |
|---|---|----------------------|--|------|-------------|---|-------------|-------------|-------------|
| 1. In coordination with HR, review/update Corporate Compliance Training for calendar year 2024 | | | | | | | | | |
| 1a. Compliance Training | Review/update Compliance Training | 4/1/2024 | Director of Compliance | | | | | | |
| 1b. Fraud, Waste, and Abuse Training | Review/Update FWA Training | 4/1/2024 | Director of Compliance | | | | | | |
| 1c. HIPAA/Privacy Training | Review/Update HIPAA/Privacy Training | 4/1/2024 | Director of Compliance | | | | | | |
| 2. In coordination with HR, track/report on completion of mandatory training (Compliance, FWA, HIPAA) | Track annual training to completion | | Director of Compliance (HR resource TBD) | | | | | | |
| 2a. Report training status in quarterly Compliance Committee Meetings | Report status of training completions, by department, in quarterly Compliance Committee Meetings | Quarterly | Director of Compliance (HR resource TBD) | | In Progress | | | | |
| 3. Review/Update New Hire Orientation Overview | Review/Update Compliance New Hire Orientation Overview | 1/1/2024 | Chief Compliance and Fraud Prevention Officer | | Complete | Updated for 2024 in HR scheduled onboarding | | | |
| 4. Compliance & Ethics Week | Plan and Execute activities for annual Compliance & Ethics Week | 11/15/2024 | Compliance Manager Compliance Team Members | | | | | | |
| 5. Establish Compliance Training for Subcontractors | Establish content and method for delegated entity/subcontractor Compliance training | 3/1/2024 | Compliance Manager Director of Compliance | | | | | | |
| 5a. Identify Delegated Entities/Subcontractors to receive training | Identify subcontractors to which Compliance Training applies | 3/1/2024 | Compliance Manager Director of Compliance | | | | | | |
| 5b. Implement Compliance Training for Subcontractors | Implement delegated entity/identified subcontractor training | 4/1/2024 | Compliance Manager Director of Compliance | | | | | | |
| 6. Review and provide feedback on content of Provider Manual | Review and continually expand upon content of Provider Manual for Compliance-related topics | Quarterly | Compliance Manager Director of Compliance | | In Progress | | | | |
| 7. Compliance distributes notifications to key stakeholders of any DHCS-related meeting/webinar/presentations | Receive, review, distribute regulatory updates regarding trainings, webinars, meetings to relevant stakeholders | Ongoing | Compliance Manager | | In Progress | | | | |
| 8. 2024 DHCS Contract Monitoring Activities | Compliance coordinates with project team and key stakeholders | Ongoing | Director of Compliance Compliance Analyst | | In Progress | | | | |
| 9. Compliance key personnel attend regulatory-focused meetings: | Attend calls and report relevant updates to key stakeholders | | | | | | | | |
| 9a. LHPC call (weekly) | | Weekly | Director of Compliance | | In Progress | | | | |
| 9b. CAHPS meeting (weekly) | | Weekly | Manager of Compliance | | In Progress | | | | |
| 9c. DHCS Plan Call (including Payment Call) (weekly) | | Weekly | Director of Compliance | | In Progress | | | | |
| 9d. DHCS topic-specific webinars/meetings (ad hoc) | | As scheduled | Director of Compliance Compliance Manager | | In Progress | | | | |
| 9e. DMHC Roundtable Meetings (quarterly) | | Quarterly | Director of Compliance | | In Progress | | | | |
| 9f. LHPC Compliance Officer Meetings (monthly) | | Monthly | Chief Compliance Officer Director of Compliance | | In Progress | | | | |
| 9g. LHPC Compliance Officer Contract Readiness (bi-monthly) | | Bi-Monthly | Chief Compliance Officer Director of Compliance | | In Progress | | | | |
| D. Effective Lines of Communication | | | | | | | | | |
| 1. Distribute Monthly "Compliance Capsule" email communications | Distribute monthly Compliance Capsule email communication by th 15th of each month | 1/15/2024-12/15/2024 | Compliance Manager Compliance Analysts | | In Progress | | | | |
| 2. Conduct Compliance Awareness Survey | Compliance will implement a compliance survey to obtain feedback from employees to evaluate how well the compliance program is functioning and identify areas that can be strengthened. | 3/1/2024 | Compliance Manager / Director of Compliance | | | | | | |
| 3. Focus on at least one monthly Compliance Capsule email on methods for communication with Compliance | | 6/1/2024 | Director of Compliance | | | | | | |
| 4. Compliance Updates | | | | | | | | | |

KHS Board of Directors Meeting, February 15, 2024

KERN HEALTH SYSTEMS
2023
Compliance Program

| ACTIVITY | DETAIL/TASK | TARGET DATE | ACCOUNTABILITY | Risk | STATUS | Q1 COMMENTS | Q2 COMMENTS | Q3 COMMENTS | Q4 COMMENTS |
|---|--|----------------------|--|------|-------------|-------------|-------------|-------------|-------------|
| 4a. Compliance provide updates at monthly in Executive Officers Meeting | | Monthly | Chief Compliance Officer | | In Progress | | | | |
| 4b. Compliance provides updates at least every-other-month in Operations Meeting | | Ad hoc | Chief Compliance Officer Director of Compliance | | In Progress | | | | |
| 4c. Compliance provide updates at BI-monthly Board meetings | | Bi-monthly | Chief Compliance Officer | | In Progress | | | | |
| 5. Compliance continues to coordinate communication and hold meetings as needed regarding regulatory updates (APLs, emails, DHCS weekly meetings, etc.) | | Ongoing | Compliance Manager Director of Compliance | | In Progress | | | | |
| 6. Participate in weekly Grievance & Appeals review meetings | review materials, attend meetings, request updates, provide education in weekly meetings | weekly | Director of Compliance | | In Progress | | | | |
| 7. Participate in weekly Discriminations review meetings | review materials, attend meetings, request updates, provide education in weekly meetings | weekly | Director of Compliance | | In Progress | | | | |
| E. Well Publicized Disciplinary Standards | | | | | | | | | |
| 1. In coordination with HR, ensure review of new hires against exclusionary databases and report out in Compliance Committee | | Ongoing | Director of Compliance | | In Progress | | | | |
| 2. Incorporate further emphasis on disciplinary standards into Compliance materials, trainings, policies, and new hire orientation | | Ongoing | Director of Compliance | | In Progress | | | | |
| F. Routine Monitoring and Identification of Compliance Risks | | | | | | | | | |
| 1. Complete Risk Assessments and incorporate into Compliance Auditing/Monitoring Plan for 2025 | | | Director of Compliance | | | | | | |
| 1a. 2023 APLs | | 8/30/2024 | Director of Compliance | | | | | | |
| 1b. 2023 DHCS Medical Survey Findings | | 8/30/2024 | Director of Compliance | | | | | | |
| 1c. 2023 DMHC Medical Survey Findings | | 8/30/2024 | Director of Compliance | | | | | | |
| 1d. Prior Regulatory Audits | | 8/30/2024 | Director of Compliance | | | | | | |
| 3. Establish Routine monthly Operational Reporting for Monitoring/Oversight/Identification of Potential Compliance Issues (e.g. Grievance timeliness) | | 4/30/2024 | Director of Compliance | | | | | | |
| 4. Report on items being monitored in quarterly Compliance Committee Meeting | | Quarterly | Director of Compliance | | In Progress | | | | |
| 5. Conduct and report out on all audits in the Compliance Committee Meeting (# TBD) | | Q3 2024 | Director of Compliance | | | | | | |
| G. Procedures and Systems for Prompt Response to Compliance Issues | | | | | | | | | |
| 1. Create Compliance Issues Tracking Log | | | Director of Compliance | | | | | | |
| 1a. Report on status of Compliance Issues in quarterly Compliance Committee Meetings | | Quarterly | Director of Compliance Manager of Compliance | | In Progress | | | | |
| 2. Create Compliance Policy for Prompt Response to compliance Issues (include tracking mechanism, reporting, CAP process) | | | Director of Compliance | | | | | | |
| 2b. Report on status of CAPS in quarterly Compliance Committee Meetings | | Quarterly | Director of Compliance | | In Progress | | | | |
| H. Fraud, Waste, and Abuse (FWA) | | | | | | | | | |
| 1. Attend DOJ FWA Trainings | | Quarterly/ Annual | Director of Compliance Chief Compliance Officer Compliance Analyst | | In Progress | | | | |

**KERN HEALTH SYSTEMS
2023
Compliance Program**

| ACTIVITY | DETAIL/TASK | TARGET DATE | ACCOUNTABILITY | Risk | STATUS | Q1 COMMENTS | Q2 COMMENTS | Q3 COMMENTS | Q4 COMMENTS |
|---|---|---|---|------|-------------|-------------|-------------|-------------|-------------|
| 2. Review/Update Annual FWA Plan | Review, update, and submit annual FWA plan to DMHC | 4/1/2024 | Director of Compliance | | | | | | |
| 3. Facilitate FWA Data Mining Workgroup at least every other month | Facilitate workgroup meetings and prioritize | Ongoing | Chief Compliance and Fraud Prevention Officer Director of Compliance | | In Progress | | | | |
| 3b. Identify and assess at least one FWA Data Mining Initiative per quarter | | Ongoing | Director of Compliance / Compliance Analyst Data Mining Workgroup | | In Progress | | | | |
| 4. Conduct investigations regarding potential FWA and provide Updated FWA Reporting to FWA Committee | | Ongoing | Director of Compliance / Compliance Analyst | | In Progress | | | | |
| I. Delegation Oversight | | | | | | | | | |
| 1. Schedule & Coordinate Annual Delegation Oversight Audits | | | | | | | | | |
| 1a. VSP | | 4/1/2024 | Compliance/PNM/UM | | | | | | |
| 1b. American Logistics (AL) | | 3/1/2024 | Compliance/Member Services Marketing | | | | | | |
| 1c. Health Dialog | | 3/1/2024 | UM | | | | | | |
| 1d. Language Line | | 4/1/2024 | Compliance/Cultural and Linguistics Health Equity | | | | | | |
| 2. Participate in quarterly delegated subcontractor joint operating meetings (JOM) | | | | | | | | | |
| 3a. Kaiser | | Ongoing | Director of Compliance | | In Progress | | | | |
| 3b. VSP | | Ongoing | Director of Compliance | | In Progress | | | | |
| 3c. AL | | Ongoing | Director of Compliance | | In Progress | | | | |
| 3d. Health Dialog | | Ongoing | Director of Compliance | | In Progress | | | | |
| 3e. Language Line | | Ongoing | Director of Compliance | | In Progress | | | | |
| 4. Create delegation reporting and compliance plan | | | | | | | | | |
| 4a. Delegation Function Matrix Updates | | 4/1/2024 | Director of Compliance | | | | | | |
| 4b. Delegation Justification and Plan | | 4/1/2024 | Director of Compliance | | | | | | |
| 4c. Contract Requirements Grid | | 4/1/2024 | Director of Compliance | | | | | | |
| 5. Track Delegated Entity Compliance with APLs through APL grid attestation at least quarterly | Distribute APL grid and follow up as needed with subcontractors to complete; report out on status in Delegation Oversight Committee quarterly | 5th of the month following each quarter | Compliance Manager | | | | | | |
| 5a. Report status of Delegates APL compliance quarterly | Report status in Delegation Oversight Committee meeting quarterly | Quarterly | Compliance Manager | | In Progress | | | | |
| 5b. Determine if/how to incorporate other subcontractors and which subcontractors and begin distribution/tracking | Distribute APL grid and track to ensure responses received | Quarterly | Compliance Manager | | In Progress | | | | |

KHS Board of Directors Meeting, February 15, 2024

| Entity | Source | Reference | Topic | Item being Monitored/Audited | Previous Deficiencies | Department | Departmental Mitigation | Compliance Monitoring | | | | | | | | | | | | | | | |
|--------|------------------------------------|--------------------------------------|-------------------------------------|---|---|--------------|--|---|-----------------------|-----------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|---|
| | | | | | | | | Method | Tool | Frequency | January | February | March | April | May | June | July | August | September | October | November | December | |
| DMHC | Technical Assistance Guide | 1.1.1 1.1.2 1.1.3 | Utilization Management Requirements | UM Policies & Procedures | | | | Compliance Review of Policies against Technical Assistance Guide | Compliance Audit tool | Annually | | | | | | | | | | | | | |
| DHCS | Audit / Technical Assistance Guide | 1.1.1 | Utilization Management Requirements | | Appropriate processes to ensure approved services are medically necessary covered services | UM | Utilization Management quarterly audit of services that have been auto approved to review for medical necessity and present findings in QI/UM Committee. | (1) Review of UM's quarterly audit to ensure completion (2) Review QI/UM Meeting Materials to ensure reported in Committee | Tracking | Quarterly | | | M | | | M | | | M | | | | |
| DHCS | Technical Assistance Guide | 1.1.2 | Utilization Management Requirements | | Under-utilization | UM | Utilization Management will complete a quarterly audit of 30 medical records for auth closure that identifies potential underutilization and present findings in QI/UM Committee | (1) Review of UM's quarterly audit to ensure completion (2) Review QI/UM Meeting Materials to ensure reported in Committee | Tracking | Quarterly | | | | | | M | | | M | | | M | |
| DHCS | Technical Assistance Guide | 1.1.2 | Utilization Management Requirements | | Over-utilization | UM | Utilization Management will complete a quarterly audit of 30 charts using internal dashboard that identifies potential overutilization and present findings in QI/UM Committee | (1) Review of UM's quarterly audit to ensure completion (2) Review QI/UM Meeting Materials to ensure reported in Committee | Tracking | Quarterly | | | | | | M | | | M | | | M | |
| DHCS | Technical Assistance Guide | 1.1.1 | Utilization Management Requirements | | Open Auth Letters | HS - Deb/eff | Implementing new process to send notification to providers advising of open authorizations for which we have not received a claim | Receive list of letters/date sent monthly from HS | Tracking | Monthly | | | | | | M | M | M | M | M | M | M | M |
| DHCS | Technical Assistance Guide | | UM/QI Meeting Agenda/Minutes | UM/QI Meeting Agenda/Minutes * Discussion of over/underutilization * UM Quarterly Audits for: * Medical Necessity/Auto-Approved * Reading Level * Medi-Cal Criteria Use * Overutilization * Underutilization * IHA monthly reporting * IHA QI semi-annual audits | | HS | Discussion of over/under-utilization in monthly UM Meeting | Receive/Review UM Meeting Minutes | Tracking | Monthly | | | | | | M | | | M | | | M | |
| DMHC | Technical Assistance Guide | 1.2.1 1.2.2 1.2.3 | Utilization Management Requirements | UM Decision Making and Timeframes | | | | | Compliance Audit tool | Annually | | | | | | | | | A | | | | |
| DMHC | Technical Assistance Guide | 1.3.1 | Utilization Management Requirements | UM Criteria Development | | | | | Compliance Audit tool | Annually | | | | | | | | | A | | | | |
| DMHC | Technical Assistance Guide | UM.4.1 UM.4.2 | Utilization Management Requirements | Communication Requirements for UM Decisions | The Plan's denial letters do not consistently include a description of the criteria or guidelines used, and the clinical reasons for the decisions regarding medical necessity. Section 1367.01(h)(4) | | | | Compliance Audit tool | Quarterly | | | | | | | | A | | | | A | |
| DHCS | Technical Assistance Guide | 1.1.3 1.2.1 | Utilization Management Requirements | Ensuring sixth grade reading level Medi-Cal Criteria utilized | incorporated in above Audit | | | | Compliance Audit tool | Quarterly | | | | | | | | A | | | | A | |
| DMHC | Technical Assistance Guide | UM.5.1 UM.5.2 UM.5.3 UM.5.4 | Utilization Management Requirements | Disclosure of UM Process to Authorize/Deny Service | | | | | Compliance Audit tool | Annually | | | | | | | | | A | | | | |
| DMHC | Technical Assistance Guide | UM.6.1 UM.6.2 | Utilization Management Requirements | UM Processes as Part of the QA Program | | | | | Compliance Audit tool | Annually | | | | | | | | | A | | | | |

2023
Compliance Program
Compliance Auditing and Monitoring Plan

| Entity | Source | Reference | Topic | Item being Monitored/Audited | Previous Deficiencies | Department | Departmental Mitigation | Compliance Monitoring | | | | | | | | | | | | | | |
|--------|----------------------------|--|-------------------------------------|---|--|------------|-------------------------|-----------------------|-----------------------|-----------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|
| | | | | | | | | Method | Tool | Frequency | January | February | March | April | May | June | July | August | September | October | November | December |
| DMHC | Technical Assistance Guide | UM.7.1 UM.7.2 | Utilization Management Requirements | Terminal Illness Requirements and Compliance | The Plan does not have UM policies and procedures addressing the denial of services to terminally ill patients. Section 1368.1(a) | | | | Compliance Audit tool | Annually | | | | | | | | A | | | | |
| DMHC | Technical Assistance Guide | UM.8.1 UM.8.2 UM.8.3 UM.8.4 UM.8.5 UM.8.6 UM.8.7 UM.8.8 | Utilization Management Requirements | UM Delegation Oversight | | | | | Compliance Audit tool | Annually | | | | | | | | A | | | | |
| DMHC | Technical Assistance Guide | UM.9.1 UM.9.2 | Utilization Management Requirements | Mental Health Parity Coverage & Claim Administration | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | UM.10.1 UM.10.2 UM.10.3 UM.10.4 UM.10.5 | Utilization Management Requirements | Mental Health Triage and Referral | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | UM.11.1 UM.11.2 UM.11.3 UM.11.4 UM.11.5 | Utilization Management Requirements | Standing Referrals | | | | | Compliance Audit tool | Annually | | | | | | | | | A | | | |
| DMHC | Technical Assistance Guide | UM.12.1 | Utilization Management Requirements | Post-Stabilization | | | | | Compliance Audit tool | Annually | | | | | | | | | A | | | |
| DMHC | Technical Assistance Guide | AA.1.1 AA.1.2 AA.1.3 | Access & Availability | Number & Distribution of Primary Care Providers | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | AA.2.1 AA.2.2 AA.2.3 | Access & Availability | Number & Distribution of Specialists | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | AA.2.3.1 AA.3.2 AA.3.4 AA.3.5 | Access & Availability | Number and Distribution of Hospitals & Ancillary Care | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | AA.4.1 AA.4.2 AA.4.3 AA.4.4 AA.4.5 | Access & Availability | Hours of Operation & After Hours Service | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | AA.5.1 AA.5.2 | Access & Availability | Appointment Availability | The Plan does not have a documented system for monitoring and evaluating rescheduled appointments. Rule 1300.67.2.2(c)(3); Rule 1300.67.2(f) | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | AA.6.1 AA.6.2 | Access & Availability | Enrollee Health Education | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | AA.7.1 AA.7.2 | Access & Availability | Preventive Health Care | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | AA.8.1 AA.8.2 AA.8.3 AA.8.4 AA.8.5 AA.8.6 | Access & Availability | Mental Health Parity Communication of Benefit Information | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | AA.9.1 AA.9.2 AA.9.3 AA.9.4 AA.9.5 AA.9.6 | Access & Availability | Provider Directores & 10% Network Change Reporting | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | CC.1.1 CC.1.2 CC.1.3 CC.1.4 CC.1.5 | Continuity and Coordination of Care | Continuity and Coordination of Care | | | | | Compliance Audit tool | Annually | | | | | | | | A | | | | |

2023
Compliance Program
Compliance Auditing and Monitoring Plan

| Entity | Source | Reference | Topic | Item being Monitored/Audited | Previous Deficiencies | Department | Departmental Mitigation | Compliance Monitoring | | | | | | | | | | | | | | | | |
|--------|------------------------------------|--|----------------------|--|---|------------|--|--|-----------------------|-----------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|---|---|
| | | | | | | | | Method | Tool | Frequency | January | February | March | April | May | June | July | August | September | October | November | December | | |
| DHCS | Audit / Technical Assistance Guide | 4.1.1 | Grievances | Exempt Grievances | DHCS: The Plan did not ensure grievances were accurately classified as QOC and misclassified them as exempt grievances. Consequently, these grievances were not referred, investigated, and reviewed by a Medical Director as required | G&A | All exempt Grievances routed to QI effective 03/21/2022 | Random sample of Exempt Grievances *Evidence of QI review * No QOC as exempt * Ensure issue resolved by next business day (and shouldn't have been categorized as standard grievance) | Compliance Audit tool | Monthly | | | | | | A | A | A | A | A | A | A | A | |
| DHCS | Audit / Technical Assistance Guide | 4.1.2 | Grievances | Quality of Care Grievances | DHCS: The Plan did not ensure that all QOC grievances were resolved by a Medical Director and that members received a clear and concise explanation of the Plan's decision. The Plan did not adhere to their policy and procedure. | G&A QI | All Grievances routed to QI for review of QOC effective 03/21/2022 | Random sample of QOC grievances to validate MD review | Compliance Audit tool | Monthly | | | | | | A | A | A | A | A | A | A | A | |
| DMHC | Technical Assistance Guide | GA.4.1 GA.4.2 GA.4.3 | Grievances & Appeals | Enrollee Education/Notification Requirements | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A | | |
| DMHC | Technical Assistance Guide | GA.5.1 GA.5.2 GA.5.3 | Grievances & Appeals | Expedited Review of Urgent Grievances | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | A | | |
| DMHC | Technical Assistance Guide | GA.6.1 GA.6.2 GA.6.3 | Grievances & Appeals | Independent Medical Review (IMR) | | | | | Compliance Audit tool | Annually | | | | | A | | | | | | | | | |
| DMHC | Technical Assistance Guide | QM.1.1 QM.1.2 QM.1.3 QM.1.4 | Quality Management | QM Program Intent and Regulatory Purpose, Structure & Requirements | The Plan does not have a Public Policy committee that complies with the required membership criteria. Section 1369; rule 1300.69(b)(2). The Plan's governing body does not consistently review and approve its Quality Improvement (QI) Program written documents. Rule 1300.70(b)(2)(B) | | | | Compliance Audit tool | Annually | | | | | | | | | | | | | A | |
| DMHC | Technical Assistance Guide | QM.2.1 QM.2.2 QM.2.3 QM.2.4 | Quality Management | QM Program Monitors the Full Scope of QM Activities | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | | A | |
| DMHC | Technical Assistance Guide | QM.3.1 | Quality Management | Precautions to Ensure Appropriate Care is Not Withheld or Delayed | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | | A | |
| DMHC | Technical Assistance Guide | QM.4.1 QM.4.2 QM.4.3 | Quality Management | Credentialing | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | | A | |
| DMHC | Technical Assistance Guide | QM.5.1 QM.5.2 QM.5.3 QM.5.4 QM.5.5 QM.5.6 | Quality Management | QM Delegation Oversight | | | | | Compliance Audit tool | Annually | | | | | | | | | | | | | | A |
| DMHC | Technical Assistance Guide | LA.1.1 | Language Assistance | Language Assistance Policies & Procedures | | | | | Compliance Audit tool | Annually | | | | | A | | | | | | | | | |
| DMHC | Technical Assistance Guide | LA.2.1 LA.2.2 LA.2.3 | Language Assistance | Enrollee Assessment | | | | | Compliance Audit tool | Annually | | | | | A | | | | | | | | | |

2023
Compliance Program
Compliance Auditing and Monitoring Plan

| Entity | Source | Reference | Topic | Item being Monitored/Audited | Previous Deficiencies | Department | Departmental Mitigation | Compliance Monitoring | | | | | | | | | | | | | | | | | |
|--------|------------------------------------|----------------|--|---|--|------------|---|--|-----------------------|--------------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|---|---|---|
| | | | | | | | | Method | Tool | Frequency | January | February | March | April | May | June | July | August | September | October | November | December | | | |
| DHCS | Audit / Technical Assistance Guide | 5.1.1 | Quality Improvement | PIC Process | DHCS: The Plan did not monitor, evaluate, identify, and take effective action to address needed improvements in QOC delivered by providers. The Plan did not ensure that a QOC problems are identified and corrected for all provider entities. The Plan did not properly investigate and ensure corrective action of PICs before closure. | | Quarterly PIC Audit | Compliance Tracking / Reporting to Compliance Committee | Tracking | Quarterly | | | | | M | | | | | M | | | M | | |
| DHCS | Audit / Technical Assistance Guide | 5.1.1 | Quality Improvement | PIC Process | DHCS: The Plan did not monitor, evaluate, identify, and take effective action to address needed improvements in QOC delivered by providers. The Plan did not ensure that a QOC problems are identified and corrected for all provider entities. The Plan did not properly investigate and ensure corrective action of PICs before closure. | | | Compliance Review of QI Corrective Action Plans to ensure appropriate documentation prior to closure of CAP. | Compliance Audit tool | Semi-Annual | | | | | | | | | | | | | | | A |
| DHCS | Audit / Technical Assistance Guide | 6.2.1 6.2.3 | Administrative and Organizational Capacity | Notification of Changes in Network Provider Circumstances | DHCS: The Plan did not notify DHCS of changes in network provider's circumstances that affect the provider's eligibility to participate in the Medical MCP, including the termination of their provider agreement with the Plan. The Plan did not adhere to its policy to ensure notification to the Medical MCP/Program Integrity Unit within ten working days of removing a suspended, excluded, or terminated provider from its provider network. | | Credentialing monthly reporting to Compliance of Terminated Providers for cause; exclusions | Compliance review of terminated providers in KHS workflow & reporting Reporting to Compliance Committee | Tracking | | | | | M | M | M | M | M | M | M | M | M | M | M | M |
| DHCS | Audit / Technical Assistance Guide | 6.2.2 | Administrative and Organizational Capacity | Verification of Services | DHCS: The Plan did not have policies and procedures to verify the services that have been represented to have been delivered were received by members. | | Compliance sending letters to sample of members at least quarterly | Compliance Tracking / Reporting to Compliance Committee | Tracking | At least quarterly | | | | | | | | | | | | | | | A |

2023
Compliance Program
Compliance Auditing and Monitoring Plan

| Entity | Source | Reference | Topic | Item being Monitored/Audited | Previous Deficiencies | Department | Departmental Mitigation | Compliance Monitoring | | | | | | | | | | | | | | |
|---------------------|------------------------------------|-----------|--|--|--|-------------------|--|---|------------------------|-----------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|
| | | | | | | | | Method | Tool | Frequency | January | February | March | April | May | June | July | August | September | October | November | December |
| DHCS | Audit / Technical Assistance Guide | 6.2.4 | Administrative and Organizational Capacity | Fraud & Abuse Incident Investigation and Reporting to DHCS | DHCS. The Plan did not report all cases of suspected fraud and/or abuse and forward results of investigations to the DHCS within ten working days of initial awareness of suspected fraud and/or abuse activity. | | New FWA Log; Formal Investigation Report | Compliance Tracking / Reporting to FWA Committee | Tracking | Monthly | | | | M | M | M | M | M | M | M | M | M |
| DHCS | Claims Audit | | Claims - Interest & Penalties | | 7 provider contracts without interest flag captured in config DaVita contract 3% increase not configured | Claims PNM Config | New Audit report implemented for contract flag | Compliance review of sample of claims | Compliance Audit Tools | Annually | | | | | A | | | | | | | |
| APLS | Retrospective APL Audit | | All Plan Letters | Compliance with APL (approx 180 days post-implementation) | Miscellaneous | Various | N/A | Compliance review of APL elements | Compliance Audit Tools | Monthly | | | | | A | A | A | A | A | A | A | A |
| APLS | Retrospective APL Audit | | All Plan Letters | Compliance with APL (approx 180 days post-implementation) | Miscellaneous | Various | N/A | Compliance review of APL elements | Compliance Audit Tools | Monthly | | | | | A | A | A | A | A | A | A | A |
| Both | | | Grievance Timeliness | Timeliness of Grievance Ack Letters, Delay Letters, and Resolution Letters | 2022 DHCS Audit 2023 DMHC Audit | Member Services | Compliance submitted ticket for monthly report | Compliance Dashboard Reporting Presentation in Compliance Committee Meeting | Reporting | Monthly | M | M | M | M | M | M | M | M | M | M | M | M |
| Both | N/A | | Delegation Oversight Audit | Annual audit of Kaiser | Appeals & Grievances (2021 Kaiser Audit) Health Education (2023 Kaiser Audit - incorporate) | All | N/A | Annual Audit | Audit Tools | Annually | | | | | | | A | | | | A | |
| Both | N/A | | Delegation Oversight Audit | Annual Claims audit of Kaiser | None | Claims | N/A | Annual Audit | Audit Tools | Annually | | | | M | | | | | | | | |
| Both | N/A | | Delegation Oversight Audit | Annual audit of VSP | | All | N/A | Annual Audit | Audit Tools | Annually | | | | | | | A | | | | A | |
| Both | N/A | | Delegation Oversight Audit | Annual audit of AL | | Member Services | N/A | Annual Audit | Audit Tools | Annually | | | | | | A | | | | | A | |
| Both | N/A | | Delegation Oversight Audit | Annual audit of Stria | | Claims | N/A | Annual Audit | Audit Tools | Annually | | | | | | | | A | | | A | |
| Both | N/A | | Delegation Oversight Audit | Annual audit of Health Dialogue | | All | N/A | Annual Audit | Audit Tools | Annually | | | | | | A | | | | | A | |
| Monitoring Auditing | | | | | | | | | | | 4 | 3 | 6 | 8 | 11 | 8 | 9 | 10 | 3 | 8 | 10 | 7 |
| Auditing | | | | | | | | | | | 0 | 0 | 0 | 7 | 9 | 9 | 9 | 12 | 0 | 11 | 11 | 8 |

Notes:

Due to staffing constraints, for the DHCS Audit & Technical Assistance Guides, Compliance will only be reviewing areas where deficiencies are identified this year. Some of this monitoring is also applicable to the DMHC Audit elements.
 For the DMHC Audit & Technical Assistance Guides; some of this monitoring is also applicable to DHCS requirements. Additional focus will occur on areas where prior deficiencies were noted.
 Applicable APLS will be included in each section; additional APL reviews may be incorporated as time allows (currently evaluating); for example compliance with APL 21-011 (for which we have had related audit deficiencies) will be included in reviews conducted for UM and G&A during sample and policy reviews
 M Monitoring - validate reporting / completion of Task
 A Compliance Audit of Random Sample



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Veronica Barker, Controller
SUBJECT: Healthcare Payer Services
DATE: February 15, 2024

Background

In January 2021, KHS performed an RFP for the outsourcing of Provider Claims Payments from vendors offering payment solutions along with print and mail fulfilment aimed at improving efficiencies, reducing administrative costs, and increasing provider satisfaction. KHS selected to continue using PaySpan, Inc., a company which has provided this service for the last nine years. In November of 2022, PaySpan was acquired by Zelis, a HealthTech company, and together continue to work towards modernizing the delivery of payments among healthcare insurers, providers, and their members. Zelis has more than 25 years of payment expertise and provides services to more than 600 Health Plans, over 100 million Members and over 1.3 million Providers.

Zelis provides an electronic settlement network delivering comprehensive capabilities for a variety of payment methods, while delivering savings and efficiencies to both KHS and Providers. Zelis uses a web-based solution designed to provide a technology-based approach to the claim's settlement process between Healthcare Payers and Providers.

- Offers various payment methods including ACH, Paper Check, and Virtual Credit Card
- Facilitates the delivery of electronic and paper payments as well as remittance data.
- Ties payment information to claims data in a single view and gives Providers flexibility for payment management
- Uses the Zelis network to reduce administrative and provider support costs.
- Enables a self- service environment for Providers to manage electronic payments from multiple payers

As part of the June 2021 Board of Directors meeting, the Board approved KHS to enter into a three-year contract with Zelis (formerly PaySpan) effective September 2021 in an amount not to exceed \$480,000 with an option to extend for two (2) years. Zelis bills KHS monthly for services and fees are primarily based on the number of electronic claims submitted in addition to mail services. The three (3) year estimate of \$480,000 was based on claims volume that existed in 2021 and projected growth in claims was based on the previous three (3) years. In January 2021, KHS had approximately 278,000 members and processed approximately 235,000 claims per month. As of January 2024, KHS has grown to approximately 405,000 members and processes over 550,000 claims per month, more than double the volume from January 2021.

Though our current three (3) year contract with Zelis is not scheduled to end until August 2024, due to significant increases in the volume of claims processed as the result of membership growth, new benefits added, and increases in State programs such as those related to CalAIM, we have reached the \$480,000 not to exceed amount.

Discussion

Zelis to continue to provide KHS with Healthcare Payer Services for a three (3) year term.

Financial Impact

Delivery of electronic and paper payments and electronic remittance advices with Zelis for a three (3) year term in the amount not to exceed \$1,950,000. This amount reflects the current increase in claims volume and allows for future claims volume growth.

There have been no price increases in over six years.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

Healthcare Payer Services

February 15, 2024

Veronica Barker
Controller



Agenda

- Background
- Services
- Selection Process and Discussion
- Financial Impact
- Board of Directors Request



Background

KHS currently processes approximately 550,000 claims per month and issues over 100,000 payments annually to various Providers.

Since 2015, KHS has outsourced the provider payment process. The subcontractor provides an electronic settlement network delivering comprehensive capabilities for a variety of payment methods. This in turn, has led to efficiencies and reduced administrative costs for both KHS and Providers.

This services is at no cost to Providers.

KHS pays for services monthly, and fees are assessed primarily per electronic claim.



Services

Zelis uses a web-based solution designed to provide a technology-based approach to the claim's settlement process between Healthcare Payers and Providers

- Payment methods include ACH, Paper Checks, and Virtual Cards
- Facilitates the delivery of electronic and paper payments as well as remittance data
- Ties payment information to claims data in a single view and gives providers flexibility for payment management
- Uses the Zelis network to reduce administrative and provider support cost
- Enables a self-service environment for Providers to manage electronic payments from multiple payers



Selection Process and Discussion

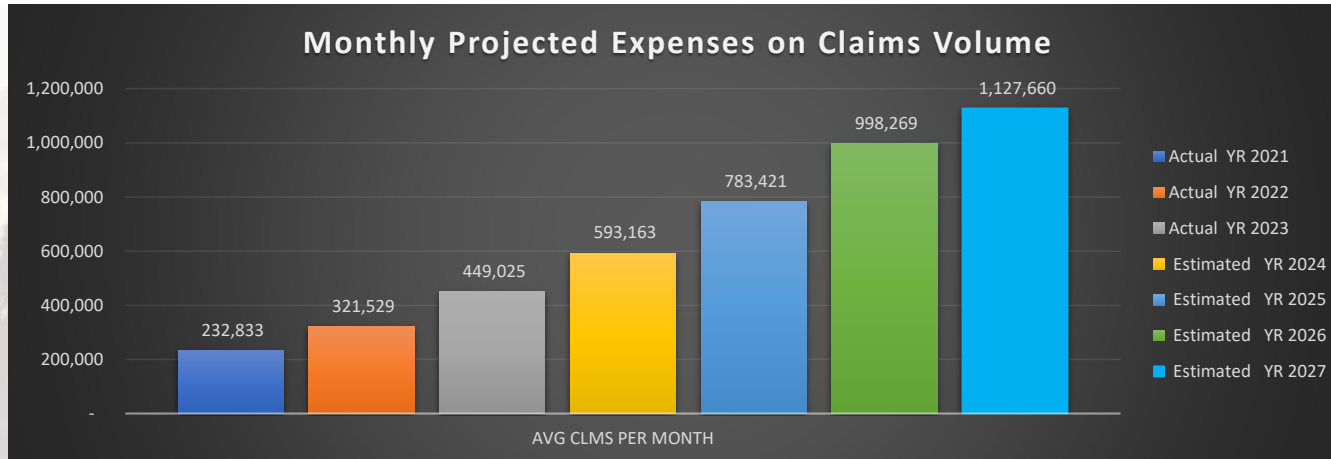
- January 2021 KHS publishes RFP for Healthcare Payment Services
- June 2021 KHS selects Zelis (formerly Payspan, Inc.) for a three (3) year term from September 2021 through August 2024.
- February 2024 KHS requests to renew with Zelis for an additional three (3) year term ahead of its current contract end date due to the volume of claims processed exceeding the volume projected in 2021 and to reflect the current increase in claims volume and allow for future claims volume growth.
- Request for three (3) years not to exceed \$1,950,000 which includes approximately \$100,000 to cover overages from November and December 2023 and January 2024.



Financial Impact

| | Actual YR 2021 | Actual YR 2022 | Actual YR 2023 | Estimated YR 2024 | Estimated YR 2025 | Estimated YR 2026 | Estimated YR 2027 |
|------------------------------------|-------------------|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| AVG CLMS PER MONTH | 232,833 | 321,529 | 449,025 | 593,163 | 783,421 | 998,269 | 1,127,660 * |
| INCREASE IN AVG CLAIMS FROM PY | | 88,696.00 | 127,496.00 | 144,138.01 | 190,258.31 | 214,847.60 | 129,391.08 |
| % INCREASE IN AVG CLAIMS PER MONTH | | 38% | 40% | 32% | 32% | 27% | 13% |

* One Month Average



Requested Action

Authorize the CEO to approve the contract associated with the procurement of printing and mailing services along with the processing of payments to Providers with Zelis (formerly PaySpan) for three (3) years in the amount not to exceed \$1,950,000.



You + Us = a better day!

Questions

For additional information, please contact:

Veronica Barker

Controller

(661) 664-5024



**KERN HEALTH
SYSTEMS**



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Richard Pruitt, Chief Information Officer
SUBJECT: Microsoft Azure VMware Solution (AVS)
DATE: February 15, 2024

Background:

Kern Health Systems (KHS) leverages a commercial system to provide its Disaster Recovery (DR) solution. The current system has some limitations that were discovered during the last recovery test. As a result, KHS conducted research on alternative DR solutions. During this period, the team discovered that its existing contract with Microsoft provides coverage for the leading Microsoft Azure VMware Site Recovery Manager (SRM) Solution. SRM will offer a more robust, efficient, and cost-effective cloud infrastructure solution that aligns with the CalAIM and 2024 Medi-Cal contract, promoting advancements and innovation in healthcare service delivery.

Discussion

Microsoft Azure VMware Solution will provide KHS with the deployment and testing of the KHS Disaster Recovery Solution for a three (3) year term.

Financial Impact

Cost for a three (3) year term not to exceed \$521,568 in budgeted expenses.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

Disaster Recovery Microsoft Azure VMware Site Recovery Manager Solution

Richard M. Pruitt
Chief Information Officer
February 15, 2024



Agenda

- Overview
- What is Disaster Recovery
- Why is it Important
- Sequence of Events
- Vendor Comparison / Cost Analysis
- Board of Directors Request



Overview

Kern Health Systems (KHS) leverages a commercial system to provide its Disaster Recovery (DR) solution. The current system has some limitations that were discovered during the last recovery test. As a result, KHS conducted research on alternative DR solutions. During this period, the team discovered that its existing contract with Microsoft provides coverage for the leading Microsoft Azure VMware Site Recovery Manager (SRM) Solution. SRM will offer a more robust, efficient, and cost-effective cloud infrastructure solution that aligns with the CalAIM and 2024 Medi-Cal contract, promoting advancements and innovation in healthcare service delivery.



What is Disaster Recovery?



•**Disaster Event:** Symbolized by a storm over a system, representing potential IT disasters like system crashes or cyberattacks.

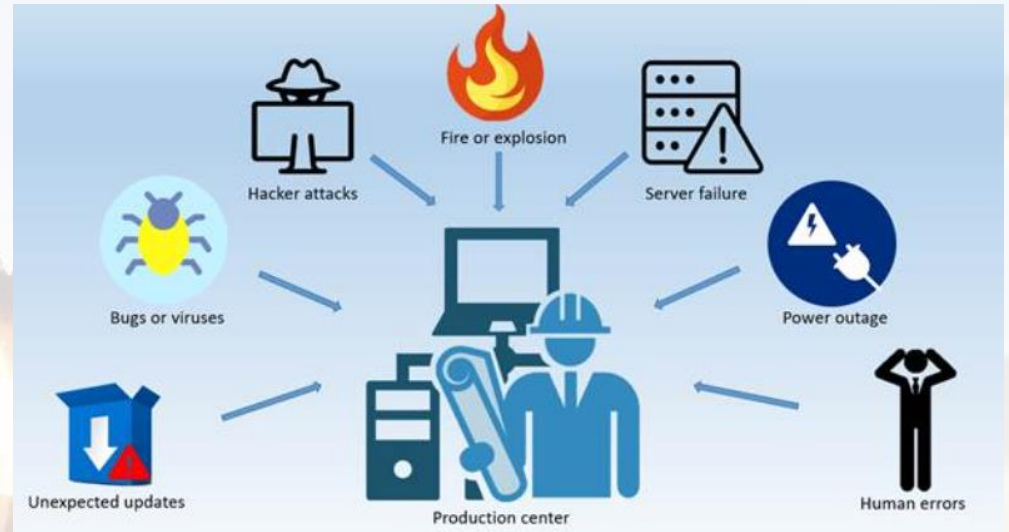
•**Recovery Process:** Illustrated by a safety net catching falling data, depicting the disaster recovery system in action, protecting and preserving our digital assets.

•**Successful Restoration:** Shown as a functioning system with a checkmark, indicating the effective restoration of our systems and data, ensuring business continuity.



Why is it Important?

- Business Continuity
- Regulatory Compliance
- Data Protection
- Brand/Reputation Management



Sequence of Events

April 2023 – Planned Corporate Project (Disaster Recovery)

June 2023 – Performed Disaster Recovery Testing

August 2023 – Researched Alternative Solutions

October 2023 – Budgeted Replacement Disaster Recovery Solution for 2024

January 2024 – Performed Proof of Concept

February 2024 – Request Approval from Board



Current and Future State

Current Vendor

- Vendor lock-in (only works with Nutanix)
- No direct ability to fail back (from Xi Leap back to on-prem)
- Requires systems shutdown to test and redirect IP Addresses manually.
- Time to recover delayed due to manual intervention.

Microsoft Azure VMware Site Recovery Manager Solution

- Vendor agnostic
- Ability to fail over individual systems for testing/validation.
- Fastest recovery in non mirrored multiple site environments
- Covered by existing Microsoft Enterprise Agreement



Cost Analysis

Current Vendor versus Microsoft Site Recovery Manager (SRM)

| | Current Vendor | | Microsoft AVS | |
|----------------|----------------|------------|---------------|------------|
| Cost Per Month | \$ | 18,300.00 | \$ | 14,488.00 |
| 1 Year Cost | \$ | 219,600.00 | \$ | 173,856.00 |
| 3 Year Cost | \$ | 658,800.00 | \$ | 521,568.00 |

| COST SAVINGS | |
|----------------------|---------------|
| 1 Month Cost Savings | \$ 3,812.00 |
| 1 Year Cost Saving | \$ 45,744.00 |
| 3 Year Cost Saving | \$ 137,232.00 |



Board of Directors Request

Authorize the CEO to approve an addition to the current KHS Enterprise Agreement with Microsoft for three (3) years in the amount not to exceed \$521,568 in Operating Capital expenses associated with the deployment and testing of the new KHS Disaster Recovery (DR) solution.



You + Us = a better day!

Questions

Please contact:

Richard M. Pruitt
Chief Information Officer
661-664-5078
Richard.Pruitt@khs-net.com





MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Richard Pruitt, Chief Information Officer
SUBJECT: Member Rewards Solution
DATE: February 15, 2024

Background

Kern Health Systems (KHS) has developed a Member Engagement Strategy aimed at boosting member compliance and enhancing their overall experience, resulting in increased participation. A primary objective of this strategy is to enhance the existing Member Rewards Solution by procuring a more comprehensive package. This procurement centers on providing a reloadable rewards card, coupled with a self-management web portal, capable of offering near real-time incentives to members. Through this approach, KHS is unwavering in its commitment to delivering high-quality, sustainable healthcare services, with a particular focus on member-centric rewards. KHS has already achieved notable advancements in various quality programs, elevating the level of care provided to its members. This underscores KHS's dedication to healthcare innovation and excellence, with a central emphasis on member satisfaction and an improved healthcare experience overall.

Discussion

InComm Healthcare will provide KHS with a Member Rewards Solution for a three (3) year term.

Financial Impact

Cost for a three (3) year term not to exceed \$2,520,000 in budgeted expenses.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

Member Rewards

Richard M. Pruitt
Chief Information Officer
February 15, 2024



Agenda

- Overview
- Program Benefits & Example
- Member Rewards System
- Sequence of Events
- Selection Matrix
- Vendor of Choice
- Cost Analysis
- Board of Directors Request



Overview

Kern Health Systems (KHS) has developed a Member Engagement Strategy aimed at boosting member compliance and enhancing their overall experience, resulting in increased participation. A primary objective of this strategy is to enhance the existing Member Rewards Solution by procuring a more comprehensive package. This procurement centers on providing a reloadable rewards card, coupled with a self-management web portal, capable of offering near real-time incentives to members. Through this approach, KHS is unwavering in its commitment to delivering high-quality, sustainable healthcare services, with a particular focus on member-centric rewards. KHS has already achieved notable advancements in various quality programs, elevating the level of care provided to its members. This underscores KHS's dedication to healthcare innovation and excellence, with a central emphasis on member satisfaction and an improved healthcare experience overall.



Program Benefits

The member rewards program is focused on improving the following:

- **Healthy Behaviors:** Encourage members to engage in activities that promote wellness, such as exercise, healthy eating, preventive screenings, and vaccinations through the rewards program and incentives.
- **Disease Prevention and Management:** Encourage members to manage chronic conditions, participate in disease management programs, and adhere with treatment plans through the rewards program and incentives.
- **Member Satisfaction:** Improve the overall member satisfaction and foster positive relationships by showing appreciation and support through the rewards program.
- **Reduced Healthcare Costs:** Decrease the long-term healthcare costs associated with chronic illnesses and complex medical conditions by encouraging healthier behaviors, preventative care, and early intervention through the rewards program.
- **Health Data Collection:** Gather data on member behavior and preference to identify trends for creating effective member interventions through the rewards program.

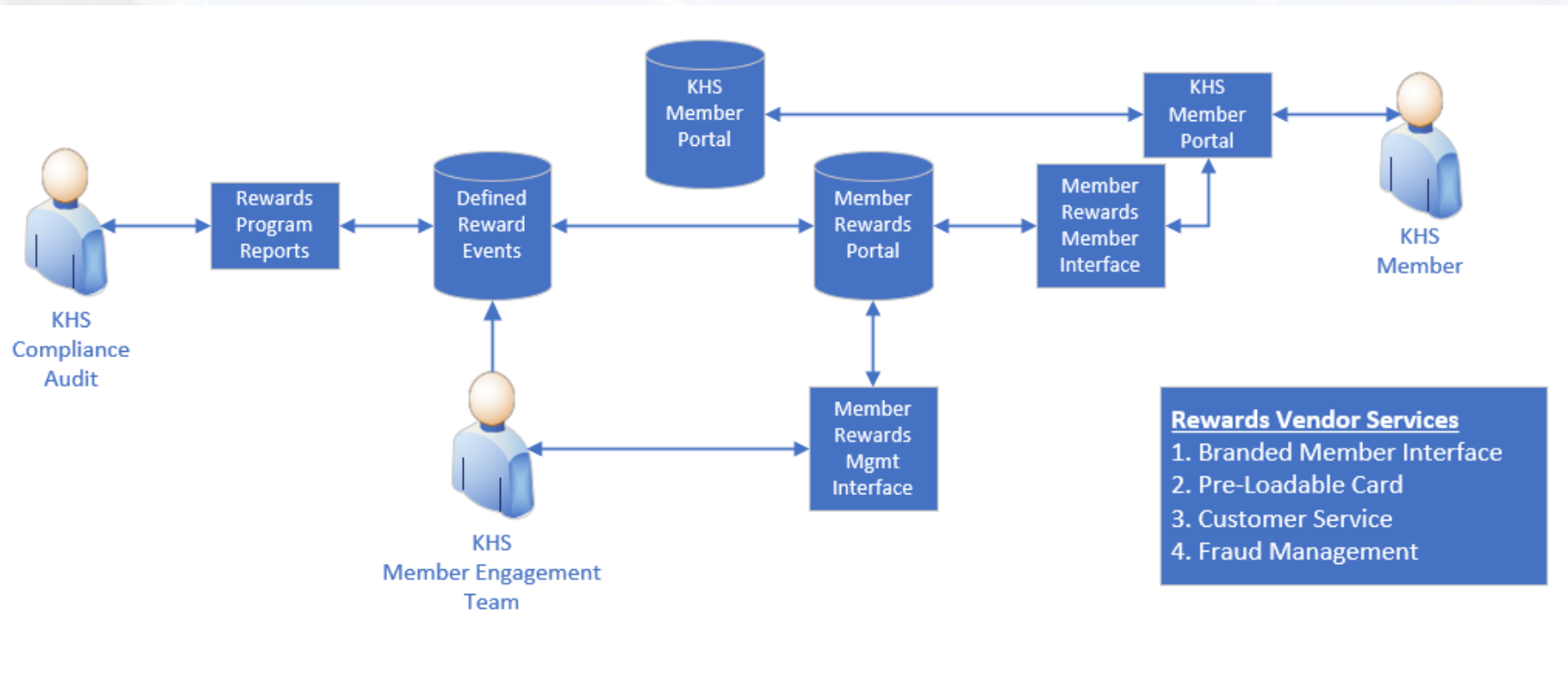


Program Examples

- Lead Screening for Children (HEDIS/MCAS)
- Prenatal Post Partum Care (HEDIS/MCAS)
- Member Portal Registration
- Initial Health Assessments
- Health Education Classes (Asthma, Diabetes, Smoking Cessation)
- Enhanced Care Management (ECM)
- COVID Vaccinations



Member Rewards System



Sequence of Events

- November 2023 – RFQ Published
- November 2023 – RFQ's Received
- December 2023 – Created RFQ Committee to Review and Demo
- January 2024 – Vendor Identified
- February 2024 – Board Presentation for Approval
- June 2024 – Go Live



Selection Matrix

The table below outlines the selection matrix for the member rewards solution.

| Vendor | Price (33.3%) | Operations (33.3%) | Technology (33.3%) | Total |
|----------|---------------|--------------------|--------------------|-------|
| Bidder 1 | 1.7 | 2.0 | 2.7 | 2.1 |
| Bidder 2 | 2.0 | 2.0 | 3.8 | 2.6 |
| Bidder 3 | 4.0 | 4.0 | 4.0 | 4.0 |
| Bidder 4 | 2.2 | 2.0 | 2.7 | 2.3 |
| Bidder 5 | 3.8 | 1.0 | 2.2 | 2.3 |
| Bidder 6 | 2.0 | 3.7 | 3.7 | 3.1 |
| Bidder 7 | 2.0 | 2.3 | 2.7 | 2.3 |

Scale
 0 = Does not Meet RFP Requirements
 1 = Meets Some RFP Requirements
 2 = Meets RFP Minimum Requirements
 3 = Meets More than RFP Minimum Requirements
 4 = Exceeds RFP Minimum Requirements



Vendor of Choice

| Product Offering | New Vendor Setup | Current Vendor Setup |
|-----------------------------|--|---|
| Single Delivery Card |  |  |
| Flexibility and Ease of Use | ✓ | X |
| Restricted Card Use | ✓ | X |
| Immediate Satisfaction | ✓ | X |
| Member Rewards Platform | ✓ | X |
| Admin Rewards Platform | ✓ | ✓ |
| Vendor Customer Service | ✓ | X |
| System Integration | ✓ | X |



Vendor of Choice

The table below outlines the cost comparison for the current and new vendor member rewards solutions.

| Description | Current Vendor: 2023 Actuals | New Vendor: 2023 Compare | Comments |
|--|------------------------------|--------------------------|---|
| Number of cards issued | 154,326 | 154,326 | Note: Total rewards value distributed in 2023 was \$5,087,709 |
| Number of unique members earning rewards | 77,014 | 77,014 | Note: Goal is to increase to 200,000 engagements due to the growth in membership and new programs. |
| KHS administrative fees | \$118,653 | Not Needed | Note: Line-item accounts for operational expenses associated with internal staff managing member reward inquiries, manual gift card fulfillment, manual gift card reconciliation, etc. This will become obsolete in 2024, as the new vendor will take charge of customer service calls, and the solution will be entirely automated to eliminate manual tasks. |
| Vendor fees | \$195,476 | \$323,459 | Note: Current ~\$1.25 card fee (or equivalent to ~\$0.21 PMPM fee). Note: New vendor \$0.35 PMPM fee |
| Rewards System Costs: | \$314,129 | \$323,459 | Note: Does not include the rewards distributed |



Cost Analysis

The table below outlines the cost breakdown for the member rewards solution.

| Metric | Current Demand | Future Demand |
|----------------------------|----------------|---------------------|
| Reward Members | 77,014 | 200,000 |
| PMPM | \$0.35 | \$0.35 |
| 1-Year Rewards System Cost | \$323,459 | \$840,000 |
| 3-Year Rewards System Cost | \$970,377 | *\$2,520,000 |



Board of Directors Request

Authorize the CEO to sign a three (3) year contract with InComm Healthcare in the amount not to exceed \$2,520,000 to implement the new Member Rewards system.



You + Us = a better day!

Questions

Please contact:

Richard M. Pruitt
Chief Information Officer
661-664-5078
richard.pruitt@khs-net.com





MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Traco Matthews, Chief Health Equity Officer
SUBJECT: KHS Health Equity Office 2024 Strategy & Workplan
DATE: February 15, 2024

BACKGROUND

The KHS Health Equity Office (HEO) Programs are defined by the following documents:

- The HEO Program Description,
- The HEO Strategy, and
- The HEO Program work plan.

The program description and workplan are subject to the review of the Executive Quality Improvement and Health Equity Committee (EQIHEC) and the Board of Directors for review, input and approval.

The HEO is responsible for developing an annual workplan which is informed by both quantitative and qualitative analysis that includes clinical and non-clinical interventions in support of equitable service delivery for our members. The HEO Program Workplan identifies the primary activities that will occur throughout the current year.

The workplan is a dynamic document that is updated throughout the year based on outcomes realized and priority shifts. Outcomes of this workplan are assessed during the annual HEO program evaluation.

REQUESTED ACTION

Approve.



KERN HEALTH SYSTEMS

2024 Kern Health Systems Health Equity Strategy Context and Goals

Traco Matthews
Chief Health Equity Officer

February 15, 2024



AGENDA

1. Why Health Equity Matters, and 2023 Actions and Results
2. 2024 Health Equity Goals & Roadmap
3. Our Approach, and Our Request





Health Equity Defined and Demonstrated Through

KHS Definition: the mission of our KHS Health Equity Office is to improve the health and well-being of our members and the communities we serve through the delivery of trusted, high quality, cost-effective, and accessible health care to all, regardless of their zip code, race, ethnicity, preferred language, cultural preferences, or personal history.



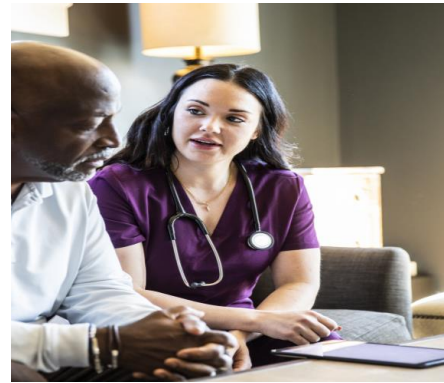
Focused, knowledgeable clinical interventions

Quality, MCAS, Utilization Management, Population Health Management, Wellness & Prevention., etc.



Customized non-clinical interventions

Marketing, Member Engagement, Community Engagement, HR, Member Services, Procurement, etc.



Member-centric evaluations

Of individual experiences



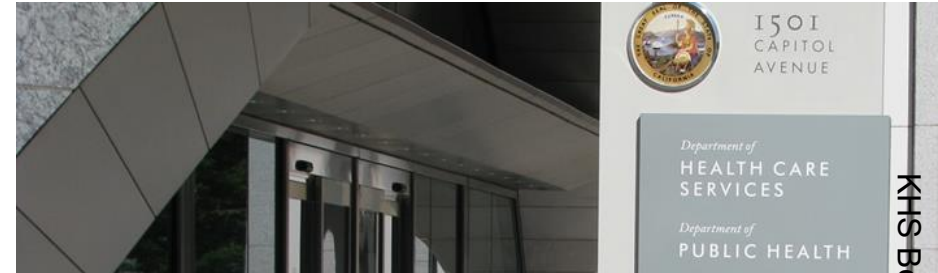
Strengthening trust

With historically marginalized communities



The Stakes

Kern has especially vulnerable members and is required to have a Health Equity office and plan.



Kern's Health Profile

Kern has some of the most vulnerable members in California

- Bottom 10 CA county in death rates, STDs, and infant mortality
- African American asthma 4x the next race/ethnicity
- Teen birth double CA average, prenatal care below CA average
- Obesity and suicide rates above CA averages

Why This Matters for KHS

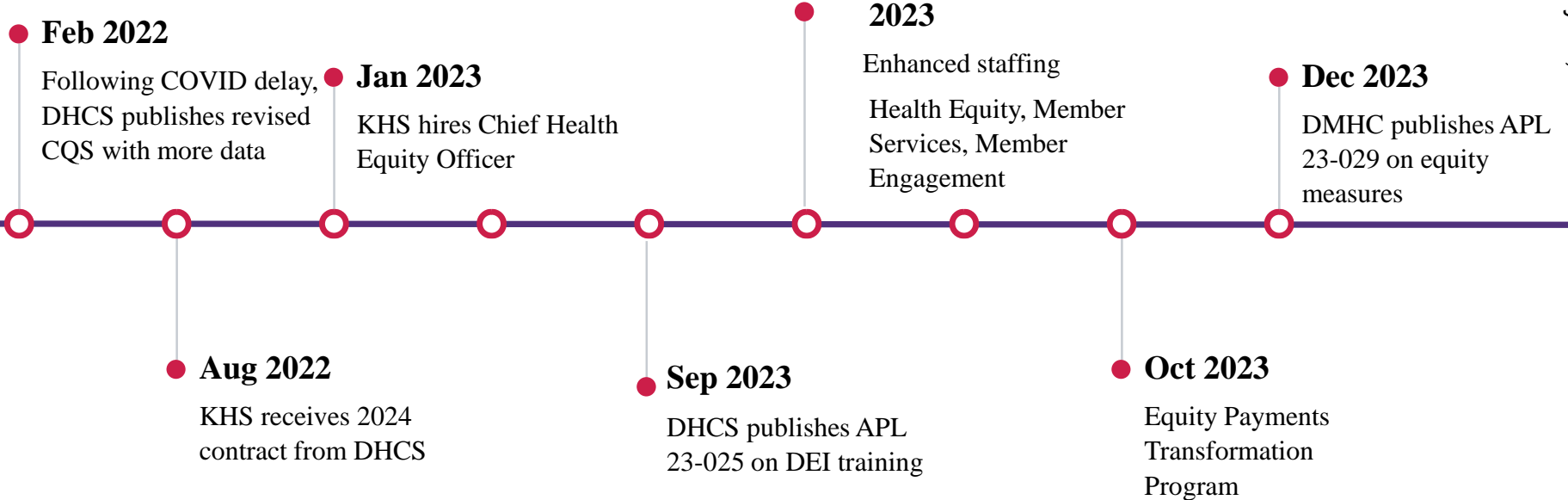
KHS requires a Health Equity office and plan

- The Department of Health Care Services 2024 contract mandates a Chief Health Equity Officer, Health Equity Office, and a Quality Improvement Health Equity Transformation Program (QIHETP) for plans.
- The contract also necessitates a Quality Improvement Health Equity Committee (Executive Committee) and NCQA Health Equity Accreditation (NCQA HEA), emphasizing our continued commitment to excellence.
- KHS's strategic objective is to ameliorate Managed Care Accountability Set (MCAS) scores and close health disparity gaps in our community, hence the need for an independent NCQA Health Equity Accreditation.



Sequence of Events

KHS has long been involved in health equity initiatives like MCAS, Cultural Linguistics, Population Health Management and more. As we transition to a more strategic approach, we remain grateful to those who've dedicated their time to this crucial work. Our new division aims to enhance our organizational effectiveness in this area.





2023 KHS Health Equity Actions: Operational Readiness for 2024

Under the 2024 DHCS Contract, KHS completed various corporate strategies by 2023, overseen by the Chief Health Equity Officer. All policies have been approved by DHCS and all programs were launched ahead of the mandated dates.

- ✓ Hired a Chief Health Equity Officer
- ✓ Established a Health Equity Office and hired staff
- ✓ Developed and submitted a Quality Improvement Health Equity Transformation Program (QIHETP) to DHCS
- ✓ Established an Executive Quality Improvement Health Equity Committee co-chaired by the CMO and CHEO
- ✓ Completed and submitted all required new policies related to health equity
- ✓ Began preparing for Health Equity Accreditation (HEA) through the National Committee for Quality Assurance (NCQA)
- ✓ Designed a Diversity, Equity, Inclusion, and Belonging (DEIB) program for KHS
- ✓ Launched Equity Payments Transformation Program funded by DHCS
- ✓ Launched Kern Health Equity Partnership



KHS Board of Directors Meeting, February 15, 2024



2024 Goals: Employees, Members, Providers, and Community



Engage and develop employees with training, culture initiatives and DEI programs

Introduce health equity training, support 2024 culture initiatives and expand diversity, equity and inclusion program for employees



Focus on member wellness, prevention, health equity and quality improvement

Implement new wellness and prevention programs, advance health equity transformation efforts and enhance population health management for members



Provide incentives and training for providers

Engaging with providers to offer incentives and develop health equity training to improve care



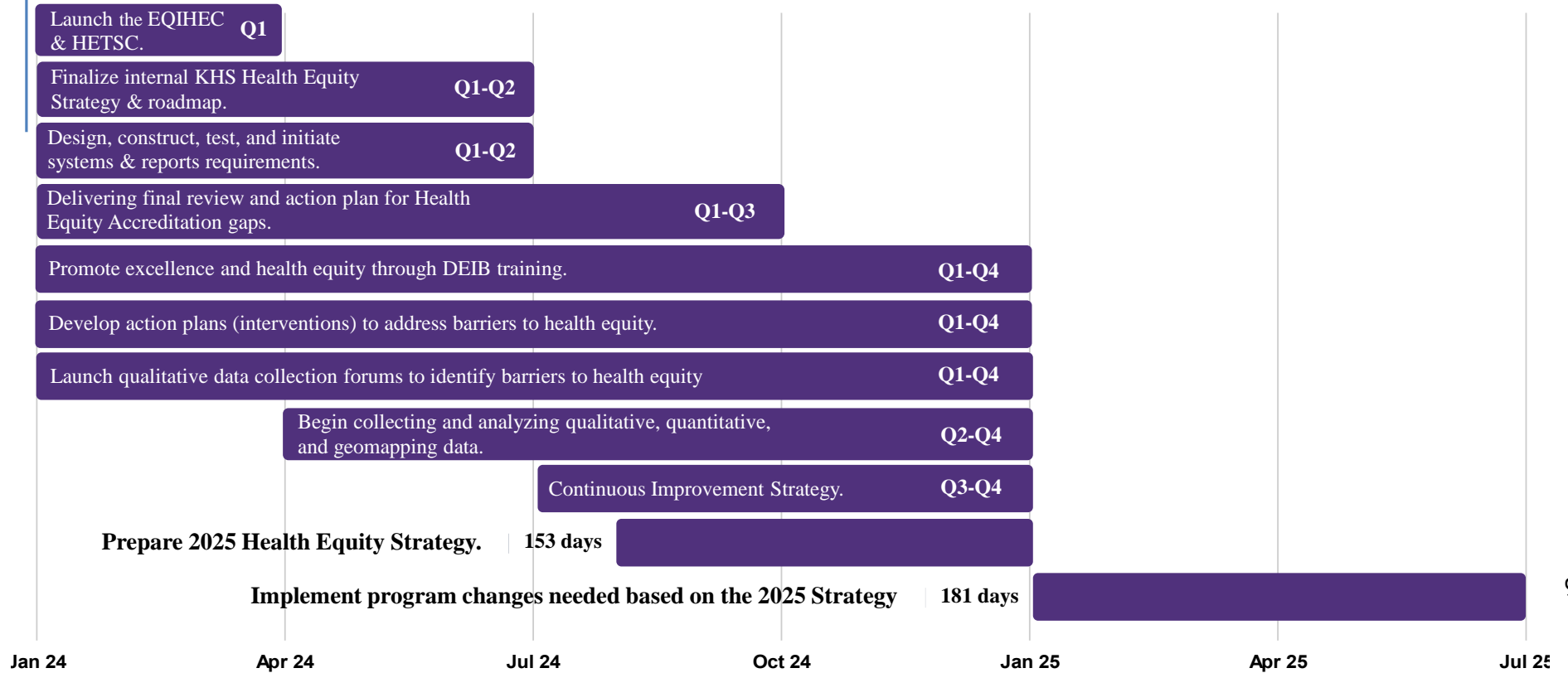
Build relationships and invest in communities

Strengthen connections in communities through investments, relationship building and listening

Strategic goals aim to advance health equity through engagement across employees, members, providers and communities.



2024-2025 Strategic Roadmap





Board Request

Requesting the KHS Board of Directors to approve the 2024 Health Equity Strategy and Workplan.

By partnering closely with KHS on these requests, we can work together to significantly advance health equity in our community.

2024 Kern Health Systems - Health Equity Office Work Plan

| YEARLY OBJECTIVE | GOAL | RESPONSIBLE PERSON(S) | Activities/ Interventions | Timeframe | Previously Identified Issue |
|--|---|---|---|-----------|-----------------------------|
| ACCESS (PROVIDER) | | | | | |
| Scope of Activity: Determine member access to provider network by ensuring geographic accessibility of choice of providers via mapping of the provider network by level of care; auditing samples of Member Services notes to ensure that a choice of | | | | | |
| Member Needs Assessment | Conduct an annual member needs assessment. Identified gaps in the provider network will be addressed through the recommendations of the Network Adequacy Committee. | Director of Provider Network Management | Run report to assess needs of members. Review with stakeholders. Adjust provider network as necessary. | Q1-Q2 | No |
| Multicultural Practices Provider Survey | Assess provider cultural responsiveness. Additional goals and objectives with a timetable for implementation are documented in the C&L | Director of Provider Network Management | Conduct Survey Review results Adjust provider network and/ or address gaps | Q1-Q2 | No |
| Collection of Providers' Race/Ethnicity Demographic Data | Expand and increase data integrity and reportability related to the the Collection of Provider's Demographic data to enable more effective decision making | Director of Provider Network Management & HEO Manager | Run current report, identify areas of opportunity to validate & update existing data and expand data collection | Q2-Q3 | |
| Collection of Providers' Race/Ethnicity Demographic Data | Assess provider's race/ethnicity demographic profile to that of the member race/ethnicity profile | Director of Provider Network Management | Invoices to assess utilization of services. Review reports with stakeholders. Take corrective actions | Q2-Q3 | No |
| Provider Training on Language Resources | Offer KHS contracted providers access and availability of language assistance resources | Director Member Services | Run report to assess needs of members. Review with stakeholders. | Q3-Q4 | No |
| Assess KHS Provider Network Language Capabilities | Assess provider language capabilities to that of the KHS member language needs. | Director, Member Services | needs of members. Review with stakeholders. Add to Provider Directory | Q3-Q4 | No |
| ACCESS (Member) | | | | | |
| Scope of Activity: Ensure consumer access services by reviewing the answer and abandonment rates of telephone calls to the KHS Member Services line; monitoring the provision of interpretation and translation services; and evaluating penetration | | | | | |
| Utilization of Language Assistance Resources | Assess utilization of language assistance resources for organizational functions | Director, Member Services | invoices to assess utilization of services. Review reports with stakeholders. Take corrective actions | Q1-Q2 | No |
| Identification of Threshold and Notification Languages | Identify threshold languages for members at 1,000 or 5% (whichever is less) and notification languages for members at 200 | Director, Member Services | Run Annual Report Share with Stakeholders Update Vital Documents Process | Q1-Q2 | No |
| COMPLAINTS AND GRIEVANCES | | | | | |
| Scope of Activity: Ensure the proper and timely handling of complaints and grievances. | | | | | |
| Grievances are written in clear, easy-to-understand language. | 100% of grievance resolution letters are easy to understand and written in a language no greater than 6th grade. | Complaints and Grievances Manager | Run quarterly reports to assess grievance resolution letters. Review reports with stakeholders. Take corrective actions as necessary. | Q1 | Yes |
| Improve tracking mechanism of grievances | Enhance current tracking mechanism to capture and easily report types of grievances (particularly discrimination related) and monitor regularly to identify trends | Complaints and Grievances Manager/HEO | Assess current report, add necessary columns and include in HESTC report | Q1 | No |
| EXECUTIVE MANAGEMENT | | | | | |
| COUNTY | | | | | |
| Share CLAS Progress with Stakeholders | Share CLAS progress with stakeholders, including obtaining MHC distinction | Sr Director of Wellness & Prevention | Share with Stakeholders | Q2-Q3 | No |
| Annual evaluation of the CLAS program | Conduct annual evaluation of the CLAS program | Sr Director of Wellness & Prevention | Share with Stakeholders Identify and address areas for improvement | Q2-Q3 | No |

| | | | | | |
|--|--|--|--|---------|----|
| Assessment of KHS Workforce Demographics | Analyze KHS workforce demographics | Health Equity Officer | workforce activities. Review with stakeholders. <u>Monitor workforce demographics for hiring</u> | Q1 | No |
| Diversity, Equity and Inclusion (DEI) Task Force Development | Development of the KHS DEI Task Force will serve as the stepping stone to mobilize efforts around implementation of DEI practices, policies, engagement, climate pulse checks, and training opportunities. | Health Equity Officer | Solicit workforce participation for task force development Establish task force with regular occurring meeting schedule | Q1-Q2 | No |
| Organizational Climate Assessment | Conduct Annual Organizational Climate Assessment | Health Equity Officer | Develop KHS Organizational Climate Assessment Tool Facilitate Organizational | Q1 | No |
| Diversity, Equity and Inclusion (DEI) Training | Develop organization- wide diversity, equity and inclusion training curriculum | Health Equity Officer | Assess organizational training needs Create DEI Training Curriculum | Q1-Q3 | No |
| Ensure Bilingual KHS Workforce | Maintain a bilingual Member Services Department workforce that is representative of 5% of the population | Director of Human Resources Director of Member Services | Maintain Member Service Staffing Share with Stakeholders Add to Qualified | Q1 | No |
| Bi-Lingual Staff Competency Assessment | Conduct Language Proficiency Test for all new bilingual applicants | Director of Human Resources Director of Member Services | Facilitate LPT Assessment Provide LPT assessment scores | Q1-Q4 | No |
| Staff Experience with Language Assistance Resources | Assess baseline of staff experience with language resources | Director of Member Services | Run Annual Report Share with Stakeholders Identify and address | Q1 & Q3 | No |
| QUALITY MANAGEMENT | | | | | |
| Scope of Activity: Demonstration of appropriate quality management strategies, as incorporated into the QM Program Description and Work Plan, and additional quality activities around specific service areas such as BHRS, BH-PH coordination, | | | | | |
| Reduce language disparities among Asian speaking members | Reduce language disparities among Asian speaking members getting screening for breast cancer by 5 % in comparison to other groups. | Health Equity Officer Director of Quality | Run quarterly report to assess IET measures. Review reports with stakeholders. Take corrective actions as necessary. | Q1-Q4 | No |
| Reduce disparities among Hispanic Members | Improve managment of Diabetes by reducing A1c levels in Hispanic members by 2024. Improve the good control rate by 5 % by 2024. | Health Equity Officer Director of Quality | Run quarterly report to assess IET measures. Review reports with stakeholders. Take corrective actions as necessary. | Q1-Q4 | No |
| CONSUMER/FAMILY SATISFACTION | | | | | |
| Scope of Activity: Qualitative review of overall member satisfaction, via Consumer Satisfaction Team reports and the timely resolution of issues raised | | | | | |
| Assessment of member experience with Language Resources | Assess baseline of member experience with language resources | Director of Member Services | Run Annual Report Share with Stakeholders Identify and address areas for improvement | Q1 & Q3 | No |
| HEO Regional Listening Sessions | Gather qualitative data directly from members and the community regarding their experience | Health Equity Office | Assess baseline of member experience for medical access, quality and trust | Q1 | No |



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Jeremy McGuire, Sr. Director of Government Relations and Strategic Development

SUBJECT: Year-End Update on the 2023-2025 Strategic Plan

DATE: February 15, 2024

BACKGROUND

The 2023 – 2025 Strategic Plan serves as a roadmap to ensure Kern Health Systems (KHS) remains focused and transparent about its direction, has clear directives regarding how the organization will achieve desired goals, and includes strategies for address impending industry challenges, identifying new opportunities, and strengthening competitive differentiation, member services, and community impact.

After the close of each calendar year, KHS Leadership summarizes the results of the Strategic Plan accomplishments. The attached presentation includes the final status of 2023 Strategic Plan items. It also provides insight into upcoming initiatives for 2024. Jeremy McGuire, Senior Director of Government Relations and Strategic Development will provide an overview of the presentation to the Board of Directors. Overall, KHS made significant progress on the Strategic Plan in 2023, as outlined in the presentation.

REQUESTED ACTION

Receive and file.

Year-End Strategic Plan Update

Jeremy McGuire, Sr. Director of Government Relations and Strategic Development



Agenda and Background

- With the conclusion of 2023, Management is providing an update on the progress of the Strategic Plan.
- Throughout the year initiatives on the Strategic Plan have been monitored for progress and reported to KHS Leadership and the Board of Directors, under the stewardship of their respective owners.
- Overall, KHS made significant progress in 2023, as outlined in this presentation.
- 2024 Strategic Plan initiatives have been vetted through the annual goal-setting and project planning process. Key 2024 items will also be reviewed in this presentation.



2023 Strategic Plan Accomplishments

Quality and Equity - Deliver exceptional quality outcomes and health equity for KHS members

- Increase overall quality with a drive toward achieving Managed Care Accountability Set (MCAS) Minimum Performance Levels (MPL) and closing disparity gaps.
 - MCAS Strike Team developed numerous initiatives focused on improving MCAS rates and close gaps in care resulting in 15 of 18 measures trending higher than prior year.
 - Key examples: partnership with telehealth providers to support follow up visits after ED visits for Mental Health/Substance Use. Mammogram program. Urgent Care A1C testing. Complex Diabetes Management program. Updated P4P program.
 - Member Outreach efforts focused on scheduling preventive health services appointments to close gaps in care. Over 75,000 outreach attempts resulted in over 27,000 gaps closed.
- Meet National Committee for Quality Assurance (NCQA) standards and work toward accreditation.
 - The Mihalik Group (TMG) hired to work with KHS on NCQA gap analysis, develop work plan to work toward NCQA Health Plan Accreditation (HPA) and Health Equity Accreditation (HEA), and assist with internal stakeholder training. All were completed successfully.
 - Leads and Subject Matter Experts (SMEs) completed 100% of tasks outlined for 2023 in the Work Plan which included updating all applicable Documented Processes and Materials in compliance with NCQA Standards.
 - TMG completed 4 Mock Audits/File Reviews in 2023 for Standards in the following areas: Utilization Management (UM), Population Health Management (PMH), and Credentialing and Recredentialing (CR).



2023 Strategic Plan Accomplishments

Quality and Equity - Deliver exceptional quality outcomes and health equity for KHS members

- Further maturity of the organization's Health Equity programs under the direction of the Chief Health Equity Officer.
 - Hired Chief Health Equity Officer and launched the Health Equity Office.
 - Developed formal Health Equity program strategy, framework, and structure including policies and procedures.
 - Designed and implemented various mechanisms to gather qualitative feedback to deepen understanding of KHS service populations and employees including survey development, regional listening sessions, committees and interviews.
 - Created the Executive Quality Improvement Health Equity Committee (EQIHEC) and Health Equity Steering Transformation Committee (HETSC).
 - Launch of Equity Practice Transformation (EPT) Program. Working with 12 providers on associated projects focused on transforming primary care practices to advance health equity.
 - Alignment and participation in NCQA Health Equity Accreditation work plan.



2023 Strategic Plan Accomplishments

Workforce - Develop initiatives for the recruitment and retention of both internal and external workforce needed to fulfill KHS' mission

- Identify Provider Network needs and gaps to inform target areas and approaches. Strengthen and expand the KHS provider network through innovative and effective recruitment and retention programs.
 - Conducted Network Reporting which provided insight in appointment availability, network adequacy, and geographical accessibility to identify network needs.
 - Established and implemented the Recruitment and Retention Grant Program. As a result, 20 contracted providers were awarded grant funds to help close the gaps identified based on the Annual Network Capacity report.
 - Through recruitment and contracting efforts 44 new contracts were executed and have partially executed contracts for each type of Intermediate Care Facility.
 - Created nursing and social worker scholarships program in partnership with Bakersfield College and CSUB.
- Identify business needs and gaps in current workforce to inform target areas and approaches. Meet the growing operational demands of the organization by creating recruitment and retention programs for internal staffing and leadership needs.
 - Constant monitoring with internal and external stakeholders regarding workforce trends and needs.
 - Completed inaugural KHS Career Expo which was attended by over 300 individuals.
 - Executed the Summer Extern Program with 184 applicants and 40 participants.
 - Updated KHS Recruitment and Retention plan and Succession Plan.



2023 Strategic Plan Accomplishments

CalAIM - Continue to develop, implement, and grow the programs and policies included under DHCS' CalAIM initiative

- Continued growth and maturity of existing CalAIM programs – Population Health Management (PHM), Enhanced Care Management (ECM), Community Supports (CSS), and Long-Term Care (LTC).
 - Expanded ECM to 15 additional sites, for a total of 28 ECM program locations. Total enrollment eclipsed 7,000 members.
 - Onboarded 12 new Community Based Organizations to offer a variety of Community Supports. Also expanded existing CBO partnerships to new locations.
 - Long Term Care program development to provide coordination of care, including the SNFist program.
- Strengthen Existing and Establish New Community Partnerships to Support CalAIM.
 - Ongoing operational support and oversight of CalAIM Incentive Program Funding.
 - CalAIM Kern Collaborative meetings held monthly to promote local engagement efforts with regional partners.
- Ongoing collaboration between KHS staff and the Department of Health Care Services (DHCS) on the development and implementation of future CalAIM initiatives.
 - Launched 6 new Community Supports Services - Medically Tailored Meals, Sobering Centers, Respite Care, Nursing Facility Transition/Diversion, Community Transition and Personal Care and Homemaker Services.
 - The ECM program successfully launched 6 new Children/Youth Populations of Focus in July of 2023.
 - Additional operational preparations completed in advance of 2024 launch of ECM Populations of Focus related to Pregnancy/Postpartum, and Justice-Involved Individuals.
 - Implemented the next phase of the Long-Term Care carve-in for adult and pediatric services in Intermediate Care and Subacute Facilities.



2023 Strategic Plan Accomplishments

Medicare Duals Special Needs Plan (D-SNP) - Develop and implement a competitive Medicare D-SNP product in alignment with State and Federal requirements

- Development of the long-term D-SNP strategy and implementation roadmap.
 - Medicare Business Strategy and timelines delivery has been completed.
 - Developed Health Services Strategy and Population Health Risk Analysis.
 - Development and design of 3-year Roadmap to document end-to-end product development has been completed.
- Analysis of the appropriate market factors to maximize the competitiveness of the product.
 - Annual Market analysis for 2023 completed and reviewed by internal steering committee.
- Design and implementation of an efficient Medicare D-SNP offering with competitive advantages, leveraging KHS innovation and new business/new product development capabilities.
 - Completion of preliminary resource impacts and staffing models, network analytics, 2024 budget and project needs.



2023 Strategic Plan Accomplishments

Behavioral Health - Improve the integration, coordination and outcomes for members experiencing behavioral and mental health conditions

- Development and maturity of an internal Behavioral Health (BH) Department.
 - Created the Department Structure, job descriptions, recruitment of required staff for care coordination and care management efforts.
 - Developed internal Behavioral Health framework including policies and procedures, Program Description, Scope of Work, Desk Level Procedures, and Process flows for Coordination within KHS.
 - Identified 3 providers to pilot enhanced data exchange to facilitate real-time coordination efforts for members accessing Behavioral Health services.
- Evaluate and ensure the mental health provider network is adequate to provide all outlined non specialty mental health services (NSMHS).
 - Collaborated with Provider Network Management to ensure network adequacy standards and worked on increasing access through the recruitment of BH providers.
 - Created tracking report to monitor timely access from point of referral to initial appointment to ensure standard of 10 business days.
 - Built relationships with all BH Network Providers to provide support with coordination of services or other issues.



2023 Strategic Plan Accomplishments

Behavioral Health - Improve the integration, coordination and outcomes for members experiencing behavioral and mental health conditions

- Communication and coordination with County Behavioral Health regarding DHCS requirements.
 - Worked with Kern Behavioral Health and Recovery Services Care Coordination Unit (CCU) to develop workflows for referrals and transitions between systems of care, which helped address delays linking KHS members.
 - Strengthened the collaboration and coordination with Kern Behavioral Health and Recovery Services to incorporate a “No Wrong Door” structure.
 - Successfully made progress on bidirectional data exchange with ongoing efforts in 2024 to finalize the automation.
- Further evaluate and develop the implementation of Primary Care Provider Roles with Substance Use Disorder services / Medication Assisted Treatment (MAT) services.
 - Worked with Drug Medi-Cal Organized Delivery System (DMC-ODS) Administrator to create a referral workflow for members needing SUD services.
 - Collaborated with KHS Pharmacy team to identify providers prescribing MAT medication and members on MAT medication.
 - Developed reporting to assist with oversight and monitoring of MAT services.



2023 Strategic Plan Accomplishments

Member Engagement - Increase member engagement in their health care

- Identify and implement innovative and effective offerings designed to engage members more in their health care.
 - Restructured and expanded the internal team to include 7 new positions dedicated to member and community engagement. Developed strategies and tactics to innovate how KHS engages members with these staff.
 - Collaborated with providers and community partners to engage members in improving their health. Some examples include mobile clinics for farmworkers, outreach for MCAS gaps in care, and co-location of member engagement representatives in outlying areas.
- Work with internal staff and external partners to develop strategies that ensure continuity of coverage for our members.
 - Established agreements with the Kern County Department of Human Services to share member renewal data. Obtained access to State systems to provide Member Navigators and KHS Staff functionality and/or visibility to better assist members with their renewals. Co-located County DHS staff within KHS to assist members onsite.
 - Executed an extensive marketing and outreach campaign related to Medi-Cal renewals. This included direct member outreach via numerous modalities, coordination with providers and community orgs, and a multi-channel ad campaign to raise awareness.
- Leverage convenient technology to enhance the effectiveness of engagement and suit members' needs.
 - Launched projects for a new Customer Relationship Manager (CRM) platform and a Member Rewards solution.
 - Leveraged KHS technology (website, portal, tablets, screen pop) to implement member screening tools and gaps in care enhancements.



2023 Strategic Plan Accomplishments

KHS Foundation - Explore the opportunity for KHS to create a non-profit foundation to further its mission in the community

- Conduct exploratory analysis of the necessary major components needed for the creation of a KHS non-profit foundation.
 - Conducted research and analysis on the requirements, structure, and financing of a non-profit foundation.
 - Engaged legal resources to aid in understanding and navigating foundation start-up steps.
 - Presented to the KHS Board of Directors in October to review next steps.



2024 Strategic Plan Items

- MCAS – Expanding use of mobile clinics to provide preventive health services, increasing access to services in the school system, additional data exchange and EMR access, expanding member outreach efforts.
- NCQA - Accreditation applications to be submitted in Q2. Additional mock audits to be conducted, along with remediation. Continued operational preparations according to the work plan.
- Health Equity - Finalize internal KHS Health Equity Strategy & roadmap. Create culture of excellence for all stakeholders through Health Equity training and DEIB program. Administer the Equity and Practice Transformation Grants Program. Execute Equity Committees feedback and data collection methods to inform action plans to address barriers.
- Workforce – Continued provider network monitoring to inform recruitment needs. Administration of the Recruitment and Retention Grants and the Workforce Expansion Grants.
- CalAIM - Incorporate the last of the 14 CSS services (Home Modifications) in July 2024. Expand the current CSS network. Continued expansion of ECM Provider Sites. Implementation of additional high-risk Disease Management Programs. Further maturity of Transitional Care Services for members moving from one level of care to another.



2024 Strategic Plan Items

- D-SNP - Completion and approval of regulatory service area expansion and DNSP product filing. Initiate development of Model of Care. Preparation and submission of Notice of Intent to CMS. Preparation for CMS application submission. Continue internal operations preparations per approved projects.
- Behavioral Health – Further expansion and maturity of the BH department, including emphasis on member experience. Ongoing work with County BH to continue coordination and information sharing. Enhancing Behavioral Health Therapy (BHT) through dedicated staff and workflows. Continued expansion of Medication Assisted Treatment (MAT) services.
- Member Engagement – Continue expanding coverage area for member and community engagement staff. Attend and assist with focus groups and listening sessions conducted by Health Equity Office. Implement new member rewards vendor. Phase I of the CRM project implementation.
- KHS Foundation - Prepare Articles of Incorporation, Bylaws, and other formational documents to begin the formation process of the organization.



Next Steps

- **Operational and project work is ramping up for 2024.**
- **Continued regular internal monitoring of progress by Leadership.**
- **Quarterly Reporting to the Board on the progress of 2024 items.**



You + Us = a better day!

Questions?





MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Robert Landis, Chief Financial Officer
SUBJECT: November 2023 Financial Results
DATE: February 15, 2024

The November results reflect a \$376,142 Net Increase in Net Position which is a \$804,421 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$6.7 million favorable variance primarily due to:
 - A) \$4.9 million favorable variance primarily due from receiving a \$6.2 million payment under the CalAim Incentive Payment Program and from \$1.3 million of unfavorable **timing differences** on waiting for DHCS approval to record revenue under the Student Behavioral Health Incentive Program and the Housing and Homelessness Incentive Program.
 - B) \$1.4 million unfavorable variance primarily due to lower-than-expected membership in the Long-Term Care Category of Aid.
 - C) \$3.1 million favorable variance in Investment Earnings and Other Income primarily due from higher than forecasted interest rates being earned on the investment portfolio.

- 2) Total Medical Costs reflect a \$4.2 million unfavorable variance primarily due to:
 - A) \$2.4 million unfavorable variance in Outpatient Hospital primarily due to higher-than-expected utilization along with rate increases over the last several months.
 - B) \$1.6 million unfavorable variance in Other Medical primarily from:
 - 1) \$2.0 million unfavorable variance in Ambulance and Non-emergency Medical Transportation (“NEMT”) due to higher-than-expected utilization of NEMT services over the last several months by our members.
 - 2) \$4.0 million favorable variance in Long Term Care expense primarily due to lower than expected utilization by SPD members.

- 3) \$3.8 million unfavorable variance in CalAIM Incentive Programs due to receiving provider invoices to record expenses under the CalAim Incentive Payment Program, Student Behavioral Health Incentive Program and the Housing and Homelessness Incentive Program.

The November Medical Loss Ratio is 91.0% which is favorable to the 92.9 % budgeted amount. The November Administrative Expense Ratio is 8.2% which is unfavorable to the 6.9% budgeted amount primarily due to the \$1.5 million Cost-of-Living Stipend paid to employees in November.

The results for the 11 months ended November 30, 2023 reflects a Net Increase in Net Position of \$94,342,506. This is a \$99,618,402 favorable variance to budget and includes approximately \$20.7 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 84.7% which is favorable to the 92.9% budgeted amount. The year-to-date Administrative Expense Ratio is 6.8% which is favorable to the 6.9% budgeted amount.

**Kern Health Systems
Financial Packet
November 2023**

KHS – Medi-Cal Line of Business

| | |
|---|------------|
| Comparative Statement of Net Position | Page 1 |
| Statement of Revenue, Expenses, and Changes in Net Position | Page 2 |
| Statement of Revenue, Expenses, and Changes in Net Position - PMPM | Page 3 |
| Statement of Revenue, Expenses, and Changes in Net Position by Month | Page 4-5 |
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| Schedule of Revenues | Page 8 |
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| Schedule of Medical Costs by Month | Page 11-12 |
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| Schedule of Administrative Expenses by Department | Page 15 |
| Schedule of Administrative Expenses by Department by Month | Page 16-17 |

KHS Group Health Plan – Healthy Families Line of Business

| | |
|---|---------|
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| Statement of Revenue, Expenses, and Changes in Net Position | Page 19 |

KHS Administrative Analysis and Other Reporting

| | |
|----------------------|---------|
| Monthly Member Count | Page 20 |
|----------------------|---------|

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF NOVEMBER 30, 2023 | | | |
|---|-------------------------|-------------------------|----------------------|
| ASSETS | NOVEMBER 2023 | OCTOBER 2023 | INC(DEC) |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 154,655,404 | \$ 122,316,862 | \$ 32,338,542 |
| Short-Term Investments | 335,398,973 | 390,371,861 | (54,972,888) |
| Premiums Receivable - Net | 105,258,688 | 89,049,925 | 16,208,763 |
| Premiums Receivable - Hospital Direct Payments | 466,676,049 | 445,924,351 | 20,751,698 |
| Interest Receivable | 246,011 | 123,010 | 123,001 |
| Provider Advance Payment | 600,309 | 602,662 | (2,353) |
| Other Receivables | 1,093,786 | 589,860 | 503,926 |
| Prepaid Expenses & Other Current Assets | 6,847,848 | 6,892,622 | (44,774) |
| Total Current Assets | \$ 1,070,777,068 | \$ 1,055,871,153 | \$ 14,905,915 |
| CAPITAL ASSETS - NET OF ACCUM DEPREE: | | | |
| Land | 4,090,706 | 4,090,706 | - |
| Furniture and Equipment - Net | 1,073,216 | 1,129,028 | (55,812) |
| Computer Hardware and Software - Net | 18,203,902 | 18,131,617 | 72,285 |
| Building and Building Improvements - Net | 33,178,692 | 33,255,513 | (76,821) |
| Capital Projects in Progress | 3,172,786 | 2,456,346 | 716,440 |
| Total Capital Assets | \$ 59,719,302 | \$ 59,063,210 | \$ 656,092 |
| LONG TERM ASSETS: | | | |
| Restricted Investments | 300,000 | 300,000 | - |
| Officer Life Insurance Receivables | 1,602,024 | 1,602,024 | - |
| Total Long Term Assets | \$ 1,902,024 | \$ 1,902,024 | \$ - |
| DEFERRED OUTFLOWS OF RESOURCES | \$ 8,886,257 | \$ 8,886,257 | \$ - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 1,141,284,651 | \$ 1,125,722,644 | \$ 15,562,007 |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Accrued Salaries and Employee Benefits | \$ 5,498,052 | \$ 6,391,630 | (893,578) |
| Accrued Other Operating Expenses | 5,780,331 | 4,977,897 | 802,434 |
| Claims Payable (Reported) | 17,431,722 | 25,848,412 | (8,416,690) |
| IBNR - Inpatient Claims | 61,245,072 | 58,633,336 | 2,611,736 |
| IBNR - Physician Claims | 20,023,139 | 21,241,229 | (1,218,090) |
| IBNR - Accrued Other Medical | 28,882,708 | 27,025,271 | 1,857,437 |
| Risk Pool and Withholds Payable | 5,730,689 | 5,212,307 | 518,382 |
| Statutory Allowance for Claims Processing Expense | 3,195,869 | 3,195,869 | - |
| Other Liabilities | 101,411,211 | 102,238,675 | (827,464) |
| Accrued Hospital Directed Payments | 466,738,264 | 445,986,566 | 20,751,698 |
| Total Current Liabilities | \$ 715,937,057 | \$ 700,751,192 | \$ 15,185,865 |
| NONCURRENT LIABILITIES: | | | |
| Net Pension Liability | 12,018,206 | 12,018,206 | - |
| TOTAL NONCURRENT LIABILITIES | \$ 12,018,206 | \$ 12,018,206 | \$ - |
| DEFERRED INFLOWS OF RESOURCES | \$ 230,571 | \$ 230,571 | \$ - |
| NET POSITION: | | | |
| Net Position - Beg. of Year | 318,756,311 | 318,756,311 | - |
| Increase (Decrease) in Net Position - Current Year | 94,342,506 | 93,966,364 | 376,142 |
| Total Net Position | \$ 413,098,817 | \$ 412,722,675 | \$ 376,142 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 1,141,284,651 | \$ 1,125,722,644 | \$ 15,562,007 |

| CURRENT MONTH MEMBERS | | | KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2023 | | | YEAR-TO-DATE MEMBER MONTHS | | |
|-----------------------|-------------|-------------|--|---------------|---------------|----------------------------|--------|----------|
| | | | | | | ACTUAL | BUDGET | VARIANCE |
| 207,582 | 210,500 | (2,918) | Family Members | 2,327,766 | 2,341,500 | (13,734) | | |
| 96,517 | 91,500 | 5,017 | Expansion Members | 1,087,470 | 1,028,500 | 58,970 | | |
| 18,398 | 17,500 | 898 | SPD Members | 201,916 | 195,500 | 6,416 | | |
| 428 | 650 | (222) | LTC Members | 4,066 | 5,500 | (1,434) | | |
| 22,663 | 23,700 | (1,037) | Other Members | 231,837 | 245,700 | (13,863) | | |
| 15,423 | 14,000 | 1,423 | Kaiser Members | 170,882 | 154,000 | 16,882 | | |
| 361,011 | 357,850 | 3,161 | Total Members - MCAL | 4,023,937 | 3,970,700 | 53,237 | | |
| | | | REVENUES | | | | | |
| 45,286,583 | 42,620,744 | 2,665,839 | Title XIX - Medicaid - Family and Other | 469,952,965 | 470,125,605 | (172,640) | | |
| 36,497,717 | 33,582,610 | 2,915,107 | Title XIX - Medicaid - Expansion Members | 408,928,653 | 377,451,491 | 31,477,162 | | |
| 19,356,792 | 20,005,446 | (648,654) | Title XIX - Medicaid - SPD Members | 212,306,319 | 223,489,413 | (11,183,094) | | |
| 3,153,925 | 4,566,444 | (1,412,519) | Title XIX - Medicaid - LTC Members | 30,339,490 | 38,796,420 | (8,456,930) | | |
| - | - | - | Premium - MCO Tax | - | - | - | | |
| 20,754,284 | 20,636,034 | 118,250 | Premium - Hospital Directed Payments | 237,953,195 | 230,667,866 | 7,285,329 | | |
| 3,571,373 | 428,373 | 3,143,000 | Investment Earnings And Other Income | 18,050,914 | 4,732,223 | 13,318,691 | | |
| - | 75,759 | (75,759) | Reinsurance Recoveries | - | 840,915 | (840,915) | | |
| (2,585) | - | (2,585) | Rate Adjustments - Hospital Directed Payments | (12,152) | - | (12,152) | | |
| 21,527 | - | 21,527 | Rate/Income Adjustments | 5,377,632 | - | 5,377,632 | | |
| 128,639,616 | 121,915,411 | 6,724,205 | TOTAL REVENUES | 1,382,897,016 | 1,346,103,933 | 36,793,083 | | |
| | | | EXPENSES | | | | | |
| | | | Medical Costs: | | | | | |
| 21,258,592 | 21,239,876 | (18,716) | Physician Services | 229,379,660 | 236,303,291 | 6,923,631 | | |
| 6,739,291 | 6,892,732 | 153,441 | Other Professional Services | 67,984,200 | 76,308,693 | 8,324,493 | | |
| 4,921,226 | 5,689,908 | 768,682 | Emergency Room | 57,242,053 | 63,283,747 | 6,041,694 | | |
| 23,460,211 | 23,225,242 | (234,969) | Inpatient | 248,735,118 | 258,967,774 | 10,232,656 | | |
| 91,410 | 75,759 | (15,651) | Reinsurance Expense | 1,129,070 | 840,915 | (288,155) | | |
| 12,702,928 | 10,346,366 | (2,356,562) | Outpatient Hospital | 119,941,012 | 114,656,994 | (5,284,018) | | |
| 27,658,265 | 26,070,586 | (1,587,679) | Other Medical | 255,834,687 | 280,382,466 | 24,547,779 | | |
| 518,382 | 515,566 | (2,816) | Pay for Performance Quality Incentive | 5,777,799 | 5,725,262 | (52,537) | | |
| 20,754,284 | 20,636,034 | (118,250) | Hospital Directed Payments | 237,953,195 | 230,667,866 | (7,285,329) | | |
| (2,586) | - | 2,586 | Hospital Directed Payment Adjustment | (1,353,179) | - | 1,353,179 | | |
| (662) | - | 662 | Non-Claims Expense Adjustment | (1,630,678) | - | 1,630,678 | | |
| 784,814 | - | (784,814) | IBNR, Incentive, Paid Claims Adjustment | (14,453,675) | - | 14,453,675 | | |
| 118,886,155 | 114,692,068 | (4,194,087) | Total Medical Costs | 1,206,539,262 | 1,267,137,008 | 60,597,746 | | |
| 9,753,461 | 7,223,342 | 2,530,119 | GROSS MARGIN | 176,357,754 | 78,966,925 | 97,390,829 | | |
| | | | Administrative: | | | | | |
| 5,655,319 | 4,009,842 | (1,645,477) | Compensation | 43,445,288 | 44,183,251 | 737,963 | | |
| 1,916,544 | 1,690,082 | (226,462) | Purchased Services | 17,127,904 | 18,590,899 | 1,462,995 | | |
| 131,121 | 227,316 | 96,195 | Supplies | 1,694,942 | 2,500,479 | 805,537 | | |
| 685,712 | 649,950 | (35,762) | Depreciation | 7,513,633 | 7,149,445 | (364,188) | | |
| 498,451 | 449,119 | (49,332) | Other Administrative Expenses | 5,546,986 | 4,940,304 | (606,682) | | |
| (260) | - | 260 | Administrative Expense Adjustment | 2,146,902 | - | (2,146,902) | | |
| 8,886,887 | 7,026,308 | (1,860,579) | Total Administrative Expenses | 77,475,655 | 77,364,378 | (111,277) | | |
| 127,773,042 | 121,718,376 | (6,054,666) | TOTAL EXPENSES | 1,284,014,917 | 1,344,501,386 | 60,486,469 | | |
| 866,574 | 197,035 | 669,539 | OPERATING INCOME (LOSS) BEFORE TAX | 98,882,099 | 1,602,547 | 97,279,552 | | |
| - | - | - | MCO TAX | - | - | - | | |
| 866,574 | 197,035 | 669,539 | OPERATING INCOME (LOSS) NET OF TAX | 98,882,099 | 1,602,547 | 97,279,552 | | |
| | | | NONOPERATING REVENUE (EXPENSE) | | | | | |
| - | - | - | Provider Grants/CalAIM/Home Health | (543) | - | (543) | | |
| (490,432) | (625,313) | 134,881 | D-SNP Expenses | (4,539,050) | (6,878,443) | 2,339,393 | | |
| (490,432) | (625,313) | 134,881 | TOTAL NONOPERATING REVENUE (EXPENSE) | (4,539,593) | (6,878,443) | 2,338,850 | | |
| 376,142 | (428,279) | 804,421 | NET INCREASE (DECREASE) IN NET POSITION | 94,342,506 | (5,275,896) | 99,618,402 | | |
| 91.0% | 92.9% | 1.9% | MEDICAL LOSS RATIO | 84.7% | 92.9% | 8.2% | | |
| 8.2% | 6.9% | -1.3% | ADMINISTRATIVE EXPENSE RATIO | 6.8% | 6.9% | 0.2% | | |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2023 | YEAR-TO-DATE | | |
|---------------------------------------|----------|----------|---|--------------|-----------|----------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| ENROLLMENT | | | | | | |
| 207,582 | 210,500 | (2,918) | Family Members | 2,327,766 | 2,341,500 | (13,734) |
| 96,517 | 91,500 | 5,017 | Expansion Members | 1,087,470 | 1,028,500 | 58,970 |
| 18,398 | 17,500 | 898 | SPD Members | 201,916 | 195,500 | 6,416 |
| 428 | 650 | (222) | LTC Members | 4,066 | 5,500 | (1,434) |
| 22,663 | 23,700 | (1,037) | Other Members | 231,837 | 245,700 | (13,863) |
| 15,423 | 14,000 | 1,423 | Kaiser Members | 170,882 | 154,000 | 16,882 |
| 361,011 | 357,850 | 3,161 | Total Members - MCAL | 4,023,937 | 3,970,700 | 53,237 |
| REVENUES | | | | | | |
| 196.69 | 181.98 | 14.70 | Title XIX - Medicaid - Family and Other | 183.60 | 181.71 | 1.89 |
| 378.15 | 367.02 | 11.13 | Title XIX - Medicaid - Expansion Members | 376.04 | 366.99 | 9.04 |
| 1,052.11 | 1,143.17 | (91.05) | Title XIX - Medicaid - SPD Members | 1,051.46 | 1,143.17 | (91.71) |
| 7,368.98 | 7,025.30 | 343.69 | Title XIX - Medicaid - LTC Members | 7,461.75 | 7,053.89 | 407.86 |
| 0.00 | 0.00 | 0.00 | Premium - MCO Tax | 0.00 | 0.00 | 0.00 |
| 60.05 | 60.01 | 0.04 | Premium - Hospital Directed Payments | 61.76 | 60.44 | 1.32 |
| 10.33 | 1.25 | 9.09 | Investment Earnings And Other Income | 4.68 | 1.24 | 3.44 |
| 0.00 | 0.22 | (0.22) | Reinsurance Recoveries | 0.00 | 0.22 | (0.22) |
| (0.01) | 0.00 | (0.01) | Rate Adjustments - Hospital Directed Payments | (0.00) | 0.00 | (0.00) |
| 0.06 | 0.00 | 0.06 | Rate/Income Adjustments | 1.40 | 0.00 | 1.40 |
| 372.23 | 354.56 | 17.67 | TOTAL REVENUES | 358.91 | 352.69 | 6.22 |
| EXPENSES | | | | | | |
| Medical Costs: | | | | | | |
| 61.51 | 61.77 | 0.26 | Physician Services | 59.53 | 61.91 | 2.38 |
| 19.50 | 20.05 | 0.54 | Other Professional Services | 17.64 | 19.99 | 2.35 |
| 14.24 | 16.55 | 2.31 | Emergency Room | 14.86 | 16.58 | 1.72 |
| 67.88 | 67.54 | (0.34) | Inpatient | 64.56 | 67.85 | 3.30 |
| 0.26 | 0.22 | (0.04) | Reinsurance Expense | 0.29 | 0.22 | (0.07) |
| 36.76 | 30.09 | (6.67) | Outpatient Hospital | 31.13 | 30.04 | (1.09) |
| 80.03 | 75.82 | (4.21) | Other Medical | 66.40 | 73.46 | 7.06 |
| 1.50 | 1.50 | (0.00) | Pay for Performance Quality Incentive | 1.50 | 1.50 | 0.00 |
| 60.05 | 60.01 | (0.04) | Hospital Directed Payments | 61.76 | 60.44 | (1.32) |
| (0.01) | 0.00 | 0.01 | Hospital Directed Payment Adjustment | (0.35) | 0.00 | 0.35 |
| (0.00) | 0.00 | 0.00 | Non-Claims Expense Adjustment | (0.42) | 0.00 | 0.42 |
| 2.27 | 0.00 | (2.27) | IBNR, Incentive, Paid Claims Adjustment | (3.75) | 0.00 | 3.75 |
| 344.01 | 333.55 | (10.46) | Total Medical Costs | 313.14 | 332.00 | 18.86 |
| 28.22 | 21.01 | 7.22 | GROSS MARGIN | 45.77 | 20.69 | 25.08 |
| Administrative: | | | | | | |
| 16.36 | 11.66 | (4.70) | Compensation | 11.28 | 11.58 | 0.30 |
| 5.55 | 4.92 | (0.63) | Purchased Services | 4.45 | 4.87 | 0.43 |
| 0.38 | 0.66 | 0.28 | Supplies | 0.44 | 0.66 | 0.22 |
| 1.98 | 1.89 | (0.09) | Depreciation | 1.95 | 1.87 | (0.08) |
| 1.44 | 1.31 | (0.14) | Other Administrative Expenses | 1.44 | 1.29 | (0.15) |
| (0.00) | 0.00 | 0.00 | Administrative Expense Adjustment | 0.56 | 0.00 | (0.56) |
| 25.72 | 20.43 | (5.28) | Total Administrative Expenses | 20.11 | 20.27 | 0.16 |
| 369.73 | 353.99 | (15.74) | TOTAL EXPENSES | 333.25 | 352.27 | 19.02 |
| 2.51 | 0.57 | 1.93 | OPERATING INCOME (LOSS) BEFORE TAX | 25.66 | 0.42 | 25.24 |
| 0.00 | 0.00 | 0.00 | MCO TAX | 0.00 | 0.00 | 0.00 |
| 2.51 | 0.57 | 1.93 | OPERATING INCOME (LOSS) NET OF TAX | 25.66 | 0.42 | 25.24 |
| NONOPERATING REVENUE (EXPENSE) | | | | | | |
| 0.00 | 0.00 | 0.00 | Gain on Sale of Assets | 0.00 | 0.00 | 0.00 |
| 0.00 | 0.00 | 0.00 | Reserve Fund Projects/Community Grants | (0.00) | 0.00 | (0.00) |
| (1.42) | (1.82) | 0.40 | Health Home | (1.18) | (1.80) | 0.62 |
| (1.42) | (1.82) | 0.40 | TOTAL NONOPERATING REVENUE (EXPENSE) | (1.18) | (1.80) | 0.62 |
| 1.09 | (1.25) | 2.33 | NET INCREASE (DECREASE) IN NET POSITION | 24.49 | (1.38) | 25.87 |
| 91.0% | 92.9% | 1.9% | MEDICAL LOSS RATIO | 84.7% | 92.9% | 8.2% |
| 8.2% | 6.9% | -1.3% | ADMINISTRATIVE EXPENSE RATIO | 6.8% | 6.9% | 0.2% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2023 | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | NOVEMBER 2022 | DECEMBER 2022 | JANUARY 2023 | FEBRUARY 2023 | MARCH 2023 | APRIL 2023 | MAY 2023 |
| ENROLLMENT | | | | | | | |
| Members - MCAL | 331,947 | 336,514 | 332,387 | 349,492 | 351,010 | 353,005 | 355,915 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 39,648,035 | 34,345,215 | 38,355,206 | 40,922,562 | 41,044,003 | 41,661,492 | 44,450,874 |
| Title XIX - Medicaid - Expansion Members | 32,934,833 | 30,862,645 | 35,864,920 | 36,154,732 | 35,902,983 | 36,465,640 | 38,238,101 |
| Title XIX - Medicaid - SPD Members | 15,878,315 | 15,500,822 | 18,119,057 | 19,012,691 | 19,068,659 | 19,567,025 | 19,083,062 |
| Title XIX - Medicaid - LTC Members | - | - | 201,227 | 2,814,382 | 2,968,601 | 2,968,602 | 3,026,025 |
| Premium - MCO Tax | 10,883,460 | 10,883,460 | - | - | - | - | - |
| Premium - Hospital Directed Payments | 19,322,384 | 27,573,903 | 21,209,673 | 21,515,947 | 21,609,701 | 21,948,157 | 21,792,771 |
| Investment Earnings And Other Income | 888,027 | 714,738 | 1,400,146 | 440,597 | 2,337,674 | 1,314,336 | 651,530 |
| Reinsurance Recoveries | - | 152,481 | - | - | - | - | - |
| Rate Adjustments - Hospital Directed Payments | (5,267) | 12,446,127 | (684,297) | 33,520 | 32,816 | 37,815 | 5,509 |
| Rate/Income Adjustments | 1,298,007 | 333,950 | (968,410) | 350,076 | 1,115,116 | 978,086 | 1,497,916 |
| TOTAL REVENUES | 120,847,794 | 132,813,341 | 113,497,522 | 121,244,507 | 124,079,553 | 124,941,153 | 128,745,788 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 18,483,343 | 16,678,607 | 20,302,072 | 19,187,941 | 20,648,045 | 21,262,722 | 21,747,296 |
| Other Professional Services | 5,432,710 | 6,175,363 | 5,493,905 | 5,413,638 | 6,067,168 | 5,720,799 | 6,643,597 |
| Emergency Room | 5,682,299 | 5,082,054 | 5,195,994 | 4,633,288 | 5,199,635 | 5,262,548 | 5,131,679 |
| Inpatient | 18,414,421 | 12,591,938 | 22,641,712 | 21,804,027 | 22,997,133 | 23,980,922 | 21,382,030 |
| Reinsurance Expense | 58,838 | 59,818 | 90,859 | 180,937 | 94,363 | 94,773 | 95,311 |
| Outpatient Hospital | 8,727,267 | 9,093,742 | 9,616,781 | 9,652,797 | 11,362,056 | 10,886,974 | 11,009,988 |
| Other Medical | 16,382,849 | 6,543,097 | 15,528,820 | 23,011,370 | 23,040,484 | 22,948,410 | 22,151,470 |
| Pay for Performance Quality Incentive | 493,681 | 504,771 | 498,590 | 524,238 | 526,516 | 529,507 | 533,873 |
| Hospital Directed Payments | 19,322,384 | 27,573,903 | 21,209,673 | 21,515,947 | 21,609,701 | 21,948,157 | 21,792,771 |
| Hospital Directed Payment Adjustment | (5,266) | 12,446,126 | (684,297) | 33,520 | (869,333) | 37,816 | 123,932 |
| Non-Claims Expense Adjustment | 4,018 | (1,071,264) | (128,832) | 3,429 | 72,961 | 177,517 | (2,449,080) |
| IBNR, Incentive, Paid Claims Adjustment | (436,641) | (6,704,318) | 9,076 | 32,166 | (4,009,312) | (4,430,362) | (4,472,016) |
| Total Medical Costs | 92,559,903 | 88,973,837 | 99,774,353 | 105,993,298 | 106,739,417 | 108,419,783 | 103,690,851 |
| GROSS MARGIN | | | | | | | |
| Administrative: | 28,287,891 | 43,839,504 | 13,723,169 | 15,251,209 | 17,340,136 | 16,521,370 | 25,054,937 |
| Compensation | 3,241,130 | 4,707,264 | 3,547,045 | 3,492,028 | 3,754,627 | 3,614,954 | 3,792,281 |
| Purchased Services | 1,034,408 | 1,262,419 | 939,926 | 1,549,694 | 1,516,766 | 1,481,551 | 1,530,859 |
| Supplies | 258,430 | 220,189 | 87,606 | 161,043 | 106,568 | 113,296 | 134,551 |
| Depreciation | 622,602 | 627,772 | 680,616 | 679,350 | 682,158 | 684,369 | 685,407 |
| Other Administrative Expenses | 320,234 | 966,290 | 660,263 | 384,578 | 557,118 | 442,055 | 441,734 |
| Administrative Expense Adjustment | 299,689 | 508,526 | 109,675 | 301,496 | 320,296 | 300,000 | 300,950 |
| Total Administrative Expenses | 5,776,493 | 8,292,460 | 6,025,131 | 6,568,189 | 6,937,533 | 6,636,225 | 6,885,782 |
| TOTAL EXPENSES | 98,336,396 | 97,266,297 | 105,799,484 | 112,561,487 | 113,676,950 | 115,056,008 | 110,576,633 |
| OPERATING INCOME (LOSS) BEFORE TAX | 22,511,398 | 35,547,044 | 7,698,038 | 8,683,020 | 10,402,603 | 9,885,145 | 18,169,155 |
| MCO TAX | 10,883,460 | 10,883,459 | - | - | - | - | - |
| OPERATING INCOME (LOSS) NET OF TAX | 11,627,938 | 24,663,585 | 7,698,038 | 8,683,020 | 10,402,603 | 9,885,145 | 18,169,155 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | 4,000 | (34,557) | (60,423) | (153,079) | (672,750) | (310,622) | (300,144) |
| NET INCREASE (DECREASE) IN NET POSITION | 11,631,938 | 24,629,028 | 7,637,615 | 8,529,941 | 9,729,853 | 9,574,523 | 17,869,011 |
| MEDICAL LOSS RATIO | 80.8% | 59.8% | 85.2% | 84.7% | 84.0% | 84.0% | 76.5% |
| ADMINISTRATIVE EXPENSE RATIO | 6.4% | 10.1% | 6.5% | 6.6% | 6.8% | 6.4% | 6.4% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2023 | JUNE 2023 | JULY 2023 | AUGUST 2023 | SEPTEMBER 2023 | OCTOBER 2023 | NOVEMBER 2023 | 13 MONTH TOTAL |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| | ENROLLMENT | | | | | | |
| Members - MCAL | 357,008 | 355,448 | 356,881 | 352,039 | 344,282 | 345,588 | 4,521,516 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 45,303,824 | 45,811,582 | 41,688,820 | 43,328,819 | 42,099,200 | 45,286,583 | 543,946,215 |
| Title XIX - Medicaid - Expansion Members | 38,910,749 | 38,966,690 | 37,219,564 | 38,490,002 | 36,217,555 | 36,497,717 | 472,726,131 |
| Title XIX - Medicaid - SPD Members | 19,664,806 | 19,655,340 | 19,355,872 | 19,937,702 | 19,485,313 | 19,356,792 | 243,685,456 |
| Title XIX - Medicaid - LTC Members | 3,130,269 | 2,933,682 | 3,019,928 | 3,149,260 | 2,973,589 | 3,153,925 | 30,339,490 |
| Premium - MCO Tax | - | - | - | - | - | - | 21,766,920 |
| Premium - Hospital Directed Payments | 22,188,234 | 21,822,439 | 21,933,791 | 21,801,472 | 21,376,726 | 20,754,284 | 284,849,482 |
| Investment Earnings And Other Income | 1,485,525 | 1,706,041 | 1,300,264 | 1,438,685 | 2,404,743 | 3,571,373 | 19,653,679 |
| Reinsurance Recoveries | - | - | - | - | - | - | 152,481 |
| Rate Adjustments - Hospital Directed Payments | 15,555 | (15,187) | 421,005 | 139,435 | 4,262 | (2,585) | 12,428,708 |
| Rate/Income Adjustments | 213,618 | 1,690 | (38,135) | 2,226,733 | (20,585) | 21,527 | 7,009,589 |
| TOTAL REVENUES | 130,912,580 | 130,882,277 | 124,901,109 | 130,512,108 | 124,540,803 | 128,639,616 | 1,636,558,151 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 21,895,594 | 20,488,109 | 20,619,449 | 21,311,972 | 20,657,868 | 21,258,592 | 264,541,610 |
| Other Professional Services | 6,838,173 | 5,443,151 | 6,830,704 | 6,391,087 | 6,402,687 | 6,739,291 | 79,592,273 |
| Emergency Room | 5,555,164 | 4,984,270 | 5,600,554 | 5,694,566 | 5,063,129 | 4,921,226 | 68,006,406 |
| Inpatient | 19,096,686 | 22,316,634 | 20,877,596 | 24,726,100 | 25,452,067 | 23,460,211 | 279,741,477 |
| Reinsurance Expense | 96,097 | 96,097 | 96,688 | 95,910 | 96,625 | 91,410 | 1,247,726 |
| Outpatient Hospital | 10,557,328 | 10,233,407 | 10,613,553 | 11,158,217 | 12,146,983 | 12,702,928 | 137,762,021 |
| Other Medical | 25,626,415 | 22,600,808 | 23,390,986 | 26,396,360 | 23,481,299 | 27,658,265 | 278,760,633 |
| Pay for Performance Quality Incentive | 533,872 | 535,512 | 534,172 | 529,365 | 513,772 | 518,382 | 6,776,251 |
| Hospital Directed Payments | 22,188,234 | 21,822,439 | 21,933,791 | 21,801,472 | 21,376,726 | 20,754,284 | 284,849,482 |
| Hospital Directed Payment Adjustment | 15,555 | (15,187) | 426,925 | (423,787) | 4,263 | (2,586) | 11,087,681 |
| Non-Claims Expense Adjustment | 3,040 | 639,578 | 3,672 | 52,429 | (4,730) | (662) | (2,697,924) |
| IBNR, Incentive, Paid Claims Adjustment | (4,829,330) | 707,021 | 438,520 | 701,159 | 614,589 | 784,814 | (21,594,634) |
| Total Medical Costs | 107,576,828 | 109,851,839 | 111,366,610 | 118,434,850 | 115,805,278 | 118,886,155 | 1,388,073,002 |
| GROSS MARGIN | 23,335,752 | 21,030,438 | 13,534,499 | 12,077,258 | 8,735,525 | 9,753,461 | 248,485,149 |
| Administrative: | | | | | | | |
| Compensation | 3,620,970 | 3,743,082 | 4,035,666 | 4,036,689 | 4,152,627 | 5,655,319 | 51,393,682 |
| Purchased Services | 1,863,224 | 1,454,753 | 1,385,358 | 1,774,151 | 1,715,078 | 1,916,544 | 19,424,731 |
| Supplies | 30,404 | 196,052 | 395,025 | 210,861 | 128,415 | 131,121 | 2,173,561 |
| Depreciation | 685,551 | 686,781 | 693,125 | 693,125 | 657,439 | 685,712 | 8,764,007 |
| Other Administrative Expenses | 562,847 | 623,127 | 435,112 | 436,285 | 505,416 | 498,451 | 6,833,510 |
| Administrative Expense Adjustment | 501,326 | 300,183 | 12,969 | 267 | - | (260) | 2,955,117 |
| Total Administrative Expenses | 7,264,322 | 7,003,978 | 6,957,255 | 7,151,378 | 7,158,975 | 8,886,887 | 91,544,608 |
| TOTAL EXPENSES | 114,841,150 | 116,855,817 | 118,323,865 | 125,586,228 | 122,964,253 | 127,773,042 | 1,479,617,610 |
| OPERATING INCOME (LOSS) BEFORE TAX | 16,071,430 | 14,026,460 | 6,577,244 | 4,925,880 | 1,576,550 | 866,574 | 156,940,541 |
| MCO TAX | - | - | - | - | - | - | 21,766,919 |
| OPERATING INCOME (LOSS) NET OF TAX | 16,071,430 | 14,026,460 | 6,577,244 | 4,925,880 | 1,576,550 | 866,574 | 135,173,622 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (672,234) | (307,680) | (457,916) | (481,380) | (632,933) | (490,432) | (4,570,150) |
| NET INCREASE (DECREASE) IN NET POSITION | 15,399,196 | 13,718,780 | 6,119,328 | 4,444,500 | 943,617 | 376,142 | 130,603,472 |
| MEDICAL LOSS RATIO | 78.5% | 80.7% | 86.8% | 89.4% | 91.5% | 91.0% | 82.9% |
| ADMINISTRATIVE EXPENSE RATIO | 6.7% | 6.4% | 6.8% | 6.6% | 6.9% | 8.2% | 6.9% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2023 | NOVEMBER 2022 | DECEMBER 2022 | JANUARY 2023 | FEBRUARY 2023 | MARCH 2023 | APRIL 2023 | MAY 2023 |
|---|------------------|------------------|-----------------|------------------|---------------|---------------|---------------|
| ENROLLMENT | | | | | | | |
| Members - MCAL | 331,947 | 336,514 | 332,387 | 349,492 | 351,010 | 353,005 | 355,915 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 180.89 | 156.69 | 175.30 | 175.80 | 175.43 | 177.53 | 187.74 |
| Title XIX - Medicaid - Expansion Members | 344.93 | 323.22 | 373.01 | 369.48 | 365.87 | 367.09 | 381.03 |
| Title XIX - Medicaid - SPD Members | 919.20 | 897.35 | 1,038.82 | 1,030.33 | 1,029.51 | 1,052.05 | 1,037.24 |
| Title XIX - Medicaid - LTC Members | 0.00 | 0.00 | 7,452.85 | 7,425.81 | 7,477.58 | 7,440.11 | 7,546.20 |
| Premium - MCO Tax | 32.79 | 32.34 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Premium - Hospital Directed Payments | 58.21 | 81.94 | 63.81 | 61.56 | 61.56 | 62.18 | 61.23 |
| Investment Earnings And Other Income | 2.68 | 2.12 | 4.21 | 1.26 | 6.66 | 3.72 | 1.83 |
| Reinsurance Recoveries | 0.00 | 0.45 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rate Adjustments - Hospital Directed Payments | (0.02) | 36.99 | (2.06) | 0.10 | 0.09 | 0.11 | 0.02 |
| Rate/Income Adjustments | 3.91 | 0.99 | (2.91) | 1.00 | 3.18 | 2.77 | 4.21 |
| TOTAL REVENUES | 364.06 | 394.67 | 341.46 | 346.92 | 353.49 | 353.94 | 361.73 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 55.68 | 49.56 | 61.08 | 54.90 | 58.82 | 60.23 | 61.10 |
| Other Professional Services | 16.37 | 18.35 | 16.53 | 15.49 | 17.28 | 16.21 | 18.67 |
| Emergency Room | 17.12 | 15.10 | 15.63 | 13.26 | 14.81 | 14.91 | 14.42 |
| Inpatient | 55.47 | 37.42 | 68.12 | 62.39 | 65.52 | 67.93 | 60.08 |
| Reinsurance Expense | 0.18 | 0.18 | 0.27 | 0.52 | 0.27 | 0.27 | 0.27 |
| Outpatient Hospital | 26.29 | 27.02 | 28.93 | 27.62 | 32.37 | 30.84 | 30.93 |
| Other Medical | 49.35 | 19.44 | 46.72 | 65.84 | 65.64 | 65.01 | 62.24 |
| Pay for Performance Quality Incentive | 1.49 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Hospital Directed Payments | 58.21 | 81.94 | 63.81 | 61.56 | 61.56 | 62.18 | 61.23 |
| Hospital Directed Payment Adjustment | (0.02) | 36.99 | (2.06) | 0.10 | (2.48) | 0.11 | 0.35 |
| Non-Claims Expense Adjustment | 0.01 | (3.18) | (0.39) | 0.01 | 0.21 | 0.50 | (6.88) |
| IBNR, Incentive, Paid Claims Adjustment | (1.32) | (19.92) | 0.03 | 0.09 | (11.42) | (12.55) | (12.56) |
| Total Medical Costs | 278.84 | 268.04 | 300.18 | 303.28 | 304.09 | 307.13 | 291.34 |
| GROSS MARGIN | 85.22 | 126.64 | 41.29 | 43.64 | 49.40 | 46.80 | 70.40 |
| Administrative: | | | | | | | |
| Compensation | 9.76 | 13.99 | 10.67 | 9.99 | 10.70 | 10.24 | 10.66 |
| Purchased Services | 3.12 | 3.75 | 2.83 | 4.43 | 4.32 | 4.20 | 4.30 |
| Supplies | 0.78 | 0.65 | 0.26 | 0.46 | 0.30 | 0.32 | 0.38 |
| Depreciation | 1.88 | 1.87 | 2.05 | 1.94 | 1.94 | 1.94 | 1.93 |
| Other Administrative Expenses | 0.96 | 2.87 | 1.99 | 1.10 | 1.59 | 1.25 | 1.24 |
| Administrative Expense Adjustment | 0.90 | 1.51 | 0.33 | 0.86 | 0.91 | 0.85 | 0.85 |
| Total Administrative Expenses | 17.40 | 24.64 | 18.13 | 18.79 | 19.76 | 18.80 | 19.35 |
| TOTAL EXPENSES | 296.24 | 292.68 | 318.30 | 322.07 | 323.86 | 325.93 | 310.68 |
| OPERATING INCOME (LOSS) BEFORE TAX | 67.82 | 102.00 | 23.16 | 24.84 | 29.64 | 28.00 | 51.05 |
| MCO TAX | 32.79 | 32.34 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| OPERATING INCOME (LOSS) NET OF TAX | 35.03 | 69.65 | 23.16 | 24.84 | 29.64 | 28.00 | 51.05 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | 0.01 | (0.10) | (0.18) | (0.44) | (1.92) | (0.88) | (0.84) |
| NET INCREASE (DECREASE) IN NET POSITION | 35.04 | 69.55 | 22.98 | 24.41 | 27.72 | 27.12 | 50.21 |
| MEDICAL LOSS RATIO | 80.8% | 61.3% | 85.2% | 84.7% | 84.0% | 84.0% | 76.5% |
| ADMINISTRATIVE EXPENSE RATIO | 6.4% | 10.1% | 6.5% | 6.6% | 6.8% | 6.4% | 6.4% |

| KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2023 | JUNE 2023 | JULY 2023 | AUGUST 2023 | SEPTEMBER 2023 | OCTOBER 2023 | NOVEMBER 2023 | 13 MONTH TOTAL |
|---|---------------|---------------|----------------|-------------------|-----------------|------------------|-------------------|
| ENROLLMENT | | | | | | | |
| Members - MCAL | 357,008 | 355,448 | 356,881 | 352,039 | 344,282 | 345,588 | 4,521,516 |
| REVENUES | | | | | | | |
| Title XIX - Medicaid - Family and Other | 190.94 | 195.08 | 177.66 | 185.02 | 183.11 | 196.69 | 181.20 |
| Title XIX - Medicaid - Expansion Members | 383.36 | 409.60 | 390.36 | 385.48 | 378.12 | 378.15 | 369.61 |
| Title XIX - Medicaid - SPD Members | 1,052.72 | 1,127.03 | 1,110.24 | 1,081.04 | 1,071.80 | 1,052.11 | 1,030.47 |
| Title XIX - Medicaid - LTC Members | 7,506.64 | 7,445.89 | 7,530.99 | 7,892.88 | 7,342.20 | 7,368.98 | 7,461.75 |
| Premium - MCO Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.81 |
| Premium - Hospital Directed Payments | 62.15 | 61.39 | 61.46 | 61.93 | 62.09 | 60.05 | 63.00 |
| Investment Earnings And Other Income | 4.16 | 4.80 | 3.64 | 4.09 | 6.98 | 10.33 | 4.35 |
| Reinsurance Recoveries | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.03 |
| Rate Adjustments - Hospital Directed Payments | 0.04 | (0.04) | 1.18 | 0.40 | 0.01 | (0.01) | 2.75 |
| Rate/Income Adjustments | 0.60 | 0.00 | (0.11) | 6.33 | (0.06) | 0.06 | 1.55 |
| TOTAL REVENUES | 366.69 | 368.22 | 349.98 | 370.73 | 361.74 | 372.23 | 361.95 |
| EXPENSES | | | | | | | |
| Medical Costs: | | | | | | | |
| Physician Services | 61.33 | 57.64 | 57.78 | 60.54 | 60.00 | 61.51 | 58.51 |
| Other Professional Services | 19.15 | 15.31 | 19.14 | 18.15 | 18.60 | 19.50 | 17.60 |
| Emergency Room | 15.56 | 14.02 | 15.69 | 16.18 | 14.71 | 14.24 | 15.04 |
| Inpatient | 53.49 | 62.78 | 58.50 | 70.24 | 73.93 | 67.88 | 61.87 |
| Reinsurance Expense | 0.27 | 0.27 | 0.27 | 0.27 | 0.28 | 0.26 | 0.28 |
| Outpatient Hospital | 29.57 | 28.79 | 29.74 | 31.70 | 35.28 | 36.76 | 30.47 |
| Other Medical | 71.78 | 63.58 | 65.54 | 74.98 | 68.20 | 80.03 | 61.65 |
| Pay for Performance Quality Incentive | 1.50 | 1.51 | 1.50 | 1.50 | 1.49 | 1.50 | 1.50 |
| Hospital Directed Payments | 62.15 | 61.39 | 61.46 | 61.93 | 62.09 | 60.05 | 63.00 |
| Hospital Directed Payment Adjustment | 0.04 | (0.04) | 1.20 | (1.20) | 0.01 | (0.01) | 2.45 |
| Non-Claims Expense Adjustment | 0.01 | 1.80 | 0.01 | 0.15 | (0.01) | (0.00) | (0.60) |
| IBNR, Incentive, Paid Claims Adjustment | (13.53) | 1.99 | 1.23 | 1.99 | 1.79 | 2.27 | (4.78) |
| Total Medical Costs | 301.33 | 309.05 | 312.06 | 336.43 | 336.37 | 344.01 | 306.99 |
| GROSS MARGIN | 65.36 | 59.17 | 37.92 | 34.31 | 25.37 | 28.22 | 54.96 |
| Administrative: | | | | | | | |
| Compensation | 10.14 | 10.53 | 11.31 | 11.47 | 12.06 | 16.36 | 11.37 |
| Purchased Services | 5.22 | 4.09 | 3.88 | 5.04 | 4.98 | 5.55 | 4.30 |
| Supplies | 0.09 | 0.55 | 1.11 | 0.60 | 0.37 | 0.38 | 0.48 |
| Depreciation | 1.92 | 1.93 | 1.94 | 1.97 | 1.91 | 1.98 | 1.94 |
| Other Administrative Expenses | 1.58 | 1.75 | 1.22 | 1.24 | 1.47 | 1.44 | 1.51 |
| Administrative Expense Adjustment | 1.40 | 0.84 | 0.04 | 0.00 | 0.00 | (0.00) | 0.65 |
| Total Administrative Expenses | 20.35 | 19.70 | 19.49 | 20.31 | 20.79 | 25.72 | 20.25 |
| TOTAL EXPENSES | 321.68 | 328.76 | 331.55 | 356.74 | 357.16 | 369.73 | 327.24 |
| OPERATING INCOME (LOSS) BEFORE TAX | 45.02 | 39.46 | 18.43 | 13.99 | 4.58 | 2.51 | 34.71 |
| MCO TAX | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.81 |
| OPERATING INCOME (LOSS) NET OF TAX | 45.02 | 39.46 | 18.43 | 13.99 | 4.58 | 2.51 | 29.90 |
| TOTAL NONOPERATING REVENUE (EXPENSE) | (1.88) | (0.87) | (1.28) | (1.37) | (1.84) | (1.42) | (1.01) |
| NET INCREASE (DECREASE) IN NET POSITION | 43.13 | 38.60 | 17.15 | 12.63 | 2.74 | 1.09 | 28.88 |
| MEDICAL LOSS RATIO | 78.5% | 80.7% | 86.8% | 89.4% | 91.5% | 91.0% | 82.9% |
| ADMINISTRATIVE EXPENSE RATIO | 6.7% | 6.4% | 6.8% | 6.6% | 6.9% | 8.2% | 6.9% |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2023 | | | YEAR-TO-DATE | | |
|---------------|------------|-------------|--|--------------------|--------------------|---------------------|--|--|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE | | |
| | | | REVENUES | | | | | |
| | | | Title XIX - Medicaid - Family & Other | | | | | |
| 33,105,046 | 33,988,020 | (882,974) | Premium - Medi-Cal | 371,562,844 | 374,577,529 | (3,014,685) | | |
| 2,699,878 | 2,782,482 | (82,604) | Premium - Maternity Kick | 29,267,123 | 30,607,302 | (1,340,179) | | |
| 647,379 | 678,203 | (30,824) | Premium - Enhanced Care Management | 7,162,206 | 7,379,675 | (217,469) | | |
| 203,183 | 152,755 | 50,428 | Premium - Major Organ Transplant | 2,307,826 | 1,697,422 | 610,404 | | |
| 4,917,601 | 513,512 | 4,404,089 | Premium - Cal AIM | 9,438,601 | 5,700,838 | 3,737,763 | | |
| 3,445,657 | 3,607,797 | (162,140) | Premium - Provider Enhancement | 39,269,210 | 40,229,191 | (959,981) | | |
| 158,445 | 184,326 | (25,881) | Premium - Ground Emergency Medical Transportation | 1,816,909 | 2,057,160 | (240,251) | | |
| - | 245,400 | (245,400) | Premium - Student Behavioral Health Incentive | 4,372,077 | 2,699,400 | 1,672,677 | | |
| - | 352,514 | (352,514) | Premium - Housing and Homelessness Incentive | 3,487,489 | 3,877,654 | (390,165) | | |
| 109,394 | 115,735 | (6,341) | Other | 1,268,680 | 1,299,435 | (30,755) | | |
| 45,286,583 | 42,620,744 | 2,665,839 | Total Title XIX - Medicaid - Family & Other | 469,952,965 | 470,125,606 | (172,641) | | |
| | | | Title XIX - Medicaid - Expansion Members | | | | | |
| 31,115,814 | 29,549,885 | 1,565,930 | Premium - Medi-Cal | 361,611,201 | 332,173,214 | 29,437,988 | | |
| 391,069 | 236,486 | 154,583 | Premium - Maternity Kick | 5,867,834 | 2,601,345 | 3,266,489 | | |
| 755,924 | 926,100 | (170,176) | Premium - Enhanced Care Management | 8,814,822 | 10,413,480 | (1,598,658) | | |
| 312,494 | 231,300 | 81,194 | Premium - Major Organ Transplant | 3,636,686 | 2,600,840 | 1,035,846 | | |
| 2,061,423 | 396,109 | 1,665,314 | Premium - Cal AIM | 3,994,124 | 13,808,761 | (9,814,637) | | |
| 1,604,880 | 1,533,100 | 71,780 | Premium - Provider Enhancement | 18,685,188 | 6,273,591 | 12,411,597 | | |
| 222,438 | 199,911 | 22,527 | Premium - Ground Emergency Medical Transportation | 2,593,330 | 2,170,969 | 422,361 | | |
| - | 195,905 | (195,905) | Premium - Student Behavioral Health Incentive | 1,854,243 | 2,839,035 | (984,792) | | |
| - | 281,415 | (281,415) | Premium - Housing and Homelessness Incentive | 1,478,208 | 1,110,717 | 367,491 | | |
| 33,675 | 32,400 | 1,275 | Other | 393,017 | 331,272 | 61,745 | | |
| 36,497,717 | 33,582,610 | 2,915,107 | Total Title XIX - Medicaid - Expansion Members | 408,928,653 | 374,323,223 | 34,605,430 | | |
| | | | Title XIX - Medicaid - SPD Members | | | | | |
| 17,646,162 | 18,215,400 | (569,238) | Premium - Medi-Cal | 196,289,623 | 203,492,041 | (7,202,418) | | |
| 414,968 | 500,325 | (85,357) | Premium - Enhanced Care Management | 4,611,854 | 5,589,345 | (977,491) | | |
| 245,836 | 159,075 | 86,761 | Premium - Major Organ Transplant | 2,735,825 | 1,777,095 | 958,730 | | |
| 392,947 | 245,275 | 147,672 | Premium - Cal AIM | 746,383 | 2,810,126 | (2,063,743) | | |
| 516,360 | 453,239 | 63,121 | Premium - Provider Enhancement | 5,742,967 | 5,063,324 | 679,643 | | |
| 140,519 | 140,175 | 344 | Premium - Ground Emergency Medical Transportation | 1,562,355 | 1,565,955 | (3,600) | | |
| - | 119,827 | (119,827) | Premium - Student Behavioral Health Incentive | 346,311 | 1,318,097 | (971,786) | | |
| - | 172,130 | (172,130) | Premium - Housing and Homelessness Incentive | 271,001 | 1,893,430 | (1,622,429) | | |
| 19,356,792 | 20,005,446 | (648,654) | Total Title XIX - Medicaid - SPD Members | 212,306,319 | 223,509,413 | (11,203,094) | | |
| | | | Title XIX - Medicaid - LTC Members | | | | | |
| 3,124,723 | 4,530,470 | (1,405,747) | Premium - Medi-Cal | 30,101,391 | 38,488,610 | (8,387,219) | | |
| 9,459 | 14,512 | (5,053) | Premium - Enhanced Care Management | 91,586 | 123,510 | (31,924) | | |
| 10,569 | 21,119 | (10,550) | Premium - Major Organ Transplant | 108,698 | 180,870 | (72,172) | | |
| 9,141 | - | 9,141 | Premium - Cal AIM | 16,987 | - | 16,987 | | |
| (16) | 343 | (359) | Premium - Provider Enhancement | 1,620 | 3,430 | (1,810) | | |
| 49 | - | 49 | Premium - Ground Emergency Medical Transportation | 5,860 | - | 5,860 | | |
| - | - | - | Premium - Student Behavioral Health Incentive | 7,441 | - | 7,441 | | |
| - | - | - | Premium - Housing and Homelessness Incentive | 5,907 | - | 5,907 | | |
| 3,153,925 | 4,566,444 | (1,412,519) | Total Title XIX - Medicaid - LTC Members | 30,339,490 | 38,796,420 | (8,456,930) | | |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2023 | YEAR-TO-DATE | | |
|---------------|-------------|-------------|---|---------------|---------------|-------------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| | | | PHYSICIAN SERVICES | | | |
| 3,369,503 | 4,383,984 | 1,014,481 | Primary Care Physician Services | 44,313,680 | 48,674,206 | 4,360,526 |
| 15,438,468 | 14,328,887 | (1,109,581) | Referral Specialty Services | 161,766,943 | 159,572,708 | (2,194,235) |
| 2,441,621 | 2,518,005 | 76,384 | Urgent Care & After Hours Advise | 23,198,837 | 27,956,176 | 4,757,339 |
| 9,000 | 9,000 | - | Hospital Admitting Team | 100,200 | 100,200 | - |
| 21,258,592 | 21,239,876 | (18,716) | TOTAL PHYSICIAN SERVICES | 229,379,660 | 236,303,291 | 6,923,631 |
| | | | OTHER PROFESSIONAL SERVICES | | | |
| 338,549 | 352,120 | 13,571 | Vision Service Capitation | 3,845,839 | 3,908,507 | 62,668 |
| 2,497,215 | 2,804,617 | 307,402 | Medical Departments - UM Allocation * | 25,504,015 | 30,850,783 | 5,346,768 |
| 2,405,891 | 1,439,768 | (966,123) | Behavior Health Treatment | 20,113,048 | 15,979,785 | (4,133,263) |
| 66,327 | 429,960 | 363,633 | Mental Health Services | 2,506,143 | 4,781,391 | 2,275,248 |
| 1,431,309 | 1,866,267 | 434,958 | Other Professional Services | 16,015,155 | 20,788,227 | 4,773,072 |
| 6,739,291 | 6,892,732 | 153,441 | TOTAL OTHER PROFESSIONAL SERVICES | 67,984,200 | 76,308,693 | 8,324,493 |
| 4,921,226 | 5,689,908 | 768,682 | EMERGENCY ROOM | 57,242,053 | 63,283,747 | 6,041,694 |
| 23,460,211 | 23,225,242 | (234,969) | INPATIENT HOSPITAL | 248,735,118 | 258,967,774 | 10,232,656 |
| 91,410 | 75,759 | (15,651) | REINSURANCE EXPENSE PREMIUM | 1,129,070 | 840,915 | (288,155) |
| 12,702,928 | 10,346,366 | (2,356,562) | OUTPATIENT HOSPITAL SERVICES | 119,941,012 | 114,656,994 | (5,284,018) |
| | | | OTHER MEDICAL | | | |
| 3,590,318 | 1,633,267 | (1,957,051) | Ambulance and NEMT | 26,855,451 | 18,145,100 | (8,710,351) |
| 1,114,894 | 990,594 | (124,300) | Home Health Services & CBAS | 8,101,974 | 11,039,067 | 2,937,093 |
| 220,777 | 1,592,010 | 1,371,233 | Utilization and Quality Review Expenses | 11,114,470 | 17,512,107 | 6,397,637 |
| 6,042,894 | 10,064,016 | 4,021,122 | Long Term/SNF/Hospice | 74,666,304 | 102,612,694 | 27,946,390 |
| 5,288,536 | 5,297,403 | 8,867 | Provider Enhancement Expense - Prop. 56 | 60,514,035 | 58,831,400 | (1,682,635) |
| 660,172 | 498,191 | (161,981) | Provider Enhancement Expense - GEMT | 6,837,298 | 5,577,427 | (1,259,871) |
| 2,259,826 | 2,013,183 | (246,643) | Enhanced Care Management | 21,408,713 | 22,330,705 | 921,992 |
| 733,477 | 536,037 | (197,440) | Major Organ Transplant | 8,360,789 | 5,943,416 | (2,417,373) |
| 6,238,961 | 2,395,984 | (3,842,977) | Cal AIM Incentive Programs | 23,358,053 | 26,692,408 | 3,334,355 |
| 1,508,410 | 1,049,902 | (458,508) | DME/Rebates | 14,617,600 | 11,698,143 | (2,919,457) |
| 27,658,265 | 26,070,586 | (1,587,679) | TOTAL OTHER MEDICAL | 255,834,687 | 280,382,466 | 24,547,779 |
| 518,382 | 515,566 | (2,816) | PAY FOR PERFORMANCE QUALITY INCENTIVE | 5,777,799 | 5,725,262 | (52,537) |
| 20,754,284 | 20,636,034 | (118,250) | HOSPITAL DIRECTED PAYMENTS | 237,953,195 | 230,667,866 | (7,285,329) |
| (2,586) | - | 2,586 | HOSPITAL DIRECTED PAYMENT ADJUSTMENT | (1,353,179) | - | 1,353,179 |
| (662) | - | 662 | NON-CLAIMS EXPENSE ADJUSTMENT | (1,630,678) | - | 1,630,678 |
| 784,814 | - | (784,814) | IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (14,453,675) | - | 14,453,675 |
| 118,886,155 | 114,692,068 | (4,194,087) | Total Medical Costs | 1,206,539,262 | 1,267,137,008 | 60,597,746 |

* Medical costs per DMHC regulations

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2023 | YEAR-TO-DATE | | |
|---------------|--------|----------|--|--------------|--------|----------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| | | | PHYSICIAN SERVICES | | | |
| 9.75 | 12.75 | 3.00 | Primary Care Physician Services | 11.50 | 12.75 | 1.25 |
| 44.67 | 41.67 | (3.00) | Referral Specialty Services | 41.98 | 41.81 | (0.17) |
| 7.07 | 7.32 | 0.26 | Urgent Care & After Hours Advise | 6.02 | 7.32 | 1.30 |
| 0.03 | 0.03 | 0.00 | Hospital Admitting Team | 0.03 | 0.03 | 0.00 |
| 61.51 | 61.77 | 0.26 | TOTAL PHYSICIAN SERVICES | 59.53 | 61.91 | 2.38 |
| | | | OTHER PROFESSIONAL SERVICES | | | |
| 0.98 | 1.02 | 0.04 | Vision Service Capitation | 1.00 | 1.02 | 0.03 |
| 7.23 | 8.16 | 0.93 | Medical Departments - UM Allocation * | 6.62 | 8.08 | 1.46 |
| 6.96 | 4.19 | (2.77) | Behavior Health Treatment | 5.22 | 4.19 | (1.03) |
| 0.19 | 1.25 | 1.06 | Mental Health Services | 0.65 | 1.25 | 0.60 |
| 4.14 | 5.43 | 1.29 | Other Professional Services | 4.16 | 5.45 | 1.29 |
| 19.50 | 20.05 | 0.54 | TOTAL OTHER PROFESSIONAL SERVICES | 17.64 | 19.99 | 2.35 |
| 14.24 | 16.55 | 2.31 | EMERGENCY ROOM | 14.86 | 16.58 | 1.72 |
| 67.88 | 67.54 | (0.34) | INPATIENT HOSPITAL | 64.56 | 67.85 | 3.30 |
| 0.26 | 0.22 | (0.04) | REINSURANCE EXPENSE PREMIUM | 0.29 | 0.22 | (0.07) |
| 36.76 | 30.09 | (6.67) | OUTPATIENT HOSPITAL SERVICES | 31.13 | 30.04 | (1.09) |
| | | | OTHER MEDICAL | | | |
| 10.39 | 4.75 | (5.64) | Ambulance and NEMT | 6.97 | 4.75 | (2.22) |
| 3.23 | 2.88 | (0.35) | Home Health Services & CBAS | 2.10 | 2.89 | 0.79 |
| 0.64 | 4.63 | 3.99 | Utilization and Quality Review Expenses | 2.88 | 4.59 | 1.70 |
| 17.49 | 29.27 | 11.78 | Long Term/SNF/Hospice | 19.38 | 26.89 | 7.51 |
| 15.30 | 15.41 | 0.10 | Provider Enhancement Expense - Prop. 56 | 15.71 | 15.41 | (0.29) |
| 1.91 | 1.45 | (0.46) | Provider Enhancement Expense - GEMT | 1.77 | 1.46 | (0.31) |
| 6.54 | 5.85 | (0.68) | Enhanced Care Management | 5.56 | 5.85 | 0.29 |
| 2.12 | 1.56 | (0.56) | Major Organ Transplant | 2.17 | 1.56 | (0.61) |
| 18.05 | 6.97 | (11.09) | Cal AIM Incentive Programs | 6.06 | 6.99 | 0.93 |
| 4.36 | 3.05 | (1.31) | DME | 3.79 | 3.06 | (0.73) |
| 80.03 | 75.82 | (4.21) | TOTAL OTHER MEDICAL | 66.40 | 73.46 | 7.06 |
| 1.50 | 1.50 | (0.00) | PAY FOR PERFORMANCE QUALITY INCENTIVE | 1.50 | 1.50 | 0.00 |
| 60.05 | 60.01 | (0.04) | HOSPITAL DIRECTED PAYMENTS | 61.76 | 60.44 | (1.32) |
| (0.01) | 0.00 | 0.01 | HOSPITAL DIRECTED PAYMENT ADJUSTMENT | (0.35) | 0.00 | 0.35 |
| (0.00) | 0.00 | 0.00 | NON-CLAIMS EXPENSE ADJUSTMENT | (0.42) | 0.00 | 0.42 |
| 2.27 | 0.00 | (2.27) | IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | (3.75) | 0.00 | 3.75 |
| 344.01 | 333.55 | (10.46) | Total Medical Costs | 313.14 | 332.00 | 18.86 |

* Medical costs per DMHC regulations

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH FOR THE MONTH ENDED NOVEMBER 30, 2023 | JANUARY 2023 | FEBRUARY 2023 | MARCH 2023 | APRIL 2023 | MAY 2023 | JUNE 2023 |
|--|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| PHYSICIAN SERVICES | | | | | | |
| Primary Care Physician Services | 4,153,283 | 3,799,063 | 3,973,992 | 4,241,474 | 4,159,263 | 4,419,579 |
| Referral Specialty Services | 14,090,583 | 13,535,172 | 14,603,368 | 14,737,274 | 15,505,030 | 15,425,047 |
| Urgent Care & After Hours Advise | 2,048,906 | 1,845,306 | 2,061,385 | 2,274,974 | 2,073,703 | 2,041,968 |
| Hospital Admitting Team | 9,300 | 8,400 | 9,300 | 9,000 | 9,300 | 9,000 |
| TOTAL PHYSICIAN SERVICES | 20,302,072 | 19,187,941 | 20,648,045 | 21,262,722 | 21,747,296 | 21,895,594 |
| OTHER PROFESSIONAL SERVICES | | | | | | |
| Vision Service Capitation | 332,837 | 342,049 | 345,365 | 351,010 | 353,005 | 355,915 |
| Medical Departments - UM Allocation * | 2,029,340 | 1,998,969 | 2,193,964 | 1,979,088 | 2,088,352 | 2,418,747 |
| Behavior Health Treatment | 1,234,423 | 1,340,804 | 1,751,711 | 1,545,908 | 2,409,753 | 2,090,128 |
| Mental Health Services | 378,598 | 277,029 | 277,573 | 229,037 | 195,793 | 258,806 |
| Other Professional Services | 1,518,707 | 1,454,787 | 1,498,555 | 1,615,756 | 1,596,694 | 1,714,577 |
| TOTAL OTHER PROFESSIONAL SERVICES | 5,493,905 | 5,413,638 | 6,067,168 | 5,720,799 | 6,643,597 | 6,838,173 |
| EMERGENCY ROOM | 5,195,994 | 4,633,288 | 5,199,635 | 5,262,548 | 5,131,679 | 5,555,164 |
| INPATIENT HOSPITAL | 22,641,712 | 21,804,027 | 22,997,133 | 23,980,922 | 21,382,030 | 19,096,686 |
| REINSURANCE EXPENSE PREMIUM | 90,859 | 180,937 | 94,363 | 94,773 | 95,311 | 96,097 |
| OUTPATIENT HOSPITAL SERVICES | 9,616,781 | 9,652,797 | 11,362,056 | 10,886,974 | 11,009,988 | 10,557,328 |
| OTHER MEDICAL | | | | | | |
| Ambulance and NEMT | 1,792,123 | 1,754,080 | 2,159,726 | 2,210,825 | 2,254,991 | 2,412,744 |
| Home Health Services & CBAS | 970,272 | 809,536 | 996,283 | 547,188 | 451,622 | 374,989 |
| Utilization and Quality Review Expenses | 776,558 | 583,384 | 940,138 | 1,342,680 | 785,929 | 1,393,601 |
| Long Term/SNF/Hospice | 2,732,047 | 9,988,072 | 8,775,140 | 8,087,627 | 4,695,700 | 8,480,647 |
| Provider Enhancement Expense - Prop. 56 | 5,430,893 | 5,482,690 | 5,503,401 | 5,566,537 | 5,561,460 | 5,630,380 |
| Provider Enhancement Expense - GEMT | 496,477 | 513,773 | 505,452 | 469,079 | 562,775 | 502,239 |
| Enhanced Care Management | 1,428,973 | 1,778,842 | 1,790,813 | 1,814,108 | 1,811,803 | 2,586,249 |
| Major Organ Transplant | 751,183 | 712,804 | 753,883 | 766,976 | 758,618 | 774,606 |
| Cal AIM Incentive Programs | 30,326 | 279,307 | 295,429 | 917,196 | 3,833,523 | 2,195,256 |
| DME | 1,119,968 | 1,108,882 | 1,320,219 | 1,226,194 | 1,435,049 | 1,275,704 |
| TOTAL OTHER MEDICAL | 15,528,820 | 23,011,370 | 23,040,484 | 22,948,410 | 22,151,470 | 25,626,415 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 498,590 | 524,238 | 526,516 | 529,507 | 533,873 | 533,872 |
| HOSPITAL DIRECTED PAYMENTS | 21,209,673 | 21,515,947 | 21,609,701 | 21,948,157 | 21,792,771 | 22,188,234 |
| HOSPITAL DIRECTED PAYMENT ADJUSTMENT | (684,297) | 33,520 | (869,333) | 37,816 | 123,932 | 15,555 |
| NON-CLAIMS EXPENSE ADJUSTMENT | (128,832) | 3,429 | 72,961 | 177,517 | (2,449,080) | 3,040 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | 9,076 | 32,166 | (4,009,312) | (4,430,362) | (4,472,016) | (4,829,330) |
| Total Medical Costs | 99,774,353 | 105,993,298 | 106,739,417 | 108,419,783 | 103,690,851 | 107,576,828 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH FOR THE MONTH ENDED NOVEMBER 30, 2023 | JULY 2023 | AUGUST 2023 | SEPTEMBER 2023 | OCTOBER 2023 | NOVEMBER 2023 | YEAR TO DATE 2023 |
|--|----------------------|------------------------|---------------------------|-------------------------|--------------------------|----------------------------------|
| PHYSICIAN SERVICES | | | | | | |
| Primary Care Physician Services | 4,057,408 | 3,995,558 | 3,960,025 | 4,184,532 | 3,369,503 | 44,313,680 |
| Referral Specialty Services | 14,306,450 | 14,487,772 | 14,834,237 | 14,803,542 | 15,438,468 | 161,766,943 |
| Urgent Care & After Hours Advise | 2,114,951 | 2,126,819 | 2,508,710 | 1,660,494 | 2,441,621 | 23,198,837 |
| Hospital Admitting Team | 9,300 | 9,300 | 9,000 | 9,300 | 9,000 | 100,200 |
| TOTAL PHYSICIAN SERVICES | 20,488,109 | 20,619,449 | 21,311,972 | 20,657,868 | 21,258,592 | 229,379,660 |
| OTHER PROFESSIONAL SERVICES | | | | | | |
| Vision Service Capitation | 355,915 | 358,101 | 355,222 | 357,871 | 338,549 | 3,845,839 |
| Medical Departments - UM Allocation * | 2,070,475 | 2,247,899 | 2,664,174 | 3,315,792 | 2,497,215 | 25,504,015 |
| Behavior Health Treatment | 1,277,790 | 2,543,178 | 1,969,644 | 1,543,818 | 2,405,891 | 20,113,048 |
| Mental Health Services | 246,684 | 204,118 | 209,930 | 162,248 | 66,327 | 2,506,143 |
| Other Professional Services | 1,492,287 | 1,477,408 | 1,192,117 | 1,022,958 | 1,431,309 | 16,015,155 |
| TOTAL OTHER PROFESSIONAL SERVICES | 5,443,151 | 6,830,704 | 6,391,087 | 6,402,687 | 6,739,291 | 67,984,200 |
| EMERGENCY ROOM | 4,984,270 | 5,600,554 | 5,694,566 | 5,063,129 | 4,921,226 | 57,242,053 |
| INPATIENT HOSPITAL | 22,316,634 | 20,877,596 | 24,726,100 | 25,452,067 | 23,460,211 | 248,735,118 |
| REINSURANCE EXPENSE PREMIUM | 96,097 | 96,688 | 95,910 | 96,625 | 91,410 | 1,129,070 |
| OUTPATIENT HOSPITAL SERVICES | 10,233,407 | 10,613,553 | 11,158,217 | 12,146,983 | 12,702,928 | 119,941,012 |
| OTHER MEDICAL | | | | | | |
| Ambulance and NEMT | 2,238,756 | 2,359,014 | 3,325,205 | 2,757,669 | 3,590,318 | 26,855,451 |
| Home Health Services & CBAS | 586,872 | 916,002 | 721,387 | 612,929 | 1,114,894 | 8,101,974 |
| Utilization and Quality Review Expenses | 788,697 | 2,133,022 | 668,619 | 1,481,065 | 220,777 | 11,114,470 |
| Long Term/SNF/Hospice | 6,335,360 | 3,942,751 | 9,336,639 | 6,249,427 | 6,042,894 | 74,666,304 |
| Provider Enhancement Expense - Prop. 56 | 5,547,690 | 5,566,967 | 5,521,458 | 5,414,023 | 5,288,536 | 60,514,035 |
| Provider Enhancement Expense - GEMT | 899,077 | 868,900 | 684,302 | 675,052 | 660,172 | 6,837,298 |
| Enhanced Care Management | 1,717,288 | 2,733,244 | 1,974,662 | 1,512,905 | 2,259,826 | 21,408,713 |
| Major Organ Transplant | 765,681 | 770,746 | 817,599 | 755,216 | 733,477 | 8,360,789 |
| Cal AIM Incentive Programs | 2,372,608 | 2,549,680 | 2,057,802 | 2,587,965 | 6,238,961 | 23,358,053 |
| DME | 1,348,779 | 1,550,660 | 1,288,687 | 1,435,048 | 1,508,410 | 14,617,600 |
| TOTAL OTHER MEDICAL | 22,600,808 | 23,390,986 | 26,396,360 | 23,481,299 | 27,658,265 | 255,834,687 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 535,512 | 534,172 | 529,365 | 513,772 | 518,382 | 5,777,799 |
| HOSPITAL DIRECTED PAYMENTS | 21,822,439 | 21,933,791 | 21,801,472 | 21,376,726 | 20,754,284 | 237,953,195 |
| HOSPITAL DIRECTED PAYMENT ADJUSTMENT | (15,187) | 426,925 | (423,787) | 4,263 | (2,586) | (1,353,179) |
| NON-CLAIMS EXPENSE ADJUSTMENT | 639,578 | 3,672 | 52,429 | (4,730) | (662) | (1,630,678) |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | 707,021 | 438,520 | 701,159 | 614,589 | 784,814 | (14,453,675) |
| Total Medical Costs | 109,851,839 | 111,366,610 | 118,434,850 | 115,805,278 | 118,886,155 | 1,206,539,262 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2023 | JANUARY 2023 | FEBRUARY 2023 | MARCH 2023 | APRIL 2023 | MAY 2023 | JUNE 2023 |
|---|-----------------|------------------|----------------|----------------|----------------|----------------|
| PHYSICIAN SERVICES | | | | | | |
| Primary Care Physician Services | 12.50 | 10.87 | 11.32 | 12.02 | 11.69 | 12.38 |
| Referral Specialty Services | 42.39 | 38.73 | 41.60 | 41.75 | 43.56 | 43.21 |
| Urgent Care & After Hours Advise | 6.16 | 5.28 | 5.87 | 6.44 | 5.83 | 5.72 |
| Hospital Admitting Team | 0.03 | 0.02 | 0.03 | 0.03 | 0.03 | 0.03 |
| TOTAL PHYSICIAN SERVICES | 61.08 | 54.90 | 58.82 | 60.23 | 61.10 | 61.33 |
| OTHER PROFESSIONAL SERVICES | | | | | | |
| Vision Service Capitation | 1.00 | 0.98 | 0.98 | 0.99 | 0.99 | 1.00 |
| Medical Departments - UM Allocation * | 6.11 | 5.72 | 6.25 | 5.61 | 5.87 | 6.78 |
| Behavior Health Treatment | 3.71 | 3.84 | 4.99 | 4.38 | 6.77 | 5.85 |
| Mental Health Services | 1.14 | 0.79 | 0.79 | 0.65 | 0.55 | 0.72 |
| Other Professional Services | 4.57 | 4.16 | 4.27 | 4.58 | 4.49 | 4.80 |
| TOTAL OTHER PROFESSIONAL SERVICES | 16.53 | 15.49 | 17.28 | 16.21 | 18.67 | 19.15 |
| EMERGENCY ROOM | 15.63 | 13.26 | 14.81 | 14.91 | 14.42 | 15.56 |
| INPATIENT HOSPITAL | 68.12 | 62.39 | 65.52 | 67.93 | 60.08 | 53.49 |
| REINSURANCE EXPENSE PREMIUM | 0.27 | 0.52 | 0.27 | 0.27 | 0.27 | 0.27 |
| OUTPATIENT HOSPITAL SERVICES | 28.93 | 27.62 | 32.37 | 30.84 | 30.93 | 29.57 |
| OTHER MEDICAL | | | | | | |
| Ambulance and NEMT | 5.39 | 5.02 | 6.15 | 6.26 | 6.34 | 6.76 |
| Home Health Services & CBAS | 2.92 | 2.32 | 2.84 | 1.55 | 1.27 | 1.05 |
| Utilization and Quality Review Expenses | 2.34 | 1.67 | 2.68 | 3.80 | 2.21 | 3.90 |
| Long Term/SNF/Hospice | 8.22 | 28.58 | 25.00 | 22.91 | 13.19 | 23.75 |
| Provider Enhancement Expense - Prop. 56 | 16.34 | 15.69 | 15.68 | 15.77 | 15.63 | 15.77 |
| Provider Enhancement Expense - GEMT | 1.49 | 1.47 | 1.44 | 1.33 | 1.58 | 1.41 |
| Vaccine Incentive Program Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Behaviorial Health Integration Program | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Enhanced Care Management | 4.30 | 5.09 | 5.10 | 5.14 | 5.09 | 7.24 |
| Major Organ Transplant | 2.26 | 2.04 | 2.15 | 2.17 | 2.13 | 2.17 |
| Cal AIM Incentive Programs | 0.09 | 0.80 | 0.84 | 2.60 | 10.77 | 6.15 |
| DME | 3.37 | 3.17 | 3.76 | 3.47 | 4.03 | 3.57 |
| TOTAL OTHER MEDICAL | 46.72 | 65.84 | 65.64 | 65.01 | 62.24 | 71.78 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| HOSPITAL DIRECTED PAYMENTS | 63.81 | 61.56 | 61.56 | 62.18 | 61.23 | 62.15 |
| HOSPITAL DIRECTED PAYMENT ADJUSTMENT | (2.06) | 0.10 | (2.48) | 0.11 | 0.35 | 0.04 |
| NON-CLAIMS EXPENSE ADJUSTMENT | (0.39) | 0.01 | 0.21 | 0.50 | (6.88) | 0.01 |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | 0.03 | 0.09 | (11.42) | (12.55) | (12.56) | (13.53) |
| Total Medical Costs | 300.18 | 303.28 | 304.09 | 307.13 | 291.34 | 301.33 |

KHS2/1/2024
Management Use Only

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2023 | JULY 2023 | AUGUST 2023 | SEPTEMBER 2023 | OCTOBER 2023 | NOVEMBER 2023 | YEAR TO DATE 2023 |
|---|---------------|----------------|-------------------|-----------------|------------------|-------------------------|
| PHYSICIAN SERVICES | | | | | | |
| Primary Care Physician Services | 11.41 | 11.20 | 11.25 | 12.15 | 9.75 | 11.50 |
| Referral Specialty Services | 40.25 | 40.60 | 42.14 | 43.00 | 44.67 | 41.98 |
| Urgent Care & After Hours Advise | 5.95 | 5.96 | 7.13 | 4.82 | 7.07 | 6.02 |
| Hospital Admitting Team | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 |
| TOTAL PHYSICIAN SERVICES | 57.64 | 57.78 | 60.54 | 60.00 | 61.51 | 59.53 |
| OTHER PROFESSIONAL SERVICES | | | | | | |
| Vision Service Capitation | 1.00 | 1.00 | 1.01 | 1.04 | 0.98 | 1.00 |
| Medical Departments - UM Allocation * | 5.82 | 6.30 | 7.57 | 9.63 | 7.23 | 6.62 |
| Behavior Health Treatment | 3.59 | 7.13 | 5.59 | 4.48 | 6.96 | 5.22 |
| Mental Health Services | 0.69 | 0.57 | 0.60 | 0.47 | 0.19 | 0.65 |
| Other Professional Services | 4.20 | 4.14 | 3.39 | 2.97 | 4.14 | 4.16 |
| TOTAL OTHER PROFESSIONAL SERVICES | 15.31 | 19.14 | 18.15 | 18.60 | 19.50 | 17.64 |
| EMERGENCY ROOM | 14.02 | 15.69 | 16.18 | 14.71 | 14.24 | 14.86 |
| INPATIENT HOSPITAL | 62.78 | 58.50 | 70.24 | 73.93 | 67.88 | 64.56 |
| REINSURANCE EXPENSE PREMIUM | 0.27 | 0.27 | 0.27 | 0.28 | 0.26 | 0.29 |
| OUTPATIENT HOSPITAL SERVICES | 28.79 | 29.74 | 31.70 | 35.28 | 36.76 | 31.13 |
| OTHER MEDICAL | | | | | | |
| Ambulance and NEMT | 6.30 | 6.61 | 9.45 | 8.01 | 10.39 | 6.97 |
| Home Health Services & CBAS | 1.65 | 2.57 | 2.05 | 1.78 | 3.23 | 2.10 |
| Utilization and Quality Review Expenses | 2.22 | 5.98 | 1.90 | 4.30 | 0.64 | 2.88 |
| Long Term/SNF/Hospice | 17.82 | 11.05 | 26.52 | 18.15 | 17.49 | 19.38 |
| Provider Enhancement Expense - Prop. 56 | 15.61 | 15.60 | 15.68 | 15.73 | 15.30 | 15.71 |
| Provider Enhancement Expense - GEMT | 2.53 | 2.43 | 1.94 | 1.96 | 1.91 | 1.77 |
| Vaccine Incentive Program Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Behavioral Health Integration Program | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Enhanced Care Management | 4.83 | 7.66 | 5.61 | 4.39 | 6.54 | 5.56 |
| Major Organ Transplant | 2.15 | 2.16 | 2.32 | 2.19 | 2.12 | 2.17 |
| Cal AIM Incentive Programs | 6.67 | 7.14 | 5.85 | 7.52 | 18.05 | 6.06 |
| DME | 3.79 | 4.35 | 3.66 | 4.17 | 4.36 | 3.79 |
| TOTAL OTHER MEDICAL | 63.58 | 65.54 | 74.98 | 68.20 | 80.03 | 66.40 |
| PAY FOR PERFORMANCE QUALITY INCENTIVE | 1.51 | 1.50 | 1.50 | 1.49 | 1.50 | 1.50 |
| HOSPITAL DIRECTED PAYMENTS | 61.39 | 61.46 | 61.93 | 62.09 | 60.05 | 61.76 |
| HOSPITAL DIRECTED PAYMENT ADJUSTMENT | (0.04) | 1.20 | (1.20) | 0.01 | (0.01) | (0.35) |
| NON-CLAIMS EXPENSE ADJUSTMENT | 1.80 | 0.01 | 0.15 | (0.01) | (0.00) | (0.42) |
| IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT | 1.99 | 1.23 | 1.99 | 1.79 | 2.27 | (3.75) |
| Total Medical Costs | 309.05 | 312.06 | 336.43 | 336.37 | 344.01 | 313.14 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED NOVEMBER 30, 2023 | YEAR-TO-DATE | | |
|---------------|-----------|-------------|---|--------------|-------------|-------------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| 719,740 | 503,778 | (215,962) | 110 - Executive | 6,767,120 | 5,616,590 | (1,150,530) |
| 336,478 | 269,724 | (66,754) | 210 - Accounting | 2,827,353 | 2,966,970 | 139,617 |
| 409,728 | 388,290 | (21,438) | 220 - Management Information Systems | 3,859,688 | 4,271,188 | 411,500 |
| 207,300 | 26,642 | (180,658) | 221 - Business Intelligence | 434,266 | 293,052 | (141,214) |
| 467,534 | 421,256 | (46,278) | 222 - Enterprise Development | 4,217,840 | 4,633,816 | 415,976 |
| 250,719 | 201,164 | (49,555) | 223 - Enterprise Configuration | 1,868,166 | 2,212,804 | 344,638 |
| 687,367 | 675,880 | (11,487) | 225 - Infrastructure | 7,093,770 | 7,434,673 | 340,903 |
| 940,420 | 690,414 | (250,006) | 230 - Claims | 7,377,283 | 7,594,546 | 217,263 |
| 400,398 | 272,021 | (128,377) | 240 - Project Management | 2,979,648 | 2,992,223 | 12,575 |
| 257,903 | 145,307 | (112,596) | 310 - Health Services - Utilization Management | 2,001,935 | 1,598,377 | (403,558) |
| 5,701 | 51,625 | 45,924 | 311 - Health Services - Quality Improvement | 8,121 | 567,875 | 559,754 |
| - | 143 | 143 | 312 - Health Services - Education | 231 | 1,573 | 1,342 |
| 36,493 | 70,663 | 34,170 | 313- Pharmacy | 502,672 | 777,293 | 274,621 |
| 314 | 3,292 | 2,978 | 314 - Enhanced Care Management | 29,500 | 36,212 | 6,712 |
| 80,064 | 78,415 | (1,649) | 316 -Population Health Management | 821,267 | 862,565 | 41,298 |
| (1,274) | 1,218 | 2,492 | 317 - Community Based Services | 767 | 13,398 | 12,631 |
| - | 31,941 | 31,941 | 318 - Housing & Homeless Incentive Program | - | 351,351 | 351,351 |
| (52,480) | 134,370 | 186,850 | 319 - CAL AIM Incentive Payment Program (IPP) | 461,580 | 1,478,070 | 1,016,490 |
| - | 947 | 947 | 601 - Behavioral Health | - | 10,417 | 10,417 |
| 617 | 4,315 | 3,698 | 602 - Quality & Health Equity | 21,276 | 47,465 | 26,189 |
| 486,271 | 345,411 | (140,860) | 320 - Provider Network Management | 3,878,806 | 3,799,521 | (79,285) |
| 1,557,550 | 1,205,474 | (352,076) | 330 - Member Services | 10,890,879 | 13,260,213 | 2,369,334 |
| 1,023,057 | 871,256 | (151,801) | 340 - Corporate Services | 10,341,901 | 9,583,816 | (758,085) |
| 238,372 | 145,475 | (92,897) | 360 - Audit & Investigative Services | 1,894,233 | 1,600,225 | (294,008) |
| 184,562 | 56,416 | (128,146) | 410 - Member Engagement | 941,712 | 620,576 | (321,136) |
| 205,795 | 210,572 | 4,777 | 420 - Sales/Marketing/Public Relations | 2,078,571 | 2,316,292 | 237,721 |
| 444,518 | 361,965 | (82,553) | 510 - Human Resources | 4,030,167 | 3,981,615 | (48,552) |
| (260) | (141,666) | (141,406) | Administrative Expense Adjustment | 2,146,902 | (1,558,334) | (3,705,236) |
| 8,886,887 | 7,026,308 | (1,860,579) | Total Administrative Expenses | 77,475,655 | 77,364,382 | (111,273) |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED NOVEMBER 30, 2023 | JANUARY 2023 | FEBRUARY 2023 | MARCH 2023 | APRIL 2023 | MAY 2023 | JUNE 2023 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| 110 - Executive | 687,266 | 488,878 | 631,414 | 573,435 | 605,342 | 763,935 |
| 210 - Accounting | 228,231 | 226,501 | 220,815 | 257,429 | 255,614 | 247,295 |
| 220 - Management Information Systems (MIS) | 365,046 | 378,747 | 348,807 | 339,302 | 365,330 | 355,130 |
| 221 - Business Intelligence | 63,805 | 672 | 10,109 | 15,308 | 26,942 | 22,540 |
| 222 - Enterprise Development | 353,608 | 328,061 | 331,145 | 334,228 | 376,413 | 412,669 |
| 223 - Enterprise Configuration | 104,241 | 216,683 | 121,896 | 146,738 | 136,105 | 171,714 |
| 225 - Infrastructure | 412,631 | 771,628 | 668,401 | 676,609 | 498,225 | 515,544 |
| 230 - Claims | 620,932 | 609,445 | 645,581 | 630,955 | 672,659 | 645,714 |
| 240 - Project Management | 140,118 | 191,244 | 253,669 | 237,154 | 320,496 | 264,636 |
| 310 - Health Services - Utilization Management | 194,388 | 186,938 | 208,456 | 255,118 | 260,301 | (106,448) |
| 311 - Health Services - Quality Improvement | 89 | 90 | (97) | 1,758 | 598 | 783 |
| 312 - Health Services - Education | 88 | 297 | (8) | 417 | 89 | 385 |
| 313- Pharmacy | 39,747 | 39,846 | 37,420 | 25,750 | 36,574 | 122,778 |
| 314 - Enhanced Care Management | 475 | 20,697 | (112) | 7,231 | (223) | 829 |
| 316 -Population Health Management | 62,921 | 63,361 | 75,452 | 67,203 | 74,045 | 71,685 |
| 317 - Community Based Services | 165 | 821 | (711) | 22 | 5 | 29 |
| 318 - Housing & Homeless Incentive Program | - | 1,200 | (1,185) | 6 | 6 | 23 |
| 319 - CAL AIM Incentive Payment Program (IPP) | - | 84,699 | 51,654 | 42,927 | - | 97,232 |
| 601 - Behavioral Health | - | - | - | - | 11,639 | (11,571) |
| 602 - Quality & Health Equity | - | 1,665 | - | - | (1,665) | 194 |
| 320 - Provider Network Management | 317,123 | 285,888 | 388,095 | 306,789 | 329,256 | 327,933 |
| 330 - Member Services | 802,035 | 804,897 | 998,660 | 856,559 | 908,944 | 1,002,188 |
| 340 - Corporate Services | 892,136 | 958,999 | 902,329 | 890,795 | 984,437 | 921,752 |
| 360 - Audit & Investigative Services | 138,360 | 130,101 | 142,110 | 145,775 | 140,250 | 157,915 |
| 410 - Member Engagement | 68,972 | 61,237 | 45,193 | 56,083 | 69,262 | 27,762 |
| 420 - Sales/Marketing/Public Relations | 60,714 | 98,793 | 207,085 | 121,647 | 169,876 | 370,758 |
| 510 - Human Resources | 362,364 | 315,305 | 331,059 | 346,987 | 344,312 | 379,592 |
| Total Department Expenses | 5,915,456 | 6,266,693 | 6,617,237 | 6,336,225 | 6,584,832 | 6,762,996 |
| ADMINISTRATIVE EXPENSE ADJUSTMENT | 109,675 | 301,496 | 320,296 | 300,000 | 300,950 | 501,326 |
| Total Administrative Expenses | 6,025,131 | 6,568,189 | 6,937,533 | 6,636,225 | 6,885,782 | 7,264,322 |

| KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED NOVEMBER 30, 2023 | JULY 2023 | AUGUST 2023 | SEPTEMBER 2023 | OCTOBER 2023 | NOVEMBER 2023 | YEAR TO DATE 2023 |
|---|------------------|------------------|-------------------|------------------|------------------|-------------------------|
| 110 - Executive | 537,480 | 554,501 | 589,441 | 615,688 | 719,740 | 6,767,120 |
| 210 - Accounting | 254,446 | 260,708 | 241,094 | 298,742 | 336,478 | 2,827,353 |
| 220 - Management Information Systems (MIS) | 300,962 | 346,145 | 309,488 | 341,003 | 409,728 | 3,859,688 |
| 221 - Business Intelligence | (10,946) | 55,044 | 10,407 | 33,085 | 207,300 | 434,266 |
| 222 - Enterprise Development | 370,744 | 410,421 | 413,359 | 419,658 | 467,534 | 4,217,840 |
| 223 - Enterprise Configuration | 181,934 | 171,194 | 164,140 | 202,802 | 250,719 | 1,868,166 |
| 225 - Infrastructure | 851,074 | 671,727 | 761,903 | 578,661 | 687,367 | 7,093,770 |
| 230 - Claims | 601,430 | 591,293 | 676,078 | 742,776 | 940,420 | 7,377,283 |
| 240 - Project Management | 198,543 | 275,339 | 319,567 | 378,484 | 400,398 | 2,979,648 |
| 310 - Health Services - Utilization Management | 180,999 | 179,406 | 206,469 | 178,405 | 257,903 | 2,001,935 |
| 311 - Health Services - Quality Improvement | 471 | (1,012) | (336) | 76 | 5,701 | 8,121 |
| 312 - Health Services - Education | 262 | (1,093) | (206) | - | - | 231 |
| 313- Pharmacy | 37,659 | 35,247 | 37,033 | 54,125 | 36,493 | 502,672 |
| 314 - Enhanced Care Management | 366 | (1,236) | 882 | 277 | 314 | 29,500 |
| 316 -Population Health Management | 69,897 | 76,157 | 76,989 | 103,493 | 80,064 | 821,267 |
| 317 - Community Based Services | 209 | (162) | - | 1,663 | (1,274) | 767 |
| 318 - Housing & Homeless Incentive Program | 25 | (75) | - | - | - | - |
| 319 - CAL AIM Incentive Payment Program (IPP) | 45,332 | 9,851 | 110,045 | 72,320 | (52,480) | 461,580 |
| 601 - Behavioral Health | - | (68) | - | - | - | - |
| 602 - Quality & Health Equity | 20 | (41) | 20,083 | 403 | 617 | 21,276 |
| 320 - Provider Network Management | 362,501 | 357,061 | 338,081 | 379,808 | 486,271 | 3,878,806 |
| 330 - Member Services | 960,300 | 1,041,329 | 989,617 | 968,800 | 1,557,550 | 10,890,879 |
| 340 - Corporate Services | 943,747 | 1,018,956 | 926,670 | 879,023 | 1,023,057 | 10,341,901 |
| 360 - Audit & Investigative Services | 171,929 | 191,794 | 194,623 | 243,004 | 238,372 | 1,894,233 |
| 410 - Member Engagement | 78,964 | 113,512 | 141,555 | 94,610 | 184,562 | 941,712 |
| 420 - Sales/Marketing/Public Relations | 119,606 | 255,433 | 254,996 | 213,868 | 205,795 | 2,078,571 |
| 510 - Human Resources | 445,841 | 332,855 | 369,133 | 358,201 | 444,518 | 4,030,167 |
| Total Department Expenses | 6,703,795 | 6,944,286 | 7,151,111 | 7,158,975 | 8,887,147 | 75,328,753 |
| ADMINISTRATIVE EXPENSE ADJUSTMENT | 300,183 | 12,969 | 267 | - | (260) | 2,146,902 |
| Total Administrative Expenses | 7,003,978 | 6,957,255 | 7,151,378 | 7,158,975 | 8,886,887 | 77,475,655 |

| KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF NOVEMBER 30, 2023 | | | |
|---|----------------------|---------------------|-----------------|
| ASSETS | NOVEMBER 2023 | OCTOBER 2023 | INC(DEC) |
| CURRENT ASSETS: | | | |
| Cash and Cash Equivalents | \$ 1,163,609 | \$ 1,163,609 | - |
| Interest Receivable | 6,000 | 3,000 | 3,000 |
| TOTAL CURRENT ASSETS | \$ 1,169,609 | \$ 1,166,609 | \$ 3,000 |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Other Liabilities | - | - | - |
| TOTAL CURRENT LIABILITIES | \$ - | \$ - | \$ - |
| NET POSITION: | | | |
| Net Position- Beg. of Year | 1,130,625 | 1,130,625 | - |
| Increase (Decrease) in Net Position - Current Year | 38,984 | 35,984 | 3,000 |
| Total Net Position | \$ 1,169,609 | \$ 1,166,609 | \$ 3,000 |
| TOTAL LIABILITIES AND NET POSITION | \$ 1,169,609 | \$ 1,166,609 | \$ 3,000 |

| CURRENT MONTH | | | KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2023 | YEAR-TO-DATE | | |
|-------------------|--------|----------|--|--------------|--------|----------|
| ACTUAL | BUDGET | VARIANCE | | ACTUAL | BUDGET | VARIANCE |
| ENROLLMENT | | | | | | |
| - | - | - | Members | - | - | - |
| REVENUES | | | | | | |
| - | - | - | Premium | - | - | - |
| 3,000 | - | 3,000 | Interest | 33,286 | - | 33,286 |
| - | - | - | Other Investment Income | 5,698 | - | 5,698 |
| 3,000 | - | 3,000 | TOTAL REVENUES | 38,984 | - | 38,984 |
| EXPENSES | | | | | | |
| - | - | - | Medical Costs | - | - | - |
| - | - | - | IBNR and Paid Claims Adjustment | - | - | - |
| - | - | - | Total Medical Costs | - | - | - |
| 3,000 | - | 3,000 | GROSS MARGIN | 38,984 | - | 38,984 |
| - | - | - | Administrative Management Fee Expense and Other Admin Exp | - | - | - |
| - | - | - | Total Administrative Expenses | - | - | - |
| - | - | - | TOTAL EXPENSES | - | - | - |
| 3,000 | - | 3,000 | OPERATING INCOME (LOSS) | 38,984 | - | 38,984 |
| - | - | - | TOTAL NONOPERATING REVENUE (EXPENSES) | - | - | - |
| 3,000 | - | 3,000 | NET INCREASE (DECREASE) IN NET POSITION | 38,984 | - | 38,984 |
| 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

| | | 2023 MEMBER MONTHS | JAN'23 | FEB'23 | MAR'23 | APR'23 | MAY'23 | JUN'23 | JULY'23 | AUG'23 | SEPT'23 | OCT'23 | NOV'23 |
|-------------------------------------|------------------|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------|
| MEDI-CAL | | | | | | | | | | | | | |
| ADULT AND FAMILY | | | | | | | | | | | | | |
| ADULT | 720,056 | 58,409 | 65,757 | 66,276 | 66,418 | 67,971 | 67,525 | 66,503 | 67,740 | 65,809 | 64,032 | 63,616 | |
| CHILD | 1,607,710 | 149,881 | 145,505 | 145,753 | 146,329 | 146,573 | 147,108 | 146,933 | 146,846 | 145,234 | 143,582 | 143,966 | |
| SUB-TOTAL ADULT & FAMILY | 2,327,766 | 208,290 | 211,262 | 212,029 | 212,747 | 214,544 | 214,633 | 213,436 | 214,586 | 211,043 | 207,614 | 207,582 | |
| OTHER MEMBERS | | | | | | | | | | | | | |
| PARTIAL DUALS - FAMILY | 9,042 | 851 | 875 | 903 | 822 | 853 | 818 | 837 | 787 | 756 | 740 | 800 | |
| PARTIAL DUALS - CHILD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PARTIAL DUALS - BCCTP | 110 | 6 | 10 | 10 | 10 | 16 | 11 | 12 | 10 | 8 | 9 | 8 | |
| FULL DUALS (SPD) | | | | | | | | | | | | | |
| SPD FULL DUALS | 222,685 | 9,649 | 20,632 | 21,019 | 21,092 | 21,349 | 21,374 | 21,218 | 21,406 | 21,540 | 21,551 | 21,855 | |
| SUBTOTAL OTHER MEMBERS | 231,837 | 10,506 | 21,517 | 21,932 | 21,924 | 22,218 | 22,203 | 22,067 | 22,203 | 22,304 | 22,300 | 22,663 | |
| TOTAL FAMILY & OTHER | 2,559,603 | 218,796 | 232,779 | 233,961 | 234,671 | 236,762 | 236,836 | 235,503 | 236,789 | 233,347 | 229,914 | 230,245 | |
| SPD | | | | | | | | | | | | | |
| SPD (AGED AND DISABLED) | 201,916 | 17,442 | 18,453 | 18,522 | 18,599 | 18,398 | 18,515 | 18,518 | 18,448 | 18,443 | 18,180 | 18,398 | |
| MEDI-CAL EXPANSION | | | | | | | | | | | | | |
| ACA Expansion Adult-Citizen | 1,068,751 | 94,512 | 96,241 | 96,427 | 97,590 | 98,512 | 99,338 | 99,216 | 99,510 | 98,130 | 94,244 | 95,031 | |
| ACA Expansion Duals | 18,719 | 1,637 | 1,613 | 1,703 | 1,746 | 1,842 | 1,908 | 1,809 | 1,716 | 1,720 | 1,539 | 1,486 | |
| SUB-TOTAL MED-CAL EXPANSION | 1,087,470 | 96,149 | 97,854 | 98,130 | 99,336 | 100,354 | 101,246 | 101,025 | 101,226 | 99,850 | 95,783 | 96,517 | |
| LONG TERM CARE (LTC) | | | | | | | | | | | | | |
| LTC | 329 | 27 | -1 | 33 | 34 | 35 | 38 | 35 | 35 | 40 | 24 | 29 | |
| LTC DUALS | 3,737 | 0 | 380 | 364 | 365 | 366 | 373 | 367 | 383 | 359 | 381 | 399 | |
| TOTAL LTC | 4,066 | 27 | 379 | 397 | 399 | 401 | 411 | 402 | 418 | 399 | 405 | 428 | |
| TOTAL KAISER | 170,882 | 14,759 | 14,960 | 15,308 | 15,562 | 15,699 | 15,881 | 15,869 | 15,966 | 15,838 | 15,617 | 15,423 | |
| TOTAL MEDI-CAL MEMBERS | 4,023,937 | 347,173 | 364,425 | 366,318 | 368,567 | 371,614 | 372,889 | 371,317 | 372,847 | 367,877 | 359,899 | 361,011 | |

KERN HEALTH SYSTEMS

November AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|--|---------------|--------------|---|------------------------------|
| T1045 | KAISER FOUNDATION HEALTH - HMO | 641,593.23 | 6,621,224.30 | NOV. 2023 EMPLOYEE HMO HEALTH BENEFITS PREMIUM | VARIOUS |
| T5503 | SECURE-CENTRIC INC. **** | 535,464.21 | 660,258.41 | RUBRIK ENTERPRISE SOFTWARE & SUPPORT | MIS INFRASTRUCTURE |
| T4350 | COMPUTER ENTERPRISE | 533,923.29 | 5,370,073.87 | OCT. 2023 PROFESSIONAL SERVICES/CONSULTING SERVICES | VARIOUS |
| T1408 | DELL MARKETING L.P. | 523,682.54 | 1,548,612.52 | (22) MONITORS, (44) BASES, AND 150 VLA POWER PAGES; NEW LICENSING FOR MEMBER ENGAGEMENT | MIS INFRASTRUCTURE / CAPITAL |
| T1845 | DEPARTMENT OF MANAGED HEALTH CARE **** | 493,589.20 | 1,016,951.10 | 2023-2024 MCAL ANNUAL ASSESSMENT FINAL PAYMENT | ADMINISTRATION |
| T5684 | REBELLIS GROUP LLC **** | 253,031.25 | 1,299,514.96 | SEPT. 2023 MAPD BUSINESS CONSULTING | MEDICARE |
| T4737 | TEKSYSTEMS, INC. | 236,126.50 | 2,678,087.05 | OCT. 2023 PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T4695 | EDIFECS, INC. **** | 215,150.73 | 218,582.73 | ANNUAL TSM MAINTENANCE | MIS INFRASTRUCTURE |
| T4733 | UNITED STAFFING ASSOCIATES | 106,944.30 | 812,388.37 | OCT. 2023 TEMPORARY HELP - (1) FIN: (1) UM: (24) MS: (1) AD: (1) CS | VARIOUS |
| T2969 | AMERICAN BUSINESS MACHINES INC. **** | 99,890.27 | 164,304.62 | (1) IMAGE PRESS V1000 HIGH CAPACITY PRINTER AND SUPPORT, (9) PRINTERS | VARIOUS |
| T5486 | ALLIED GENERAL CONTRACTORS, INC **** | 74,900.00 | 218,250.00 | BUILDING IMPROVEMENT - 3RD. FLOOR CONSTRUCTION | VARIOUS |
| T5452 | BLACKHAWK ENGAGEMENT SOLUTIONS, INC | 70,244.00 | 3,816,884.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM | UTILIZATION MANAGEMENT- QI |
| T5337 | CAZADOR CONSULTING GROUP INC | 60,192.47 | 1,045,520.93 | OCT. 2023 TEMPORARY HELP - (16) MS: (1) CS: (1) AD | VARIOUS |

KERN·HEALTH SYSTEMS

November AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|---|---------------|--------------|--|-----------------------|
| T5344 | SIGNATURE STAFF RESOURCES LLC | 57,880.00 | 341,859.00 | OCT. 2023 PROFESSIONAL SERVICES | BUSINESS INTELLIGENCE |
| T5751 | EXCELL HCA, LLC **** | 57,400.00 | 57,400.00 | SEPT. & OCT. 2023 PROFESSIONAL SERVICES | PROJECT MANAGEMENT |
| T5658 | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 54,299.07 | 538,461.35 | NOV. 2023 VOLUNTARY LIFE, AD&D INSURANCE PREMIUM | VARIOUS |
| T5199 | MOSSMAN COFFEE SHOPS & CATERING, INC. **** | 52,333.52 | 52,333.52 | ANNUAL STAFF PICNIC CATERING | HUMAN RESOURCES |
| T4985 | CYBERCODERS, INC. **** | 50,437.50 | 106,039.40 | AUG. - OCT. 2023 PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T4514 | A.J. KLEIN, INC T. DENATALE, B. GOLDNER | 47,614.75 | 187,249.62 | OCT. 2023 LEGAL FEES | ADMINISTRATION |
| T5291 | PINNACLE RECRUITMENT SERVICES LLC **** | 47,449.13 | 135,937.36 | AUG. - OCT. 2023 TEMPORARY HELP - (5) CLM: (2) HR | VARIOUS |
| T2509 | USPS | 46,387.18 | 91,780.14 | PERMIT #88 WINTER ISSUE FAMILY HEALTH MAGAZINE POSTAGE FUNDING | HEALTH EDUCATION |
| T5421 | PREMIER ACCESS INSURANCE COMPANY | 46,080.52 | 486,158.89 | NOV. 2023 EMPLOYEE DENTAL BENEFITS PREMIUM | VARIOUS |
| T4657 | DAPONDE SIMPSON ROWE PC | 40,601.50 | 436,644.07 | SEPT. 2023 LEGAL FEES | VARIOUS |
| T5701 | THE GRANGER NETWORKS LLC | 40,250.00 | 416,468.86 | EXECUTIVE COACHING & NEXT ERA BOOTCAMP | ADMINISTRATION |

KERN HEALTH SYSTEMS

November AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|---|---------------|--------------|---|------------------------------|
| T2584 | UNITED STATES POSTAL SVC. - HASLER | 40,000.00 | 330,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T5520 | BG HEALTHCARE CONSULTING, INC | 36,900.00 | 248,587.50 | OCT. 2023 PROFESSIONAL SERVICES | POPULATION HEALTH MANAGEMENT |
| T5741 | HEALTHWISE, INCORPORATED **** | 36,607.35 | 65,009.58 | MEMBER SELF MANAGEMENT TOOLS LICENSE JUNE - DEC | HEALTH EDUCATION |
| T5313 | HEALTH LITERACY INNOVATIONS, LLC **** | 36,100.00 | 36,100.00 | LITERACY ADVISOR ANNUAL SOFTWARE LICENSE | HEALTH EDUCATION |
| T5805 | MAGNOLIA OPTIMA LLC **** | 34,947.05 | 64,417.53 | OCT. & NOV. 2023 CONSULTING SERVICES | HUMAN RESOURCES |
| T5831 | CCS FACILITY SERVICES - FRESNO INC **** | 34,158.70 | 34,158.70 | NOV. & DEC. 2023 JANITORIAL SERVICES | CORPORATE SERVICES |
| T5321 | TYK TECHNOLOGIES LTD **** | 34,000.00 | 34,000.00 | 2023/2024 TYK LICENSE RENEWAL | MIS INFRASTRUCTURE |
| T5076 | MERIDIAN HEALTH SYSTEMS, P.C. | 32,962.50 | 390,862.50 | OCT. 2023 PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T2469 | DST HEALTH SOLUTIONS, LLC **** | 32,000.00 | 199,100.00 | ANNUAL ACG LICENSE & SUPPORT | BUSINESS INTELLIGENCE |
| T2167 | PG&E | 29,336.96 | 380,574.71 | NOV. 2023 UTILITIES | CORPORATE SERVICES |
| T5781 | SHELLMAN COMPLIANCE LLC | 29,100.00 | 58,200.00 | SECURITY ASSESSMENT SERVICES KICKOFF AND PLANNING | CAPITAL |
| T1861 | CERIDIAN HCM, INC. | 27,784.46 | 317,660.45 | OCT. & NOV. 2023 SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES |
| T4452 | WELLS FARGO ACH | 26,003.31 | 316,130.15 | OCT. 2023 MISC CREDIT CARD PURCHASES | VARIOUS |
| T3011 | OFFICE ALLY, INC | 25,645.69 | 323,052.48 | OCT. 2023 EDI CLAIM PROCESSING | CLAIMS |

KERN·HEALTH SYSTEMS

November AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Current Month | Year-to-Date | Description | Department |
|------------|---|------------------------|--------------|--|------------------------|
| T5298 | TOTALMED, INC | 23,492.23 | 102,416.57 | OCT. 2023 TEMPORARY HELP | VARIOUS |
| T4165 | SHI INTERNATIONAL CO. | 21,525.92 | 339,510.68 | SOLARWINDS MAINT. & TECH. SUPPORT RENEWAL | ENTERPRISE DEVELOPMENT |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 21,054.45 | 225,338.77 | OCT. 2023 EDI CLAIM PROCESSING | CLAIMS |
| T1128 | HALL LETTER SHOP, INC **** | 20,388.82 | 220,252.43 | MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS | VARIOUS |
| T4501 | ALLIED UNIVERSAL SECURITY SERVICES **** | 20,350.26 | 184,397.36 | OCT. & NOV. 2023 ONSITE SECURITY | CORPORATE SERVICES |
| | | 4,947,822.86 | | | |
| | TOTAL VENDORS OVER \$20,000 | 4,929,578.86 | | | |
| | TOTAL VENDORS UNDER \$20,000 | 788,722.69 | | | |
| | TOTAL VENDOR EXPENSES- NOVEMBER | \$ 5,718,301.55 | | | |

Note:

****New vendors over \$20,000 for the month of November

KERN HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|--|--------------------------------|
| T1045 | KAISER FOUNDATION HEALTH - HMO | 6,621,224.30 | EMPLOYEE HMO HEALTH BENEFITS PREMIUM | VARIOUS |
| T4350 | COMPUTER ENTERPRISE | 5,370,073.87 | PROFESSIONAL SERVICES/CONSULTING SERVICES | VARIOUS |
| T5452 | BLACKHAWK ENGAGEMENT SOLUTIONS INC | 3,816,884.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM | UTILIZATION MANAGEMENT-HE & QI |
| T4737 | TEKSYSTEMS, INC. | 2,678,087.05 | PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T5155 | A-C ELECTRIC COMPANY | 1,659,450.37 | CARPOOL SOLAR PROJECT | CAPITAL |
| T3449 | CDW GOVERNMENT | 1,563,709.78 | NUTANIX RENEWAL & ADOBE LICENSES | MIS INFRASTRUCTURE |
| T1408 | DELL MARKETING L.P. | 1,548,612.52 | COMPUTER EQUIPMENT, SOFTWARE MAINTENANCE, SOFTWARE LICENCING | MIS INFRASTRUCTURE / CAPITAL |
| T5684 | REBELLIS GROUP LLC | 1,299,514.96 | MAPD BUSINESS CONSULTING | MEDICARE |
| T3130 | OPTUMINSIGHT, INC | 1,270,750.51 | ANNUAL LICENSED SOFTWARE | MIS INFRASTRUCTURE |
| T4722 | COGNIZANT TRIZETTO SOFTWARE GROUP, INC | 1,248,682.15 | PROFESSIONAL SERVICES & ANNUAL LICENSING | VARIOUS |
| T2704 | MCG HEALTH LLC | 1,186,808.43 | ANNUAL HEALTH CARE MANAGEMENT & SOFTWARE LICENSE | UTILIZATION MANAGEMENT |
| T2686 | ALLIANT INSURANCE SERVICES INC. | 1,123,000.03 | 2023 -2024 INSURANCE PREMIUMS | ADMINISTRATION |
| T5337 | CAZADOR CONSULTING GROUP INC | 1,045,520.93 | TEMPORARY HELP | VARIOUS |
| T1071 | CLINICA SIERRA VISTA | 912,881.47 | HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM | COMMUNITY GRANTS |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|-----------------------|
| T1845 | DEPARTMENT OF MANAGED HEALTH CARE | 1,016,951.10 | 2023-2024 MCAL ANNUAL ASSESSMENT | ADMINISTRATION |
| T4733 | UNITED STAFFING ASSOCIATES | 812,388.37 | TEMPORARY HELP | VARIOUS |
| T1180 | LANGUAGE LINE SERVICES INC | 780,421.52 | INTERPRETATION SERVICES | HEALTH EDUCATION |
| T4699 | ZEOMEGA, INC | 773,986.13 | PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T5432 | CATALYST SOLUTIONS, LLC | 662,854.37 | PROFESSIONAL SERVICES | BUSINESS INTELLIGENCE |
| T5503 | SECURE-CENTRIC INC | 660,258.41 | RUBRIK ENTERPRISE SUPPORT | MIS INFRASTRUCTURE |
| T5466 | ZIPARI, INC | 600,545.68 | 2023 JIVA MEMBER PORTAL | MIS INFRASTRUCTURE |
| T2458 | HEALTHCARE FINANCIAL, INC | 551,728.22 | PROFESSIONAL SERVICES | ADMINISTRATION |
| T5022 | SVAM INTERNATIONAL INC | 540,717.57 | PROFESSIONAL SERVICES | MIS ADMINISTRATION |
| T5658 | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 538,461.35 | VOLUNTARY LIFE, AD&D INSURANCE PREMIUM | VARIOUS |
| T4237 | FLUIDEDGE CONSULTING, INC | 509,387.50 | CONSULTING SERVICES | VARIOUS |
| T5421 | PREMIER ACCESS INSURANCE COMPANY | 486,158.89 | EMPLOYEE DENTAL BENEFITS PREMIUM | VARIOUS |
| T4331 | COTIVITI, INC | 470,255.67 | 2023 HEDIS LICENSE & PROFESSIONAL SERVICES | HEALTH SERVICES - QI |
| T4657 | DAPONDE SIMPSON ROWE PC | 436,644.07 | LEGAL FEES | VARIOUS |

KERN HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|-----------------------------------|--------------|--|-----------------------|
| T5701 | THE GRANGER NETWORK LLC | 416,468.86 | SUPERVISOR BOOTCAMP | ADMINISTRATION/HR |
| T5076 | MERIDIAN HEALTH SYSTEMS, P.C. | 390,862.50 | PROFESSIONAL SERVICES | HEALTH SERVICES - UM |
| T2918 | STINSON'S | 380,576.87 | OFFICE SUPPLIES | VARIOUS |
| T2167 | PG&E | 380,574.71 | UTILITIES | CORPORATE SERVICES |
| T5562 | JDM SOLUTIONS INC | 355,400.00 | PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T5344 | SIGNATURE STAFF RESOURCES LLC | 341,859.00 | 2023 PROFESSIONAL SERVICES | BUSINESS INTELLIGENCE |
| T4165 | SHI INTERNATIONAL CO. | 339,510.68 | NETWORK SWITCHES WITH SUPPORT | VARIOUS |
| T2584 | UNITED STATES POSTAL SVC - HASLER | 330,000.00 | POSTAGE (METER) FUND | CORPORATE SERVICES |
| T3011 | OFFICE ALLY, INC | 323,052.48 | EDI CLAIM PROCESSING | CLAIMS |
| T4452 | WELLS FARGO | 316,130.15 | ACH- MISC CREDIT CARD PURCHASES | VARIOUS |
| T5292 | ALL'S WELL HEALTH CARE SERVICES | 312,849.43 | TEMPORARY HELP | VARIOUS |
| T1861 | CERIDIAN HCM, INC. | 307,660.45 | MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES |
| T2726 | DST PHARMACY SOLUTIONS, INC | 294,245.63 | PHARMACY CLAIMS | PHARMACY |
| T4353 | TWE SOLUTIONS, INC | 256,517.54 | CORTEX XDR PRO LICENSES | MIS INFRASTRUCTURE |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|---|------------------------------|
| WT/ACH | USPS | 250,000.00 | FUND KHS POSTAL ONE/EPS ACCOUNT | CORPORATE SERVICES |
| T5520 | BG HEALTHCARE CONSULTING, INC | 248,587.50 | PROFESSIONAL SERVICES | POPULATION HEALTH MANAGEMENT |
| T4460 | PAYSPAN, INC | 246,667.69 | ELECTRONIC CLAIMS/PAYMENTS | FINANCE |
| T4538 | CHANGE HEALTHCARE SOLUTIONS, LLC | 225,338.77 | 2023 EDI CLAIM PROCESSING | CLAIMS |
| T1128 | HALL LETTER SHOP | 220,252.43 | MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS | VARIOUS |
| T4695 | EDIFECs, INC. **** | 218,582.73 | ANNUAL TSM MAINTENANCE | MIS INFRASTRUCTURE |
| T5486 | ALLIED GENERAL CONTRACTORS, INC | 218,250.00 | BUILDING IMPROVEMENT | CAPITAL |
| T5509 | NGUYEN CAO LUU-TRONG | 207,935.50 | PROFESSIONAL SERVICES | HEALTH SERVICES - UM |
| T2413 | TREK IMAGING INC | 200,135.77 | COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS |
| T2469 | DST HEALTH SOLUTIONS, LLC | 199,100.00 | ANNUAL ACG LICENSE & SUPPORT | BUSINESS INTELLEGENGE |
| T1960 | LOCAL HEALTH PLANS OF CALIFORNIA | 191,356.01 | WEBINAR REGISTRATIONS & SPECIAL DUES ASSESSMENT | VARIOUS |
| T5145 | CCS ENGINEERING FRESNO INC | 188,409.98 | JANITORIAL SERVICES | CORPORATE SERVICES |
| T5546 | BITWISE TECHNOLOGY CONSULTING, LLC | 188,131.80 | OCR SERVICES AND PROFESSIONAL SERVICES | VARIOUS |
| T4514 | A.J. KLEIN, INC T.DENATALE, B. GOLDNER | 187,249.62 | LEGAL FEES | ADMINISTRATION |

KERN HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|---|--------------------------------------|
| T4501 | ALLIED UNIVERSAL SECURITY SERVICES | 184,397.36 | ONSITE SECURITY | CORPORATE SERVICES |
| T5340 | GARTNER INC | 178,380.00 | ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES | MIS ADMINISTRATION |
| T4708 | WAKELY CONSULTING GROUP, LLC FRMLY HEALTH MANAGEMENT ASSOCIATES, INC. | 174,870.00 | PROFESSIONAL SERVICES | ADMINISTRATION |
| T5111 | ENTISYS 360, E360 | 173,563.05 | NUTANIX ACROPOLIS SOFTWARE LICENSE | MIS INFRASTRUCTURE |
| T2969 | AMERICAN BUSINESS MACHINES INC | 164,304.62 | HARDWARE AND MAINTENANCE | CORPORATE SERVICES |
| T2955 | DELTA ELECTRIC INC | 152,755.00 | OFFICE REMODEL ELECTRICAL WORK | CORPORATE SERVICES |
| T2933 | SIERRA PRINTERS, INC | 152,460.64 | PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS | VARIOUS |
| T5583 | THE MIHALIK GROUP, LLC | 146,362.50 | NCQA TRAINING | HEALTH SERVICES - QI |
| T5121 | TPX COMMUNICATIONS | 140,320.07 | LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES | MIS INFRASTRUCTURE |
| T1022 | UNUM LIFE INSURANCE CO. | 137,502.77 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T5291 | PINNACLE RECRUITMENT SERVICES LLC | 135,937.36 | TEMPORARY HELP | VARIOUS |
| T3088 | GLEN BROWN CONSULTING | 135,500.00 | CONSULTING | HEALTH SERVICES - IPP |
| T1272 | COFFEY COMMUNICATIONS INC | 134,017.42 | MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION | HEALTH EDUCATION/MEDIA & ADVERTISING |
| T1005 | COLONIAL LIFE & ACCIDENT | 130,946.76 | LIFE INSURANCE PREMIUM | VARIOUS |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---------------------------------------|--------------|--|--------------------|
| T5329 | RELAY NETWORK, LLC | 128,333.25 | TEXT MESSAGING SUBSCRIPTION | CAPITAL PROJECT |
| T5738 | INSURICA - WALTER MORTENSEN INSURANCE | 118,943.00 | 2023-2024 ANNUAL WORKERS' COMP PREMIUM | ADMINISTRATION |
| T4963 | LINKEDIN CORPORATION | 112,372.50 | ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES | HUMAN RESOURCES |
| T4985 | CYBERCODERS, INC | 106,039.40 | PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T5298 | TOTALMED, INC | 102,416.57 | TEMPORARY HELP | VARIOUS |
| T4503 | VISION SERVICE PLAN | 101,080.21 | EMPLOYEE HEALTH BENEFITS | VARIOUS |
| T5734 | CAROL ANN STILTNER | 94,605.89 | PROFESSIONAL SERVICES | MEDICARE |
| T2961 | SOLUTION BENCH, LLC | 94,001.55 | M-FILES SOFTWARE ANNUAL RENEWAL | MIS INFRASTRUCTURE |
| T2509 | USPS | 91,780.14 | PERMIT #88 SUMMER ISSUE FAMILY HEALTH MAGAZINE POSTAGE FUNDING | HEALTH EDUCATION |
| T4902 | CHANGE HEALTHCARE TECHNOLOGIES, LLC | 88,128.86 | 2023 EDI CLAIM PROCESSING | CLAIMS |
| T4217 | CONTEXT 4 HEALTHCARE, INC | 86,083.12 | ANNUAL RENEWAL AMA FEES & CPT LICENSE | MIS INFRASTRUCTURE |
| T5319 | CITIUSTECH INC | 84,996.00 | FAST+ ANNUAL MAINTENANCE & SUPPORT | MIS INFRASTRUCTURE |
| T2941 | KERN PRINT SERVICES INC | 83,808.96 | OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD | VARIOUS |
| T4483 | INFUSION AND CLINICAL SERVICES, INC | 80,177.67 | DIABETIC GRANT PROGRAM | COMMUNITY GRANTS |

KERN • HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|---|-----------------------------|
| T4265 | SIERRA SCHOOL EQUIPMENT COMPANY | 78,743.76 | BOARDROOM FURNITURE | CORPORATE SERVICES |
| T4054 | ASSOCIATION FOR COMMUNITY AFFILIATED PLANS | 78,000.00 | 2023 ANNUAL DUES ASSESSMENT | ADMINISTRATION |
| T4484 | JACOBSON SOLUTIONS | 76,148.22 | TEMPORARY HELP | HEALTH SERVICES - UM |
| T4785 | COMMGAP | 73,342.50 | INTERPRETATION SERVICES | HEALTH EDUCATION |
| T1183 | MILLIMAN USA | 71,072.50 | CY2021/2022 TNE & IBNP CONSULTING - ACTUARIAL | ADMINISTRATION |
| T4792 | KP LLC | 69,399.79 | PROVIDER DIRECTORIES | PROVIDER NETWORK MANAGEMENT |
| T5550 | CHARTER COMMUNICATIONS OPERATING, LLC | 67,923.67 | INTERNET SERVICES | MIS INFRASTRUCTURE |
| T5741 | HEALTHWISE, INCORPORATED | 65,009.58 | MEMBER SELF MANAGEMENT TOOLS LICENSE JUNE - DEC | HEALTH EDUCATION |
| T2446 | AT&T MOBILITY | 64,487.43 | CELLULAR PHONE/INTERNET USAGE | MIS INFRASTRUCTURE |
| T5805 | MAGNOLIA OPTIMA LLC | 64,417.53 | CONSULTING SERVICES | HUMAN RESOURCES |
| T5392 | THE KNOWLEDGE ACADEMY INC | 61,485.00 | CA PROJECT MANAGEMENT TRAINING | MIS ADMINISTRATION |
| T3986 | JACQUELYN S JANS | 60,450.00 | CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN | ADMINISTRATION/ MARKETING |
| T4216 | NEXSTAR BROADCASTING INC | 59,770.00 | ADVERTISEMENT - MEDIA | MARKETING |
| T5436 | THE BEACON STUDIOS LLC | 59,702.00 | TV COMMERCIAL PRODUCTION | MEDIA & ADVERTISING |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|---|------------------------------|
| T4585 | DELANO UNION SCHOOL DISTRICT | 59,000.00 | SCHOOL WELLNESS GRANT | COMMUNITY GRANTS |
| T5524 | REST & REASSURE, LLC | 58,500.00 | 2023 PROFESSIONAL SERVICES | POPULATION HEALTH MANAGEMENT |
| T5743 | INTEL AGREE, COLABS | 58,375.00 | CONTRACTING MANAGEMENT SOFTWARE | CAPITAL |
| T5781 | SCHELLMAN COMPLIANCE LLC | 58,200.00 | SECURITY ASSESSMENT SERVICES KICKOFF AND PLANNING | CAPITAL |
| T5751 | EXCELL HCA, LLC **** | 57,400.00 | PROFESSIONAL SERVICES | PROJECT MANAGEMENT |
| T2851 | SINCLAIR TELEVISION OF BAKERSFIELD, LLC | 55,520.00 | ADVERTISEMENT - MEDIA | MARKETING |
| T4934 | APPLE INC. | 55,236.44 | EQUIPMENT - CELL PHONES | VARIOUS |
| T5592 | BRAND CO MARKETING | 53,011.55 | KHS STORE INVENTORY ITEMS & PROMOTIONAL ITEMS | VARIOUS |
| T4607 | AGILITY RECOVERY SOLUTIONS INC | 52,545.47 | PROFESSIONAL SERVICES | ADMINISTRATION |
| T5199 | MOSSMAN COFFEE SHOPS & CATERING, INC **** | 52,333.52 | ANNUAL STAFF PICNIC CATERING | HUMAN RESOURCES |
| T5201 | JAC SERVICES, INC | 51,934.58 | AC MAINTENANCE & SERVICE | CORPORATE SERVICES |
| T4415 | DANIELLS PHILLIPS VAUGHAN AND BOCK | 51,900.00 | 2022 AUDIT FEES | FINANCE |
| T1404 | CALIFORNIA ASSOCIATION OF HEALTH PLANS | 50,677.00 | 2023 ANNUAL DUES ASSESSMENT | ADMINISTRATION |
| T3972 | JOURNEY AIR CONDITIONING CO., INC | 50,293.00 | HVAC NEW UNIT & INSTALL | CAPITAL |

KERN HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|--|----------------------|
| T5644 | JENNIFER ELIZABETH CLANCY | 49,500.00 | PROFESSIONAL SERVICES | MIS INFRASTRUCTURE |
| T5429 | JANE MACADAM | 48,775.18 | 2022/2023 HYBRID COMMUTING | COMPLIANCE |
| T5479 | TRANSFORMING LOCAL COMMUNITIES, INC | 48,611.30 | 2022/2023 PROVIDER GRANT PROGRAM | COMMUNITY GRANTS |
| T4182 | THE LAMAR COMPANIES | 47,524.26 | OUTDOOR ADVERTISEMENT - BILLBOARDS | ADVERTISING |
| T5802 | MOTOR VEHICLE NETWORK | 47,430.00 | ADVERTISING -MOTOR VEHICLE NETWORK | MARKETING |
| T2441 | LAURA J BREZINSKI | 46,750.00 | MARKETING MATERIALS | MARKETING |
| T5109 | RAND EMPLOYMENT SOLUTIONS | 46,469.58 | TEMPORARY HELP | VARIOUS |
| T2641 | MARANATHA GARDENING & LANDSCAPING, INC | 46,277.50 | 2023 BUILDING MAINTENANCE | CORPORATE SERVICE |
| T5480 | PRESS GANEY ASSOCIATES LLC | 46,002.00 | 2023 ECM & PROVIDER SATISFACTION SURVEYS | VARIOUS |
| T5408 | MARY HARRIS | 45,626.00 | PROFESSIONAL SERVICES | HEALTH SERVICES - UM |
| T2869 | COMMUNITY ACTION PARTNERSHIP OF KERN | 45,600.00 | 2023 COMMUNITY GRANT | COMMUNITY GRANTS |
| T5645 | RIDGECREST REGIONAL HOSPITAL | 45,000.00 | PROVIDER QUALITY CARE GRANT PROGRAM | COMMUNITY GRANTS |
| T2580 | GOLDEN EMPIRE TRANSIT DISTRICT | 44,900.00 | OUTDOOR ADVERTISEMENT - BUSES | ADVERTISING |
| T5107 | CITRIX SYSTEMS, INC | 42,619.20 | CITRIX LICENSE RENEWAL | MIS INFRASTRUCTURE |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|--------------|---|-----------------------------|
| T4605 | KERNVILLE UNION SCHOOL DISTRICT | 42,000.00 | SCHOOL WELLNESS GRANT | COMMUNITY GRANTS |
| T5687 | IRISE EXECUTIVE COACHING LLC | 42,000.00 | EXECUTIVE RETREAT | ADMINISTRATION |
| T1655 | KERN,KKXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG,KVEC,KSTT ,KRQK,KPAT | 41,260.00 | RADIO ADVERTISING | MARKETING |
| T5535 | PANAMA-BUENA VISTA UNION SCHOOL DISTRICT | 40,000.00 | SCHOOL WELLNESS GRANT | COMMUNITY GRANTS |
| T5367 | ADVENTIST HEALTH DELANO | 39,910.73 | PROVIDER GRANT PROGRAM | COMMUNITY GRANT |
| T1347 | ADVANCED DATA STORAGE | 37,827.86 | STORAGE AND SHREDDING SERVICES | CORPORATE SERVICES |
| T5467 | MOSS ADAMS LLP | 37,597.00 | 2023 CLAIMS AUDIT TOOL SUPPORT & LICENSES | MIS INFRASTRUCTURE |
| T4993 | LEGALSHIELD | 36,771.95 | EMPLOYEE PAID VOLUNTARY COVERAGE | PAYROLL DEDUCTION |
| T5435 | TEGRIA SERVICES GROUP - US, INC | 36,500.00 | PROFESSIONAL SERVICES | HEALTH SERVICES - UM |
| T5313 | HEALTH LITERACY INNOVATIONS, LLC **** | 36,100.00 | LITERACY ADVISOR ANNUAL SOFTWARE LICENSE | HEALTH EDUCATION |
| T1694 | KERN COUNTY FAIR | 35,625.00 | 2023 FAIR SIGNAGE, EMPLOYEE TICKETS & PARKING | HUMAN RESOURCES & MARKETING |
| T4059 | KERN VALLEY HEALTHCARE DISTRICT | 35,327.26 | PROVIDER GRANT PROGRAM | COMMUNITY GRANT |
| T2578 | AMERICAN HEART ASSOCIATION - KERN COUNTY | 35,000.00 | SPONSORSHIP | MEDIA & ADVERTISING |
| T5026 | TEL-TEC SECURITY SYSTEMS **** | 34,765.22 | MONITORING SERVICES | CORPORATE SERVICES |

KERN HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|---|-----------------------------|
| T1097 | NCQA | 34,502.56 | HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION | HEALTH SERVICES - QI |
| T2921 | DOUBLETREE BY HILTON BAKERSFIELD | 34,303.43 | PROVIDER FORUM EDUCATIONAL EVENT | PROVIDER NETWORK MANAGEMENT |
| T5831 | CCS FACILITY SERVICES - FRESNO INC **** | 34,158.70 | JANITORIAL SERVICES | CORPORATE SERVICES |
| T5321 | TYK TECHNOLOGIES LTD **** | 34,000.00 | 2023/2024 TYK LICENSE RENEWAL | MIS INFRASTRUCTURE |
| T4230 | COFFEE BREAK SERVICE, INC. | 32,701.74 | COFFEE SUPPLIES | CORPORATE SERVICES |
| T1007 | FEDERAL EXPRESS CORP. | 31,847.34 | DELIVERY SERVICES | VARIOUS |
| T4228 | THE SSI GROUP, LLC | 31,843.40 | 2023 EDI CLAIM PROCESSING | CLAIMS |
| T5696 | ASA GLOBAL HEALTHCARE SERVICES PC | 31,000.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5568 | MICHELLE OXFORD | 30,910.89 | CONSULTING SERVICES | EXECUTIVE |
| T5574 | CARMAX AUTO SUPERSTORES, INC | 30,451.85 | COMPANY VEHICLE | CORPORATE SERVICES |
| T5012 | KERN MEDICAL CENTER FOUNDATION | 30,000.00 | VALLEY FEVER WALK SPONSOSHIP | MARKETING |
| T5613 | SMARTY, LLC **** | 30,000.00 | US ADDRESS VERIFICATION LICENSE | BUSINESS INTELLIGENCE |
| T5653 | SUN OUTDOOR ADVERTISING LLC | 29,935.00 | OUTDOOR ADVERTISEMENT - BILLBOARDS | ADVERTISING |
| T4249 | LOTUS BAKERSFIELD CORP | 29,750.00 | RADIO ADVERTISING | MARKETING |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|--|-----------------------------|
| T4554 | THE KEN BLANCHARD COMPANIES | 28,845.93 | LEADERSHIP TRAINING COURSES | HUMAN RESOURCES |
| T4982 | NGC US, LLC | 28,550.00 | PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM | VARIOUS |
| T3084 | KERN COUNTY-COUNTY COUNSEL **** | 27,856.40 | LEGAL SERVICES | EXECUTIVE |
| T5494 | LDP ASSOCIATES, INC | 27,300.00 | 2023/2024 DISASTER RECOVERY & PC COOLING MAINT. | VARIOUS |
| T5395 | LIVONGO HEALTH, INC | 27,258.00 | EMPLOYEE MENTAL HEALTH BENEFITS PREMIUM | VARIOUS |
| T4375 | EQUIFAX WORKFORCE SOLUTIONS, LLC | 26,828.39 | EMPLOYEE RECRUITMENT | HUMAN RESOURCES |
| T5300 | CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC | 26,780.00 | COVID-19 TESTING | HUMAN RESOURCES |
| T4424 | GUROCK SOFTWARE GmbH | 26,565.97 | TESTRAIL SOFTWARE RENEWAL | MIS INFRASTRUCTURE |
| T4544 | BARNES WEALTH MANAGEMENT GROUP **** | 26,260.00 | RETIREMENT CONSULTING SERVICES | EXECUTIVE |
| T5420 | PAYPRO ADMINISTRATORS | 25,754.80 | FSA EMPLOYEE BENEFIT | VARIOUS |
| T5578 | KIMBERLY A MARTIN | 25,665.50 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5260 | HD DYNAMICS SOFTWARE SOLUTIONS, CORP | 25,625.00 | CONSULTING FEES | PROVIDER NETWORK MANAGEMENT |
| T4577 | LA CAMPESINA, KBDS, KUFW, KMYX, KSEA, KBHH, KYLI, KCEC, KNAI **** | 25,070.00 | RADIO ADVERTISING | MARKETING |
| T4731 | GO TO TECHNOLOGY CONSULTING, LLC | 25,062.00 | INTERNET SERVICES | MIS INFRASTRUCTURE |

KERN HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|---|--------------|---|------------------------------|
| T4417 | KAISER FOUNDATION HEALTH PLAN - OR | 24,183.83 | EMPLOYEE HMO HEALTH BENEFITS PREMIUM | VARIOUS |
| T4523 | BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA | 24,130.00 | EMPLOYEE PREMIUM | PAYROLL DEDUCTION |
| T4195 | SCRIPPS MEDIA, INC. DBA KERO-TV | 24,015.00 | ADVERTISEMENT - MEDIA | MARKETING |
| T4611 | LAMONT SCHOOL DISTRICT | 24,000.00 | SCHOOL WELLNESS GRANT | COMMUNITY GRANTS |
| T5530 | JONES LANG LASALLE AMERICAS, INC | 23,960.00 | CUBICLE SCHEDULING APP IMPLEMENTATION & TRAINING | CORPORATE SERVICES |
| T2787 | SAGE SOFTWARE, INC | 23,561.11 | SAGE 300 CLOUD SOFTWARE RENEWAL | FINANCE |
| T5652 | RACHAEL L HOBBS | 23,450.00 | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5585 | LIFETIME FITNESS INC | 23,300.00 | LIVE BETTER PROGRAM BUTTONWILLOW & DELANO | HEALTH EDUCATION |
| T5759 | SHELLBY ROSE P DURLAO **** | 23,135.00 | CONSULTING SERVICES | POPULATION HEALTH MANAGEMENT |
| T5317 | PRESIDIO NETWORKED SOLUTIONS GROUP LLC | 23,125.00 | NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT | MIS INFRASTRUCTURE |
| T5669 | THE OPEN DOOR NETWORK | 21,418.00 | 2023 SPONSORSHIPS & COMMUNITY GRANT | MARKETING |
| T2449 | ASTRID ENRIQUEZ **** | 20,744.51 | CONSULTING SERVICES | HEALTH EDUCATION |

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name | Year-to-Date | Description | Department |
|------------|--|-------------------------|-------------------------------|---------------------|
| T5159 | AT&T CORP **** | 20,565.96 | INTERNET SERVICES | MIS INFRASTRUCTURE |
| T5711 | CALABRIO, INC. | 20,159.50 | TELEOPTI WFM LICENSES | MIS INFRASTRUCTURE |
| T4476 | KERN PARTNERSHIP FOR CHILDREN AND FAMILIES | 20,000.00 | SPONSORSHIP & COMMUNITY GRANT | MEDIA & ADVERTISING |
| | | <u>55,490,973.38</u> | | |
| | TOTAL VENDORS OVER \$20,000 | 55,472,729.38 | | |
| | TOTAL VENDORS UNDER \$20,000 | 2,327,555.21 | | |
| | TOTAL VENDOR EXPENSES- NOVEMBER | <u>\$ 57,800,284.59</u> | | |

Note:
****New vendors over \$20,000 for the month of November

| Vendor Name | Contract Amount | Budgeted | Department | Department Head | Services that this vendor will provide to KHS | Effective Date | Termination Date |
|--------------------------|-----------------|----------|------------|-------------------|--|----------------|------------------|
| January | | | | | | | |
| Jacquelyn S. Jans | \$135,840.00 | Yes | MRK | Louie Iturriria | Marketing & Corporate Image Consulting | 1/2/2023 | 12/31/2024 |
| HD Dynamics | \$50,000.00 | Yes | PNM | Amisha Pannu | Consulting services for Microsoft Dynamics CRM | 1/2/2023 | 12/31/2023 |
| Rest and Reassure, LLC | \$144,000.00 | Yes | PHM | Deb Murr | Consulting services for Cal-Aim & PHM dept requirements | 1/2/2023 | 12/31/2023 |
| BG Healthcare | \$189,000.00 | Yes | PHM | Deb Murr | Consulting services | 1/2/2023 | 12/23/2022 |
| SHI | \$51,094.74 | Yes | IT | Richard Pruitt | VMWare renewal | 1/1/2023 | 12/31/2023 |
| Catalyst | \$199,999.00 | Yes | Exec | Michelle Oxford | D-SNP and related Medicare health plan resource | 1/30/2023 | 6/2/2023 |
| Jennifer Clancy | \$49,500.00 | Yes | BH | Deb Murr | Behavioral Health Department Development | 1/30/2023 | 5/30/2023 |
| Lamar | \$69,115.56 | Yes | MRK | Louie Iturriria | (6) Billboards for advertising | 1/23/2023 | 6/30/2024 |
| Cotiviti | \$175,000.00 | Yes | QI | Jane Daughenbaugh | Medical record retrieval services | 1/27/2023 | 5/31/2023 |
| February | | | | | | | |
| Gartner | \$117,060.00 | Yes | IT | Richard Pruitt | Executive Programs Member license for CIO | 2/1/2023 | 1/31/2024 |
| Language Line | \$75,000.00 | Yes | HE | Isabel Silva | Interpreting services | 2/28/2023 | 2/27/2024 |
| Coffey Communications | \$120,000.00 | Yes | HE | Isabel Silva | Printing agreement | 2/15/2023 | 2/14/2024 |
| Lifesigns | \$80,000.00 | Yes | HE | Isabel Silva | ASL interpreting services | 2/23/2023 | 2/22/2025 |
| Entisys360 | \$69,201.68 | Yes | IT | Richard Pruitt | Nutanix Prod APP storage expansion | 2/8/2023 | 2/7/2024 |
| March | | | | | | | |
| GET Bus | \$72,900.00 | Yes | MRK | Louie Iturriria | Four (4) King Kong outdoor advertisements | 3/1/2023 | 6/30/2024 |
| Dell | \$79,746.97 | Yes | IT | Richard Pruitt | Laptops (25), docking stations (50), & monitors (100) | 3/6/2023 | 3/6/2027 |
| The Granger Network | \$110,000.00 | Yes | HR | Anita Martin | Supervisor Bootcamp | 3/31/2023 | 6/31/23 |
| April | | | | | | | |
| Advanced Medical Reviews | \$182,000.00 | Yes | UM | Misty Dominguez | Peer to Peer Medical Reviews | 4/1/2023 | 3/31/2025 |
| May | | | | | | | |
| IntelAgree | \$129,675.00 | Yes | CS | Andrea Hylton | Contracting Management Software | 5/24/2023 | 5/23/2026 |
| CDW-G | \$98,501.35 | Yes | IT | Richard Pruitt | Nutanix Xi Leap renewal | 5/27/2023 | 5/26/2024 |
| Dell | \$84,751.00 | Yes | IT | Richard Pruitt | Microsoft Unified Support Services | 5/10/2023 | 5/9/2024 |
| Tel-Tec | \$197,196.01 | Yes | IT | Richard Pruitt | Camera surveillance system phase 1 | 5/24/2023 | 10/31/2023 |
| June | | | | | | | |
| HMA | \$99,000.00 | Yes | ACCT | Veronica Barker | Actuarial services (RDT, DSR's & Rate Analysis) | 6/1/2023 | 5/31/2024 |
| Milliman | \$199,000.00 | Yes | ACCT | Veronica Barker | Actuarial services (D-SNP, Category of services, & Gap Analysis) | 6/1/2023 | 5/31/2024 |
| TWE Solutions | \$96,900.00 | Yes | IT | Richard Pruitt | 24x7 Security Monitoring Services | 6/14/2023 | 6/13/2024 |
| Relay Network | \$199,999.00 | Yes | IT | Richard Pruitt | Mobile Communication Platform; Unlimited Texting | 6/1/2023 | 5/31/2024 |

| Vendor Name | Contract Amount | Budgeted | Department | Department Head | Services that this vendor will provide to KHS | Effective Date | Termination Date |
|--------------------------|-----------------|----------|---------------|-----------------|---|----------------|------------------|
| Healthwise | \$113,609.00 | Yes | HE | Isabel Silva | Interactive self-management tools and patient education materials | 6/5/2023 | 6/4/2024 |
| The Granger Network | \$198,500.00 | Yes | HR | Anita Martin | Leadership Development: Creating the Next Era | 6/7/2023 | 11/30/2023 |
| Context4 Healthcare | \$86,083.12 | Yes | IT | Richard Pruitt | RCD-10, HCPCS, and CPT codes through American Medical Association | 6/27/2023 | 6/26/2024 |
| Bitfocus | \$168,704.94 | Yes | MIS | Richard Pruitt | Clarity Human Services SaaS & professional services | 6/22/2023 | 6/21/2024 |
| LinkedIn | \$55,890.00 | Yes | HR | Anita Martin | Online job postings (5 slots) | 6/1/2023 | 5/31/2026 |
| July | | | | | | | |
| Agility Recovery | \$192,600.00 | Yes | CS | Andrea Hylton | Disaster Recovery & Business Continuity services | 7/6/2023 | 7/5/2026 |
| The Granger Network | \$144,000.00 | Yes | HR | Anita Martin | Executive Coaching services | 7/6/2023 | 7/5/2024 |
| BG Healthcare Consulting | \$81,000.00 | Yes | QI | Martha Tasinga | Consulting services for the QI department | 7/12/2023 | 12/31/2023 |
| Solution Bench | \$76,461.55 | Yes | IT | Richard Pruitt | M-Files subscription based licenses, annual renewal | 7/24/2023 | 7/23/2024 |
| August | | | | | | | |
| Octopai | \$148,992.00 | Yes | IT | Richard Pruitt | Data Lineage Software | 8/12/2023 | 8/11/2025 |
| Schellman | \$161,834.80 | Yes | IT | Richard Pruitt | Cyber Security Assessment Services | 8/21/2023 | 8/20/2024 |
| September | | | | | | | |
| CCS | \$199,552.20 | Yes | CS | Andrea Hylton | Janitorial Services | 9/6/2023 | 9/5/2024 |
| The Periscope Group | \$142,025.00 | Yes | UM | Misty Dominguez | In-home assessment Member visits | 9/5/2023 | 9/4/2024 |
| TEKSystems | \$70,400.00 | Yes | UM | Josh Hosch | Business Analyst for the Health Services Dept. | 9/11/2023 | 12/31/2023 |
| Dell | \$195,504.60 | Yes | IT | Richard Pruitt | Microsoft Dynamic licenses | 9/21/2023 | 12/31/2024 |
| CEI | \$56,280.00 | Yes | IT | Richard Pruitt | Professional Technical Resource (Business Analyst) | 9/25/2023 | 12/31/2023 |
| October | | | | | | | |
| ABM | \$111,406.00 | Yes | CS | Andrea Hylton | High Production Printing System | 10/2/2023 | 10/1/2024 |
| ABM | \$110,934.00 | Yes | IT | Richard Pruitt | Annual support and maintenance for all printing equipment | 10/1/2023 | 9/30/2025 |
| Secure-Centric, Inc. | \$135,893.01 | Yes | IT | Richard Pruitt | Two (2) Rubrik r6412 appliances, EE - 36 months | 10/26/2023 | 10/25/2026 |
| Secure-Centric, Inc. | \$199,785.60 | Yes | IT | Richard Pruitt | Rubrik Software (1 of 2) appliance | 10/26/2023 | 10/25/2026 |
| Secure-Centric, Inc. | \$199,785.60 | Yes | IT | Richard Pruitt | Rubrik Software (2 of 2) appliance | 10/26/2023 | 10/25/2026 |
| Inclusive Insights | \$50,000.00 | Yes | Health Equity | Traco Matthews | Health Equity Program (Training and Media) | 10/11/2023 | 12/31/2023 |
| Gartner | \$61,320.00 | Yes | Compliance | Deb Murr | Two (2) Gartner for legal, risk and compliance leaders licenses | 10/1/2023 | 9/30/2024 |
| JMP | \$183,040.00 | Yes | CS | Andrea Hylton | Mail Insert & Processing System | 10/9/2023 | 10/8/2024 |
| Dell | \$91,967.22 | Yes | IT | Richard Pruitt | (44) Dell 5540 Latitudes Laptops & (22) Dell Monitors | 10/31/2023 | 10/30/2027 |
| Contour Data Solutions | \$117,600.00 | Yes | IT | Richard Pruitt | Virtual Machine Right Sizing Services | 10/1/2023 | 9/30/2024 |

| Vendor Name | Contract Amount | Budgeted | Department | Department Head | Services that this vendor will provide to KHS | Effective Date | Termination Date |
|---------------------------|-----------------|----------|------------|-----------------|--|----------------|------------------|
| November | | | | | | | |
| CitiusTech, Inc. | \$96,305.00 | Yes | IT | Richard Pruitt | FHIR Systems and Professional Services renewal | 11/9/2023 | 11/8/2024 |
| Entisys360 | \$50,384.76 | Yes | IT | Richard Pruitt | (12) VMware Licenses | 11/21/2023 | 11/20/2023 |
| Entisys360 | \$132,513.09 | Yes | IT | Richard Pruitt | (4) Nutanix VDI refresh | 11/21/2023 | 11/20/2026 |
| Entisys360 | \$132,513.09 | Yes | IT | Richard Pruitt | (4) Nutanix VDI - Strategic Planning | 11/21/2023 | 11/20/2026 |
| Entisys360 | \$75,340.70 | Yes | IT | Richard Pruitt | Nutanix App Prod02 Expansion | 11/21/2023 | 11/20/2026 |
| Entisys360 | \$75,310.47 | Yes | IT | Richard Pruitt | Nutanix App Prod02 Strategic Planning | 11/21/2023 | 11/20/2026 |
| Entisys360 | \$75,159.91 | Yes | IT | Richard Pruitt | Nutanix SQL Prod02-Strategic Planning | 11/21/2023 | 11/20/2026 |
| Entisys360 | \$75,159.91 | Yes | IT | Richard Pruitt | Nutanix SQL Prod02-Expansion | 11/21/2023 | 11/20/2026 |
| Entisys360 | \$58,811.98 | Yes | IT | Richard Pruitt | Nutanix SQL Prod01-Expansion | 11/21/2023 | 11/20/2026 |
| Press Ganey/SPH Analytics | \$78,690.00 | Yes | MS | Nate Scott | CAHPS Member Satisfaction Survey | 11/8/2023 | 11/7/2026 |
| Absorb | \$122,668.64 | Yes | HR | Alan Avery | Provider Learning Management System (LMS) | 11/8/2023 | 11/7/2024 |

| 2023 TECHNOLOGY CONSULTING RESOURCES | | | | | | | | | | | | | | | | | | |
|--------------------------------------|------------------------------------|---------------|---------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------|---------------------|--------------------|-------------------|
| ITEM | PROJECT | CAP/EXP | BUDGET | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEPT | OCT | NOV | DEC | YTD | TOTAL | REMAINING BALANCE |
| 1 | Member Engagement | CA | \$158,500 | \$23,832 | \$22,640 | \$26,215 | \$23,832 | \$26,215 | \$26,215 | \$0 | \$0 | \$0 | \$0 | \$0 | | | \$148,949 | \$9,551 |
| 2 | DSNP MCAS Star Software | CA | \$158,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,476 | \$21,602 | \$18,447 | \$20,631 | \$17,719 | | | \$95,875 | \$62,625 |
| 3 | Population Health Management | CA | \$356,407 | \$34,348 | \$32,436 | \$38,231 | \$36,047 | \$40,719 | \$39,839 | \$41,432 | \$27,407 | \$23,832 | \$0 | \$0 | | | \$314,291 | \$42,116 |
| 4 | DSNP JIVA Medicare Module | CA | \$81,750 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$26,215 | \$19,066 | | | \$45,281 | \$36,469 |
| 5 | Data Lineage and Cataloging System | CA | \$91,012 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$18,480 | \$17,600 | \$19,360 | \$10,560 | | | \$66,000 | \$25,012 |
| 6 | IT Staff Augmentation | EXP | \$6,519,524 | \$549,087 | \$472,083 | \$607,699 | \$248,118 | \$570,405 | \$545,734 | \$469,708 | \$545,286 | \$432,175 | \$576,608 | \$528,279 | | | \$5,545,182 | \$974,342 |
| 7 | PM Staff Augmentation | EXP | \$1,185,600 | \$17,940 | \$91,885 | \$142,020 | \$391,554 | \$157,653 | \$147,951 | \$134,758 | \$133,185 | \$171,713 | \$239,501 | \$209,419 | | | \$1,837,579 | (\$651,979) |
| 8 | DSNP Staff Augmentation | EXP | \$6,515,185 | \$81,624 | \$309,241 | \$386,281 | \$412,738 | \$221,676 | \$587,520 | \$438,419 | \$445,508 | \$423,600 | \$395,917 | \$414,457 | | | \$4,116,980 | \$2,398,205 |
| Totals: | | Totals | \$15,066,478 | \$706,831 | \$928,285 | \$1,200,446 | \$1,112,289 | \$1,016,668 | \$1,347,258 | \$1,101,793 | \$1,191,467 | \$1,087,367 | \$1,278,232 | \$1,199,500 | \$0 | \$12,170,136 | \$2,896,342 | |

Updated 02/01/24

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
February 15, 2024**

| Legal Name DBA | Specialty | Address | Comments | Contract Effective Date |
|---|--------------------------|---|---|-------------------------------|
| PAC 02/07/2024 | | | | |
| Andrea Stocker dba: Seasons of Change Therapeutic Services | Mental Health | 20288 W Valley Blvd Tehachapi CA | AB 2581 60-Day Turnaround Existing Provider: Andrea Stocker | Retro-Eff 2/1/2024 |
| Chris E. Esguerra MD PC dba: Esteem Health PSC | Pediatric Mental Health | 5850 El Camino Real Atascadero CA | AB 2581 60-Day Turnaround | Retro-Eff 2/1/2024 |
| Millicent Pitts-Licensed Marriage & Family Therapist, Inc | Mental Health | 1430 Truxtun Ave, Suite 700 Bakersfield CA | AB 2581 60-Day Turnaround Existing Provider: Millicent Pitts | Retro-Eff 2/1/2024 |
| Rachel Iris Rios | Mental Health | 10316 Riata Lane Bakersfield CA | AB 2581 60-Day Turnaround | Retro-Eff 2/1/2024 |
| Suzanne Schwartz dba: Social Behavior Solutions LLC | ABA | 6705 Topaz Lane Bakersfield CA | AB 2581 60-Day Turnaround | Retro-Eff 2/1/2024 |
| Kern Psychiatric Health and Wellness Center Inc | Mental Health-PCP | 8329 Brimhall Road Ste. 804 Bakersfield CA | AB 2581 60-Day Turnaround | Retro-Eff 2/1/2024 |
| Kern Psychiatric Health and Wellness Center Inc | ECM / Case Management | Psychiatric Wellness Center 2204 Q Street Ste. B Bakersfield CA | | 3/1/2024 |
| Hector De Jesus, MD Inc | Internal Medicine | 2121 17th Street Ste A Bakersfield CA | | 3/1/2024 |
| Brittany Ruch dba: J&B Transport | Transportation | 316 East Woodrow St Taft CA | | 3/1/2024 |
| Loyd's Liberty Homes Inc | ICF/DD | 9166 Anaheim Place Ste. 200 Rancho Cucamonga CA 91730 | Notes: 13-ICFDD Homes in Bakersfield | Retro-Eff 2/1/2024 |
| Parikshat Alka PC | ECM / Case Management | 3008 Sillect Ave Ste. 205 Bakersfield CA | | 3/1/2024 |
| Pear Suite Inc. | CHW Workers | 3951 Higuera Street Culver City CA | | 3/1/2024 |
| Randolph Senining Corp | Specialist | 7702 Meany Ave Suite 101 Bakersfield CA | Existing Provider: Randolph Senining | 3/1/2024 |
| St. Vincent Preventative Family Care | ECM / Case Management | 1221 W 3rd Street Los Angeles CA | | 3/1/2024 |
| Synchrony Medical Group dba: Synchrony Medical Group & Mind Body Wellness | PCP | 9500 Stockdale Hwy Ste. 100 Bakersfield CA | | 3/1/2024 |

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
February 15, 2024**

| Legal Name DBA | Specialty | Address | Comments | Contract Effective Date |
|-----------------------------------|--------------------------|--|-----------------|--|
| Sunrise MedTransport Services LLC | Transportation | 860 E. Ave K, Suite A Lancaster CA | | 3/1/2024 |
| The Open Door Network | ECM / Case Management | 1600 E Truxtun Ave Bakersfield CA | | 3/1/2024 |
| WeCare Medical Transport LLC | Transportation | 4700 Easton Drive Ste. 7 Bakersfield CA | | 3/1/2024 |

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
February 15, 2024**

| Legal Name DBA | Specialty | Address | Comments | Contract Term Date |
|--------------------------------------|--------------------|---|-----------------------|-----------------------|
| PAC 02/07/2024 | | | | |
| Kathleen Huggins dba: Simply Mama | DME (Breast Pumps) | 2705 McMillian Ave Ste. 130 San Luis Obispo cA | Purchased by other | 12/8/2023 |



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: Compliance Program Update
DATE: February 15, 2024

BACKGROUND

Kern Health Systems (KHS) is required to implement an effective Compliance Program that meets the regulatory requirements set forth in both the Department of Health Care Services (DHCS) contract and the Department of Managed Health Care (DMHC) Knox-Keene license.

The principles outlined in the regulatory guidelines are applicable to all KHS relevant decisions, situations, communications, and developments that align with requirements defined by the Office of Inspector General (OIG). The Governing Board is required to exercise reasonable oversight with respect to the implementation and effectiveness of the Compliance program.

This report provides a year-end update on the KHS Compliance Program activities and any new or relevant recent activity updates.

REQUESTED ACTION

Receive and file.

Compliance Report

Board of Directors

February 15, 2024

**Deborah Murr, MHA, BS-HCM, RN
Chief Compliance and Fraud
Prevention Officer**



Agenda

- Growth
- Compliance Communications
- Governance Committee
- Compliance Activities
- Opportunities



Growth

- Compliance Staff
 - Analysts
 - Supervisor
 - Pod creation
- 2024 Contract Requirements
 - NCQA
 - Benefit expansion
 - Memorandum of Understanding (MOU)
- Medicare-Dual Special Needs Plan (DSNP)
 - Knowledge
 - Execution
- Culture of Compliance



Compliance Communications

- Biannual update Compliance Work Plan
- Board of Directors Compliance Training
 - Strengthen knowledge base
 - Mitigate organizational risk
- Subcontractor/delegation oversight and monitoring
 - Audits
- Submission timelines
 - Accountability
- Department of Justice Investigations



Governance Committee

Inaugural meeting 1/31/2024

Board representatives

- Kimberly Hoffman, Pharmacist-Chair
- Olga Maeve, Safety Net
- Micheal Turnipseed, 5th District
- Ganesh Acharya, 4th District

KHS representatives

- Emily Duran, CEO
- Deb Murr, CCO

Meeting cadence



Compliance Activities

- All Plan Letters (APL)
- Fraud, Waste, And Abuse
- HIPAA(Privacy/Confidentiality)
- Policy Management



Opportunities

| Eight Steps of Compliance | | | | | | | |
|---|--|--|--|--|---|---|---|
| Written Policies and Procedures | Designation of a Compliance Officer/ Committee | Training and Education Programs | Open Lines of Communication | Disciplinary policies to encourage good faith participation | A system for routine identification of compliance risk areas | A system for responding to compliance issues | A policy of non-intimidation and non-retaliation |
| <ul style="list-style-type: none"> • Fraud, Waste & Abuse, Anti-Kickback Statute, False Claims Act and Stark Law policies • Whistle Blower/ Non-retaliation policy • Clinical policies • HIPAA • Conflict of Interest • Exclusion screening | <ul style="list-style-type: none"> • Compliance Officer job description • Compliance Committee Chair • Oversight responsibility of the Program • Prepare an Annual Compliance Report | <ul style="list-style-type: none"> • Annual compliance training • Compliance on-boarding training • Monthly Spotlight • Department training events • Training at periodic all Staff meetings • Ad Hoc training inform and train on recent events | <ul style="list-style-type: none"> • Open door policy • Compliance Hotline: allows individuals to report perceived compliance issues anonymously either online, through email, fax or mail | <ul style="list-style-type: none"> • All members of organization are required to comply with applicable standards, laws, and procedures. • Supervisors and/or Managers are accountable for the foreseeable compliance failures of their subordinates | <ul style="list-style-type: none"> • Annual identification of top risks • Ongoing audit and monitoring activities • Ad hoc audits • Monthly exclusion screening • Maintain anonymous outside Hotline. • Annual risk assessment • Credentialing and peer review | <ul style="list-style-type: none"> • Internal investigations and reporting • Review of an Annual Conflict of Interest Disclosure Forms • Process for reporting and resolving incidents | <ul style="list-style-type: none"> • Whistleblower/ non-retaliation policy |



Opportunities

Four Models for the CCO Role



Source: Gartner
782357_C

Gartner



You + Us = a better day!

Questions

Deborah Murr, Chief Compliance and Fraud Prevention Officer

deborah.murr@khs-net.com

(661)664-5141





Compliance KPI's
Year End – Q4 2023

Compliance Communications

All Plan Letter (APL's) & Guidance Letters

KHS Highlights

- Inaugural Governance and Compliance Committee held January 31, 2024
- Annual Board of Directors Compliance Training planned for Q1 2024

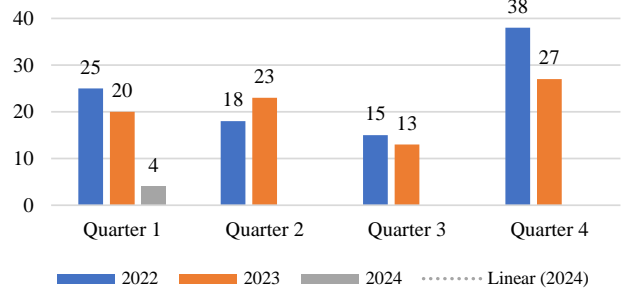
Department of Managed Health Care (DMHC)

- Annual audit conducted January 2023, pending initial findings report.

Department of Health Care Services (DHCS)

- Memorandum of Understanding (MOU) with several community and county-based services to align medical, behavioral, and social services with care coordination across all healthcare initiatives for children and adults.

Quarterly Comparison of APL's & Guidance Letters



| All Plan Letters and Guidance Letters Received | | |
|--|------|------|
| 2022 | 2023 | 2024 |
| 96 | 83 | 4 |

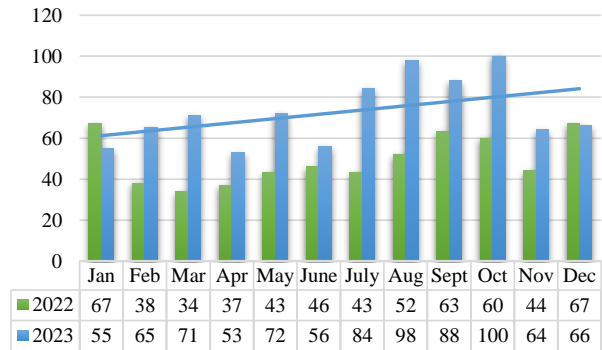
Retrospective Audits & Reviews

| Year | APL Number | APL Name | Status |
|------|------------|--|-----------|
| 2022 | APL 22-005 | No Wrong Door for Mental Health Services Policy | Completed |
| 2022 | APL 22-006 | Medi-Cal Managed Care Health Plan Responsibilities for Non-Specialty Mental Health Services | Completed |
| 2022 | APL 22-020 | Community-Based Adult Services Emergency Remote Services | Completed |
| 2022 | APL 22-028 | Adult and Youth Screening and Transition of Care Tools for Medi-Cal Mental Health Services | Completed |
| 2023 | APL 23-009 | Authorizations for Post-Stabilization Care Services | Completed |
| 2023 | APL 23-004 | Skilled Nursing Facilities – Long Term Care Benefit Standardization and Transition of Members to Managed Care | Completed |
| 2023 | APL 23-005 | Requirements for Coverage of Early & Periodic Screening, Diagnostic, and Treatment Services for Medi-Cal Members Under the Age of 21 | Completed |
| 2022 | APL 21-017 | Community Supports Requirements (revised) | Completed |
| 2022 | APL 22-030 | Initial Health Appointment | Upcoming |
| 2023 | APL 21-004 | Standards for Determining Threshold Languages, Nondiscrimination Requirements, and Language Assistance Services (revised) | Upcoming |
| 2023 | APL 21-011 | Grievance and Appeal Requirements, Notice and “Your Rights” Templates (revised) | Upcoming |
| 2022 | APL 22-016 | Community Health Workers Services Benefit (revised) | Upcoming |
| 2023 | APL 23-010 | Responsibilities for Behavioral Health Treatment Coverage for Members Under the Age of 21 | Upcoming |

Regulatory Reports & Filings

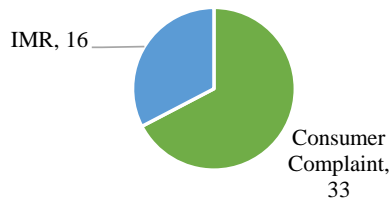
| Regulatory Reports & Filings Submissions to Government Agencies | | |
|--|---------------|--------------|
| Regulatory Agency | December 2023 | January 2024 |
| DHCS Total | 60 | 101 |
| DMHC Total | 6 | 13 |

Number of Plan to Regulator Submissions
2022 vs. 2023



DMHC Consumer Complaints & Independent Medical Reviews (IMR)

IMR vs. Consumer Complaints

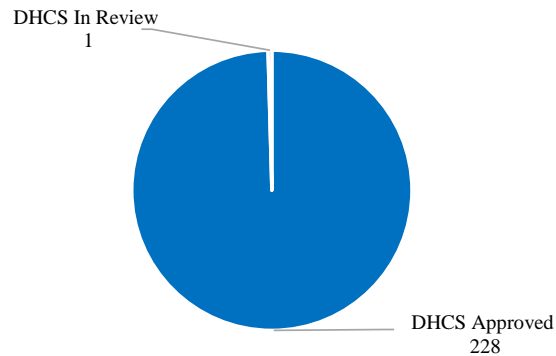


| KHS Decision | | DHMC Decision | |
|-------------------------------|-----------|--------------------|-----------|
| Uphold | 24 | Closed | 20 |
| Overturn | 11 | Favor of Plan | 15 |
| Return to plan (RTP) | 7 | Favor of Member | 9 |
| Misdirected | 6 | In Review | 3 |
| Potential Quality Issue (PQI) | 1 | Withdrawn | 2 |
| Grand Total | 49 | Grand Total | 49 |

2024 Operational Contract Readiness: Total Deliverables

Remaining deliverables due 12/29/2023 submitted timely.

228 of 229 deliverables have been approved by DHCS; 1 item remains in review at DHCS.

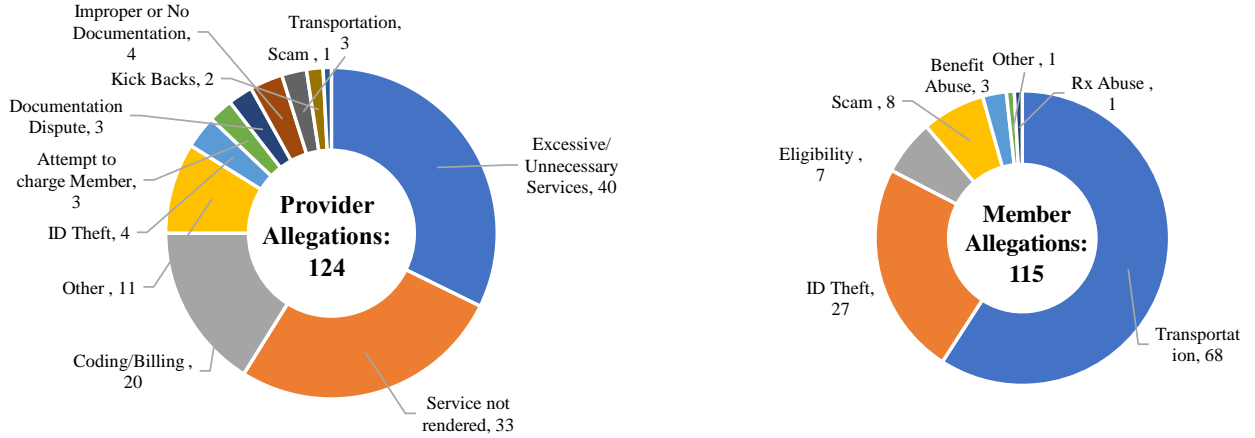


HIPPA Breach Activity

Summary of Potential Protected Health Information (“PHI”) Disclosures for the months of December 2023 and January 2024: The Plan is dedicated to ensuring the privacy and security of the PHI and personally identifiable information (“PII”) that may be created, received, maintained, transmitted, used, or disclosed in relation to the Plan’s members. The Plan strictly complies with the standards and requirements of Health Insurance Portability and Accountability Act (“HIPAA”) and the Health Information Technology for Economic and Clinical Health Act (“HITECH”).

During the months of December 2023 and January 2024, the Compliance Department investigated and reviewed one hundred and twenty-one (121) allegations of privacy concerns and seventy (70) of the cases were sent to the State for their review. The DHCS closed twenty-one (21) of the cases and determined there they were non-breach incidents. There are forty-nine (49) cases that are still under review by the State.

Fraud, Waste, and Abuse (FWA)



DHCS Regulatory Medical Audit | 2022

DHCS Audit Finding Summary



KHS had a total of **29** findings across the six categories audited by DHCS.

The corrective Actions for 28 of the Findings have been fully accepted by DHCS; 1 Finding is still under review.



| Metric | Description |
|---|---|
| All Plan Letters (APL's) & Guidance Letters | |
| Department of Health Care Services (DHCS) | |
| <p>APL 23-031 Medi-Cal Managed Care Plan Implementation of Primary Care Provider Assignment for the Age 26-49 Adult Expansion Transition (Issued 12/20/2023)</p> | <p>This APL provides the Plan with guidance on the Age 26-49 Adult Expansion to ensure transitioning individuals maintain their existing Primary Care Provider assignments to minimize disruptions in services.</p> |
| <p>APL 23-032 Enhanced Care Management Requirements (Issued 12/22/2023)</p> | <p>This APL provides guidance to the Plan regarding the provision of the Enhanced Care Management (ECM) benefit.</p> |
| <p>APL 23-033 2024-2025 Medi-Cal Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule (Issued 12/26/2023)</p> | <p>This APL provides the Plan with the 2024-2025 Medi-Cal Eligibility Data System (MEDS)/834 cutoff and processing schedule.</p> |
| <p>APL 23-035 Student Behavioral Health Incentive Program (Issued 12/28/2023)</p> | <p>This APL provides the Plan with guidance on the incentive payments provided by the Student Behavioral Health Incentive Program.</p> |
| <p>APL 24-001 Street Medicine Provider: Definitions and Participation in Managed Care (Supersedes APL 22-023) (Issued 1/12/2024)</p> | <p>This APL provides the Plan with guidance on opportunities to utilize street medicine providers to address clinical and non-clinical needs of their Medi-Cal Members experiencing unsheltered homelessness.</p> |
| Department of Managed Health Care (DMHC) | |
| <p>APL 23-022 Compliance with Senate Bill 1419 (2022) - Health Information (Issued 12/13/2023)</p> | <p>This APL informs the Plan of delaying the January 1, 2024, effective date of SB 1419 (2022) until January 1, 2025</p> |
| <p>APL 23-023 Notice of Amendments to Rules 1300.51 and 1300.67.2 and Incorporated Documents – Network Adequacy Requirements and Mental Health Standards and Methodology for RY 2024 (Issued 12/14/2023)</p> | <p>This APL informs the Plan of amendments to 28 CCR §§ 1300.51 and 1300.67.2 and documents incorporated by reference related to Network Adequacy Requirements and Mental Health Standards and Methodology for RY 2024.</p> |
| <p>APL 23-024 Request for Health Plan Information Addendum – Additional Questions Section Added (Issued 12/19/2023)</p> | <p>This APL is to inform the Plan of the revised Request for Health Plan Information (RHPI) Addendum form.</p> |

| | |
|---|---|
| <p>APL 23-025 Newly Enacted Statutes Impacting Health Plans (2023 Legislative Session) (Issued 12/20/2023)</p> | <p>This APL outlines the newly enacted statutory requirements from the 2023 Legislative Session.</p> |
| <p>APL 23-026 Compliance with Health and Safety Code Section 1374.722 and the Children and Youth Behavioral Health Initiative (Issued 12/20/2023)</p> | <p>This APL provides the initial guidance for compliance as the Children and Youth Behavioral Health Initiative Fee Schedule is implemented through a phase-in process beginning January 1, 2024.</p> |
| <p>APL 23-027 Hospitalization Surge in Fresno County (Issued 12/21/2023)</p> | <p>This APL is to inform the Plan that Fresno County is experiencing a surge in hospitalizations. The DMHC urges health plans to take immediate steps to reduce or remove administrative barriers on hospitals in the Fresno County area during this time.</p> |
| <p>APL 23-028 RY 2025/MY 2024 Provider Appointment Availability Survey Manual and Report Form Amendments (Issued 12/22/2023)</p> | <p>This APL provides notice of amendments to Rule 1300.67.2.2 and the following reporting year 2025/measurement year 2024 Timely Access Compliance Report documents: Provider Appointment Availability Survey (PAAS) Manual, PAAS Report Forms and the Timely Access Submission Instruction Manual.</p> |
| <p>APL 23-029 Health Equity and Quality Measure Set Benchmark (Issued 12/27/2023)</p> | <p>The purpose of this APL is to inform all full-service and behavioral health care service plans of the Department of Managed Health Care Health Equity and Quality Measure Set benchmark, accreditation, and stratification process for measurement year 2023 and 2024.</p> |
| <p>Retrospective Audits & Reviews</p> | |
| <p>The Compliance Department conducts retrospective audits on regulatory All Plan Letters and issues guidance. From the published requirements, the Compliance Department conducts a risk analysis and identifies those that pose a higher degree of risk to the Plan. All Plan Letters published in 2022 and the first and second quarter of 2023 were evaluated and selected for review based on the risk assessment.</p> | |
| <p>Regulatory Reports & Filings</p> | |
| <p>Regulatory Reports & Filings Submission to Government Agencies</p> | <p>KHS is required to submit various types of information to both DHCS and DMHC with cadences ranging from daily, weekly, monthly, quarterly, or annually. In some cases, KHS are required under statute or regulation to submit reports or documentation to establish initial or ongoing compliance with the law (e.g., timely access reporting, financial reporting). In other cases, plans are required to submit reports or documentation when they are planning to make an operational, business, product, or other change that affects the scope or applicability of their license. Additionally, key personnel and Board member filings are required to allow the regulatory agencies to review and advise on the individuals who provide leadership at KHS as well as the makeup of our Board of Directors.</p> |

| | |
|--|--|
| | These submissions often reflect an amendment or material modification to the plan’s license and, in some cases, are subject to Department approval prior to making the requested change to plan operations. |
| Regulatory Submissions 2022 vs 2023 | Regulatory submissions to both DHCS and DMHC are anticipated to increase annually in relation to the various legislative and CalAIM requirements either currently or planned for implementation in 2024-2026. Additional Compliance staffing resources are in flight to ensure timely submission and completion of all deliverables. |
| DMHC Consumer Complaints & Independent Medical Reviews | |
| The Plan addresses and tracks enrollee complaints and requests for independent medical review (IMR) as assigned by the DMHC. For the months of December 2023 and January 2024, there were a total of 0 IMR’s vs 4 Consumer complaints. | |
| 2024 Operational Contract Readiness | |
| DHCS initiated Operational Readiness Activities associated with the 2024 contract in February 2023. The new 2024 contract incorporates some significant changes – some of which have been communicated in APLs or other communications. The 2024 contract will amplify DHCS’s ongoing investment in its vision for Medi-Cal and includes significant requirements for expanding California Advancing and Innovation Medi-Cal (CalAIM) framework, provision of benefits for all, regardless of immigration status, implement Children and Youth Behavioral Health initiative, expand Behavioral Health Continuum infrastructure, increased funding for Home and Community Based Services, new benefits to support culturally competent services, and provide alignment with DHCS’s Comprehensive Quality Strategy and Equity Roadmap. Aligning the medical, behavioral, and social determinants of health is the cornerstone for this initiative. | |
| Submission Summary | A total of 229 deliverables have been submitted and submissions are complete. |
| Submission Status | Of the materials submitted to date, 228 have been approved by DHCS, with 1 item under review at DHCS. |
| Fraud, Waste, and Abuse (FWA) | |
| The Plan investigates and reports information and evidence of alleged fraud, waste, & abuse cases to appropriate state and federal officials. Information compiled during an investigation is forwarded to the appropriate state and federal agencies as required. In December 2023 there were 22 cases of fraud, waste, & abuse reported and there were 35 in January 2024. Corrective action plans and other financial recoupment processes are in place to demonstrate KHS’s fiduciary oversight efforts. | |
| DHCS Regulatory Medical Audit 2022 | |
| DHCS conducted a routine medical survey of KHS in December 2022. The survey period included activities 11/01/2021 – 10/31/2022: | |
| <ul style="list-style-type: none"> • KHS had a total of twenty-nine (29) findings across the six (6) categories audited by DHCS. <ul style="list-style-type: none"> ○ KHS submitted our initial Corrective Action Plan on 06/08/2023, monthly updates, and our final submission on 1/15/2024 (unless DHCS extends and requires additional submissions). ○ Ninety-three (93) separate corrective actions were submitted for the twenty-nine (29) findings, which included but were not limited to: policy updates, job aids, refresher trainings, updated reports and internal monitoring/auditing processes. <ul style="list-style-type: none"> ▪ DHCS has accepted ninety-two (92) of the actions submitted ▪ DHCS has partially accepted one (1) of the actions submitted ▪ The Corrective Action Plans for twenty-eight (28) of the twenty-nine (29) findings have been fully accepted by DHCS ▪ The Corrective Action Plans for one (1) of the twenty-nine (29) findings have been partially accepted by DHCS. ▪ KHS is awaiting an update from DHCS on the final CAP submission provided on 01/15/2024. | |



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Alan Avery, Chief Operating Officer
SUBJECT: 4th Quarter 2023 Operations Report
DATE: February 15, 2024

Kern Health System's (KHS) Operational Departments continue to meet all regulatory and health plan performance goals during the 4th Quarter of 2023. Operational efficiency and productivity continue to look great as we manage the increased claims submission and new membership growth along with assisting our members to renew their Medi-Cal coverage.

CLAIMS

We continue to experience an increase in the number of incoming provider claims received during the 4th Quarter of 2023. During this past quarter, we received an increase of 131,143 claims over Q3, continuing the trend we experienced throughout 2023. In fact, we experienced a 27% increase in claim submission from 4th quarter 2022 to 4th quarter 2023. This increase can be attributed to the significant increase in new KHS membership, lack of member terminations due to the redetermination process, and members once again seeking healthcare services. With the projected explosive membership growth in January and February of this year, we project this dramatic increase in provider claim volume will continue.

Due to the significant increase in claims volume, we are making adjustment to our personnel resources to ensure we continually meet our performance and regulatory metrics. We are confident that we have systems in place to manage the increased number of claim receipts as 99% of claims continue to be submitted electronically with only 1% of the claims received via paper. These paper claims are then converted into an electronic file format allowing them to load electronically into the KHS claims workflow. Once loaded into the claims workflow, the QNXT core system processes them automatically. The auto adjudication of the claims continued to remain consistently high at 87%, meaning claims were received and processed without any manual intervention.

The Claims Department Provider Call Center continues to handle a consistently high volume of provider calls seeking clarification regarding provider claims payment processing questions. During the 4th Quarter of 2023 we noticed the call volume was increasing on a daily basis but averaged out over the month to follow similar trends on a quarterly basis. We estimate call volume into the Claims Department Provider Call Center will increase in 2024 due to the projected significant member increase and corresponding claim volume.

MEMBER SERVICES

Due to the Thanksgiving, Christmas and New Years holidays, member and provider calls to the Member Services Department Call Center decreased slightly during the 4th Quarter. The 4th Quarter volume however looked very similar to the number of calls received in the 4th quarter of 2022 at 56,000 calls. The average talk time continues to grow slightly given the new member information being shared by the Member Services Representatives along with reviewing the medical gaps in care and often helping the members to schedule appointments. We continue to expand the number of members who have obtained a personal account on our member portal, where they can perform all of the top five reasons members call us. Our member adoption rate of the member portal is almost 20%, a remarkable achievement given the industry norm of 4% adoption.

On-site member visits in the 4th Quarter also increased to 1163 visitors to address their benefit questions and pick up new I.D. cards. However, the majority of the increased is being driven by members requesting help to complete their Medi-Cal renewal.

PROVIDER RELATIONS

On a quarterly basis, the Provider Network Management (PNM) Department monitors provider network growth, capacity, and accessibility.

The Primary Care Provider (PCP) network had a modest increase of 13 new providers while the specialty provider network also had a slight increase of 18 net new providers during the 4th Quarter. Our complete contracted provider network consisted of 3,977 providers at the close of the Quarter.

The Department monitors network capacity/adequacy via a Full-Time Equivalency (FTE) provider to member ratio, based on regulatory requirements. For PCPs, the regulatory standard is one FTE PCP for every 2,000 members. As of the 4th Quarter of 2023, the Plan maintained a network of one FTE PCP for every 1,579 members, meeting the requirement. The Plan is also required to maintain a network of one FTE physician for every 1,200 members. As of the 4th Quarter, the Plan maintained a network of one FTE Physician for every 283 members, meeting the requirement. Even as our membership continues to grow, the Plan's network continues to meet all regulatory capacity/adequacy requirements. PNM maintains ongoing recruitment and contracting efforts to promote network growth and ensure access to care for Plan members.

The last key provider network indicator that we continually monitor, and report is PCP and Specialty care appointment availability. Non-urgent PCP appointments must be available within 10 days. During the 4th Quarter, the PCPs provided visits on average within 3.7 days. Non-urgent appointments with a specialist must be available within 15 days. Our specialist appointment is currently at 8.1 days.

GRIEVANCE REPORT

Total grievances for the 4th quarter appear to have increased when compared it to the 3rd Quarter but that report was somewhat understated due to an early reporting cutoff. When compared to the 2nd quarter it appears the total formal and exempt grievances are following similar trends. The two

areas that we are watching closely is the Access to Care and Quality of Service grievance categories. Access to Care grievances is related primarily to appointment availability. Our quarterly monitoring does not support this trend and we will continue to watch for specific grievance and follow up with the providers in question. The other grievance category that we will be monitoring closely is Quality of Service. We are not overly concerned with this slight increase but will continue to monitor closely, looking for patterns to make corrective adjustments.

DHCS requires health plans to forward copies of all member discrimination grievances within 10 days to their office of Civil Rights when members allege discrimination based on any characteristic protected by federal or state nondiscrimination laws. Characteristics protected by federal, or state nondiscrimination laws include sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental ability, physical disability, medical condition, genetic information, marital status, gender, gender identity, sexual orientation, creed, or health status. The plan received 40 grievances classified as discrimination during the 4th Quarter reporting period compared to 64 received during the 2nd Quarter. All discrimination grievances were reported timely to DHCS Office of Civil Rights.

Part two of the Grievance Report is the disposition of the formal grievances. Following the review and investigation of the 522 Potential Inappropriate Care by the Quality Department, 308 of the decisions were upheld, 162 were overturned and ruled in favor of the member and 52 grievances were still under review. The remaining 1,145 grievances were reviewed and managed by the Grievance Coordinators, 607 of the decisions were upheld by the Plan, 464 were overturned and ruled in favor of the member and 74 were still under review. The primary reason for overturning the original decision of the grievance occurs when we receive additional supporting documentation from the member or the provider.

To fully understand the dynamics and relativity of the grievance volume, the plan calculates the number of grievances received in relation to the number of medical visits and the enrollment. During the 4th Quarter, there was over a million medical encounters provided to our 370,000 members many of whom are new to managed care. In total, KHS received 3.14 grievances per 1,000 members per month, within the range of the other LHPC Plan averages of 1.00 – 3.99 per month.

REQUESTED ACTION

Receive and file.

4th Quarter 2023 Operational Report

Alan Avery
Chief Operating Officer



4th Quarter 2023 Claims Department Indicators

| Activity | Goal | 4 th Quarter | Status | 3 rd Quarter | 2 nd Quarter | 1 st Quarter 2023 | 4 th Quarter |
|---------------------------------|------|-------------------------|--------|-------------------------|-------------------------|------------------------------|-------------------------|
| Claims Received | | 1,222,704 | | 1,093,561 | 1,146,582 | 1,049,582 | 958,308 |
| Electronic | 95% | 99% | | 99% | 99% | 99% | 99% |
| Paper | 5% | 1% | | 1% | 1% | 1% | 1% |
| Claims Processed Within 30 days | 90% | 95% | | 98% | 98% | 95% | 99% |
| Claims Processed within 45 days | 95% | 99% | | 99% | 99% | 99% | 99% |
| Claims Processed within 90 days | 99% | 100% | | 100% | 100% | 100% | 100% |
| Claims Inventory-Under 30 days | 96% | 99% | | 99% | 99% | 99% | 99% |
| 31-45 days | <3% | <1 | | <1% | <1% | <1% | <1% |
| Over 45 days | <1% | <1 | | <1% | <1% | <1% | <1% |
| Auto Adjudication | 85% | 87% | | 85% | 87% | 87% | 86% |
| Audited Claims with Errors | <3% | <2% | | <2% | <2% | 2% | <2% |
| Claims Disputes | <5% | <1% | | <1 | <1% | <1% | <1% |
| Provider Calls (New Category) | | 7,343 | | 7,379 | 8,129 | 9,348 | 8841 |



**KERN HEALTH
SYSTEMS**

4th Quarter 2023 Member Service Indicators

| Activity | Goal | 4 th Quarter | Status | 3 rd Quarter | 2 nd Quarter | 1 st Quarter 2023 | 4 th Quarter |
|--------------------------------|-------|---|--------|--|--|--|--|
| Incoming Calls | | 56,804 | | 72,186 | 63,691 | 68,925 | 56,216 |
| Abandonment Rate | <5% | 3% | | 5% | 1% | 4% | 1% |
| Avg. Answer Speed | <2:00 | :43 | | 1:32 | :18 | :53 | :16 |
| Average Talk Time | <9:00 | 9:26 | | 8:54 | 8:39 | 8:50 | 8:14 |
| Top Reasons for Member Calls | Trend | 1. New Member 2. PCP Change 3. Demographic Changes 4. ID Card 5. Referrals | | 1. New Member 2. PCP Change 3. Demographic Changes 4. ID Card 5. Referrals | 1. New Member 2. PCP Change 3. Demographic Changes 4. ID Card 5. Referrals | 1. New Member 2. PCP Change 3. Demographic Changes 4. ID Card 5. Referrals | 1. New Member 2. PCP Change 3. Demographic Changes 4. ID Card 5. Referrals |
| Outbound Calls | Trend | 63,700 | | 84,535 | 84,668 | 111,401 | 72350 |
| # of Walk Ins | Trend | 1163 | | 1138 | 901 | 867 | 540 |
| Member Portal Accounts-Q/Total | 4% | 3097 70,461 (19.45%) | | 3402 67,101 (18.21%) | 3292 63,698 (17.03%) | 2977 60,112 (16.37%) | 2778 57,145 (16.41%) |



4th Quarter 2023 Provider Network Indicators

| Activity | Goal | 4 th Quarter | Status | 3 rd Quarter | 2 nd Quarter | 1 st Quarter 2023 | 4 th Quarter |
|------------------------|-----------|-------------------------|--------|-------------------------|-------------------------|------------------------------|-------------------------|
| Provider Counts | | | | | | | |
| # of PCP | | 471 | | 458 | 449 | 438 | 428 |
| % Growth | | 2.84% | | 2.0% | 2.51% | 2.34% | (1.38%) |
| # of Specialist | | 546 | | 518 | 502 | 504 | 505 |
| % Growth | | 5.41 | | 3.19% | [-.39%] | [-.20%] | 2.02% |
| FTE PCP Ratio | 1:2000 | 1:1579 | | 1:1760 | 1:1829 | 1:1828 | 1:1755 |
| FTE Physician Ratio | 1:1200 | 1:283 | | 1:345 | 1:397 | 1:395 | 1:393 |
| PCP | < 10 days | 3.7 days | | 3.7 days | 1.9 days | 3.5 days | 2.8 days |
| Specialty | < 15 days | 8.1 days | | 5.0 days | 9.6 days | 10.6 days | 6.9 days |



4th Quarter 2023 Grievance Report

| Category2 | Q4 2023 | Status | Issue | Q3 | Q2 | Q1 2023 | Q4 |
|---|-------------|--------|--|------|------|---------|------|
| Access to Care | 347 | | Appointment Availability | 254 | 235 | 107 | 108 |
| Coverage Dispute | 0 | | Authorizations and Pharmacy | 0 | 0 | 0 | 0 |
| Medical Necessity | 423 | | Questioning denial of service | 383 | 421 | 312 | 335 |
| Other Issues | 39 | | Miscellaneous | 52 | 55 | 48 | 38 |
| Potential Inappropriate Care | 522 | | Questioning services provided. All PIC identified cases forwarded to Quality Dept. | 490 | 703 | 627 | 670 |
| Quality of Service | 296 | | Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department | 258 | 282 | 163 | 156 |
| Discrimination (New Category) | 40 | | Alleging discrimination based on the protected characteristics | 32 | 64 | 49 | 46 |
| Total Formal Grievances | 1667 | | | 1469 | 1760 | 1306 | 1353 |
| Exempt | 1620 | | Exempt Grievances- | 1328 | 1870 | 1564 | 1816 |
| Total Grievances (Formal & Exempt) | 3287 | | | 2797 | 3630 | 2870 | 3169 |

KHS Grievances per 1,000 members – 3.14/month.
LHPC Average 1.0 – 3.99/month

Additional Insights-Formal Grievance Detail

| Issue | 2023 4 th Quarter Grievances | Upheld Plan Decision | Further Review by Quality | Overtured Ruled for Member | Still Under Review |
|------------------------------|---|----------------------|---------------------------|----------------------------|--------------------|
| Access to Care | 191 | 118 | 0 | 65 | 8 |
| Coverage Dispute | 0 | 0 | 0 | 0 | 0 |
| Specialist Access | 156 | 68 | 0 | 74 | 14 |
| Medical Necessity | 423 | 139 | 0 | 269 | 15 |
| Other Issues | 39 | 30 | 0 | 6 | 3 |
| Potential Inappropriate Care | 522 | 308 | 0 | 162 | 52 |
| Quality of Service | 296 | 216 | 0 | 50 | 30 |
| Discrimination | 40 | 36 | 0 | 0 | 4 |
| Total | 1667 | 9150 | 0 | 626 | 126 |

Questions

For additional information, please contact:

Alan Avery
Chief Operating Officer
(661) 664-5005





MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Martha Tasinga, MD, MPH, MBA
SUBJECT: Chief Medical Officer Report
DATE: February 15, 2024

BACKGROUND

The 2023 year-end Chief Medical Officer’s presentation provides a comprehensive update on the Population Health Management (PHM) programs, Wellness and Prevention programs, clinical services utilizations, and Medi-Cal Managed Care Accountability (MCAS) Measures. In addition to the presentation a detailed dashboard is included (Attachments A – E) that tracks the medical management performance. The dashboard categories include physician, inpatient, outpatient hospital, and emergency room services.

REQUESTED ACTION

Receive and File.

Chief Medical Officer Report

Board of Directors
February 15, 2024



Martha Tasinga, MD, MPH, MBA
Chief Medical Officer



KHS PHM Programs

Major Organ Transplants (MOT) program

- 270 members in the program
- 149 are in the evaluation phase
- 93 are listed and 28 are post transplant
- 57 members who are either less than a year post transplant or more than a year, none of them has been readmitted to the hospital
- 176 members for Kidney and 56 for liver, bone marrow 21, lung 3, and 8 for heart
- 268 members in different stages of the transplant process
 - 156 in evaluation phase
 - 85 listed
 - 27 post transplant
- 26 members post transplant are stable and discharged from the program

Maternal Mental health

- 1,262 pregnant women called
- 800 (63%) were reached
- 525(65.6%) accepted to complete the PHQ 9 depression screening
- 15(3%) screened positive and were connect to BH providers for management contacted screened for depression



Integration of Community Health Workers (CHW)

- New benefit in 2023 as part of CALAIM
- Hired and trained 2 CHWs
- Program launched in April 2023.
- Focused initially on our members in MOT who were unable to contact
- Visits in various geographic areas in Kern County: Taft, Lamont, Delano, McFarland, Shafter, and Wasco.
- Identified 156 members
- Completed 106 home visits (68%)
- Could not locate 50 (32%) based on available address



PHM Triage Team

- Identified a need to triage and quickly assigned members to complex Case management or care coordination when they are referred to the PHM
- Implemented a Triage line for PHM lead by an experienced RN
- This team triaged 9,415 members referrals
- 5,058 were assigned for care coordination
- 896 referrals were enrolled in different PHM programs
- 3,461 had their concerns resolved by the triage team and their case was closed.



Care Management

- Total members opened to Care Management 5,660
- 43% of members were SPD Aide code
- 4.9% of members were less than 18 years of age
- Random sample of 64 members 6 months after discharge from program
- 25% reduction when compared to utilization prior to enrollment in CCM
- Inpatient services utilization decreased by 29%
- 33% increased in outpatient utilization



KHS Wellness and Prevention

KHS Board of Directors Meeting, February 15, 2024



Health Education Classes Offered

| Class Type | Total English Sessions | Total Spanish Sessions | Total Participants |
|--------------------------------|------------------------|------------------------|-------------------------------|
| Asthma | 39 | 38 | 291 |
| Diabetes Prevention | 52 | 52 | 40 |
| Nutrition & Fitness | 36 | 33 | 792 |
| Smoking Cessation | 48 | 48 | 19 |
| Total sessions | 175 | 171 | 1142 Total Participants |

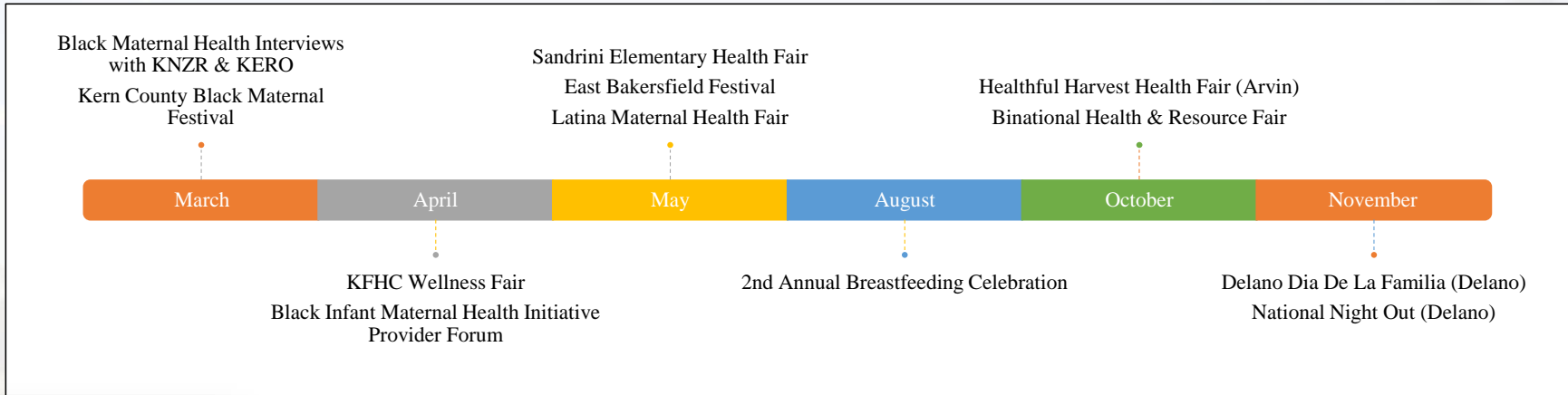


KHS Board of Directors Meeting, February 15, 2024



Community Events

Participated in several events to educate the community on maternal health issues, importance of routine preventive care, promote enrollment in W&P programs and start strengthening presence with community partners.



Community Partnerships Established



| Location | Timeline | Sessions | Total Participants |
|--------------|------------------------|---------------------|--------------------|
| Buttonwillow | January 2023 - ongoing | Tue & Thu at 6:30pm | 250+ |
| Delano | May 2023 - ongoing | Mon & Wed at 6:00pm | 100+ |

Parks and Recreation

Worked with Buttonwillow, Delano and Taft to launch KHS' Live Better Program. Program offers fitness classes, nutrition advice and health education to keep the community healthy. Taft on hold due to lack of interest. Working on launching program in Arvin/Lamont in Q2 2024.

Boys and Girls Club

Working with administration to identify partnership opportunities that extend their programs and facilities to KHS members. Plans to revisit partnership opportunities in Q2 2024.

Shafter Senior Center

Worked with the Program Manager to offer KHS' Activity and Eating class to resident seniors. Plans to offer healthy cooking classes at the Shafter Youth Center in Q3 2024.

California Farmworker Foundation

Working with administration to identify the health literacy and social needs of farmworkers to guide which programs and trainings to offer. Plans to train CFF team to offer KHS education classes to farmworkers in Q3 2024

Unidad Popular Benito Juarez

Working with administration to coordinate KHS staff trainings on the cultural and linguistic needs of indigenous communities to guide program development and implementation. Plans to train KHS C&L staff in Q1 2024 to prepare for adult expansion members to ensure effective communication.

Gameday Sports Academy

Worked with administration to identify and use space for offsite health education classes. First class at GSA started in December. Plans to launch DEEP at GSA starting in February as an alternate location.



Supporting School Wellness

Sponsored Dignity Health's Youth Tobacco Prevention Program

- Goal is to provide tobacco prevention education to 720 students in the 5th and 6th grade during the 2023-2024 school year. Outcomes to be collected in the Spring 2024.

Sponsored a Vision Clinic at Delano Union School District

- 2-Day Vision in April 2023.
- A total of 161 students received an eye exam and 150 students received eyeglasses.

Sponsored a Tdap Vaccine Clinic at Bakersfield City School District.

- Students received 2 movie tickets if they received their Tdap immunization.
- A total of 296 students were immunized.

Sponsored Youth Fitness Scholarships at Gameday Sports Academy

- 20 scholarships awarded to students at Beardsley and Standard School Districts

School Wellness Grant Program

- Monthly progress meetings and site visits with 7 school awardees. Mentored 2 interns on program oversight, implementation and technical assistance.
- Hosted two all schools meeting with breakout sessions to identify lessons learned and best practices on parent engagement, health literacy training, and school program sharing.



Program Enhancement Efforts

Health Literacy

- Coordinated content development of Member Newsletter twice a year. Implemented online Healthwise patient education tools to encourage members self care and meet NCQA. Developed social media messages to promote enrollment in wellness and prevention programs requirements. Trained 45 KHS staff on health literacy and use of readability assessment tool.

Obesity & Weight Management

- Worked with Weight Watchers (WW) and Provider identified by Dr Sidhu to offer a weight management program to members. Efforts ended due to WW only available in English and Provider's program did not meet program criteria. Pursuing Adventist Health on their Redefine Weight Management Program that targets both adults and adolescents. Plans to offer this program to KHS members by the Q3 2024.

Diabetes Prevention & Management

- Worked with the CA Health Collab (CHC) to train KHS on the Diabetes Empowerment Education Program (DEEP). KHS' DEEP classes start in February 2024. Working on an agreement for CHC to provide online DPP and DEEP programs to KHS members in English and Spanish with plans to launch in Q2 2024.
- Also working with Lark on executing an agreement to offer their mobile DPP app in both English and Spanish. Working on developing member profiles to guide targeted programs with plans to launch by the Q3 2024.

Asthma Education & Management

- Working with the American Lung Association to execute an agreement to share participation data with KHS for the online asthma learning module and offer training to KHS on their asthma basics workshops. Plans to launch online program in Q2 2024.

Tobacco & Nicotine Cessation

- Worked with Kick It California to execute agreement to perform outreach, provide cessation counseling and share participation data on KHS members. Will no longer prioritize due to delays with Kick It CA legal review and response. The team will focus efforts with other agencies to offer cessation services such as train-the-trainer on KHS' Fresh Start program with Kern Public Health and Bakersfield American Indian Health Project. Trainings planned for Q2 2024.

Kern Family Health Care
August 15, 2023 · 🌐

It's Back-To-School Week and families across Kern County are preparing for their first day of school!

For children with asthma, having their asthma plan and medications ready is an important part of starting off the school year strong. Have questions regarding your child's asthma plan? Give Kern Family Health Care a call at 800-391-2000 and ask about our asthma classes.

#ABetterDay #KernFamilyHealthCare #KernCounty #BackToSchool #Asthma

- ✓ Go over your child's asthma action plan with their doctor.
- ✓ Refill all asthma medications.
- ✓ Make sure your child knows their triggers.
- ✓ Your child understands how to use their medication.
- ✓ Your child knows signs of an asthma attack.

Kern Family Health Care **FAMILY HEALTH**

Non-pharmacological pain management
Manage your pain without medicine

Long term pain is also called chronic pain. There are ways to manage chronic pain without taking medication. This is called non-pharmacological pain management treatment. Treatment options include:
Acupuncture
Behavioral therapy
Chiropractic care
Exercises
Physical therapy
These may not be the only options for you. Knowing your options can help you make the right choice to manage your pain. Talk to your doctor about what may be best for you.

TO LEARN MORE about options to manage pain without medication, visit the Kern Family Health Care Health Library at kernfamilyhealthcare.com and search "how to manage chronic pain."

Lita Griswell, Member Engagement Manager

In this issue

Page 2 Don't lose your Medi-Cal

Page 6 Having a baby? We're here for you

Page 7 Know the signs of domestic abuse

It's that time of the year again to get this year's new flu shot. We love to know you are protected with the flu shot. Call us today you need help getting the flu shot: **800-391-2000 (TTY: 711)**.

Kern Family Health Care

Make Better Health Decisions

Enter search term. 🔍

Conditions

Topics Videos **Tools**

- Check Your Symptoms**
Find out if you can care for yourself at home or if you should call the doctor.
- Make a Decision**
Get the facts, compare your options, and think about what matters to you.
- Learn Your Score**
Use these easy-to-use personal calculators to help you know more about you.

2024 Wellness and Prevention Focus

- Implement wellness & prevention programs infused by the concept of health literacy and the impact of SDOH on overall health status throughout all programs.
- Evaluate the impact of the School Wellness Grant Program
- Develop profiles of members and communities to guide the implementation of targeted programs
- Execute 2024 MOUs to enhance collaboration and care coordination for members.
- Strengthen presence of Wellness & Prevention Team and program offerings within KHS and the community through strategic partner engagement, trainings, presentations and sponsorships.
- Strengthen data collection and tracking to allow for reporting



Utilization of Services



2023 Physician Services Utilization

- MCAL Expansion 995 visits/1,000
- MCAL Family/Other 729visits/1,000
- MCAL SPD 2,082/1,000
- Overall Membership physician services utilization in 2023 was 684 visits/1,000members



2023 Outpatient Hospital utilization

- MCAL Expansion 47 visits/1,000
- MCAL Family/other 28 visits/1,000
- MCAL SPD 98 visits/1,000
- Total membership combined utilization average 28 visits/1,000



Acute Inpatient utilization

- Inpatient cost for all aid codes remained stable all through Measurement year 2023
 - Average Acute Bed days 224 per 1,000 members
 - Admissions 59.31/1,000 members
 - Average length of Stay(ALOS) 3.79 days
 - Readmissions
- Top 4 reasons for inpatient stay are related to pregnancy and delivery. (average 400 deliveries every month)
- Most inpatient stays were admitted at Kern Medical and BMH



Post Acute Utilization Measuring Year 2023

- Skilled Nursing facilities(SNF)
 - Admissions 3.68/1,000 members
 - ALOS 22.79 days
- Long-term Acute(LTAC)
 - Admits 4.03/1,000
 - ALOS 11.74 days
- Acute rehab
 - Admits .83/1,000
 - ALOS 9.17 days



Emergency Room Visits

- Measurement year 2023
- Below projections for all AID codes
- Average ER visit utilization was 7.95 visits per 1,000 members
- Top diagnoses for ED visit in descending order of frequency
 - Other unspecified acute respiratory disease
 - Chest pain
 - Abdominal and pelvic pain
 - Urinary tract infection



Outpatient Utilization Referrals Measuring Year 2023

- Total number of Outpatient Referrals 267,510
- Turn Around Time (TAT)DHCS requirement
 - Routine 5 days
 - Urgent 48 hours

Overall, TAT compliance for 2023 was 98.2%



Managed Care Accountability Set (MCAS)

KHS Board of Directors Meeting, February 15, 2024



Topics of Discussion

- MCAS Overview
- KHS MCAS Performance Over the Years
- 2024 MCAS Measures
- 2024 MCAS Trending Performance
- 2023 Initiatives and Outcomes
- 2024 Goals and Initiatives
- KHS Tier Status



MCAS Overview

MCAS

Managed Care Accountability Set (MCAS) is a set of performance measures that DHCS selects for annual reporting by Medi-Cal managed care plans (MCPs).

Stewards

Measures are from different stewards such as NCQA HEDIS measures, CMS, and DQA.

Acronym

Each measure is represented with an Acronym and have a corresponding definition (AMR = Asthma Medication Ratio).

Methodology

Measures utilize different methodology for data collection, such as administrative, hybrid or EDCS.

MPL

The MCP has many measures it must report on, but only selected measures are held to Minimum Performance Level (MPL).

Timeframes

Measurement year (MY) reflects services/events that occurred during the measurement year. Reporting Year (RY) reflects the prior calendar or measurement years' data.

MCAS Performance Over the Years

| | MY2017 | MY2018 | MY2019 | MY2020 | MY2021 | MY2022 |
|----------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| KHS Membership | 242,265 | 246,564 | 251,280 | 277,616 | 299,864 | 334,078 |
| | MPL 25 th Percentile | MPL 25 th Percentile | MPL 50 th Percentile | MPL 50 th Percentile | MPL 50 th Percentile | MPL 50 th Percentile |
| Total Measures Held to MPL | 21 | 20 | 18 | 19 | 15 | 15 |
| Met MPL | 19 | 18 | 3 | 2 | 5 | 5 |
| Did not meet MPL | 1 | 2 | 15 | 17 | 10 | 10 |

MPL requirement increased from 25th percentile to 50th Percentile for MY2019.
Increase of KHS Membership year over year

MY2023 MCAS Measures

Behavioral Health Domain

- **FUM** - Follow-Up After ED Visit for Mental Illness – 30 days
- **FUA** - Follow-Up After ED Visit for Substance Abuse – 30 days

Children's Health Domain

- **WCV** - Child and Adolescent Well – Care Visits
- **CIS-10** - Childhood Immunization Status – Combination 10
- **DEV** - Developmental Screening in the First Three Years of Life
- **IMA-2** - Immunizations for Adolescents – Combination 2
- **LSC** - Lead Screening in Children
- **TFL-CH** - Topical Fluoride for Children
- **W30-6+** - Well-Child Visits in the First 30 Months of Life – 15 to 30 Months – Two or More Well – Child Visits
- **W30-2+** - Well-Child Visits in the First 30 Months of Life – 15 to 30 Months – Two or More Well-Child Visits

Chronic Disease Management Domain Measures

- **AMR** - Asthma Medication Ratio
- **CBP** - Controlling High Blood Pressure
- **HBD** - Hemoglobin A1c Control for Patients with Diabetes – HbA1c Poor Control (>9%)

Reproductive Health Domain Measures

- **CHL** - Chlamydia Screening in Women
- **PPC-Pre** - Prenatal and Postpartum Care: Timeliness of Prenatal Care
- **PPC-Pst** - Prenatal and Postpartum Care: Postpartum Care

Cancer Prevention Domain Measures

- **BCS-E** - Breast Cancer Screening
- **CCS** - Cervical Cancer Screening

MY2023 MCAS Measures – Report Only

| Acronym | Measure |
|---|---|
| Report Only Measures to DHCS | |
| AMB-ED | Ambulatory Care – Emergency Department (ED) Visits |
| AAP | Adults' Access to Preventive/Ambulatory Health Services |
| AMM-Acute | Antidepressant Medication Management: Acute Phase Treatment |
| AMM-Cont | Antidepressant Medication Management: Continuation Phase Treatment |
| COL-E | Colorectal Cancer Screening |
| CCW-MMEC | Contraceptive Care – All women: Most or Moderately Effective Contraception |
| CCP-MMEC60 | Contraceptive Care – Postpartum Women: Most or Moderately Effective Contraception – 60 Days |
| DRR-E | Depression Remission or Response for Adolescents and Adults |
| DSF-E | Depression Screening and Follow-Up for Adolescents and Adults |
| SSD | Diabetes Screening for People w/ Schizophrenia Bipolar Disorder Using Antipsychotic Medications |
| FUM | Follow-Up After ED Visit for Mental Illness – 7 days |
| FUA | Follow-Up After ED Visit for Substance Use – 7 days |
| ADD-C&M | Follow-Up Care for Children Prescribed ADHD Medication: Continuation and Maintenance Phase |
| ADD-Init | Follow-Up Care for Children Prescribed ADHD Medication: Initiation Phase |
| APM | Metabolic Monitoring for Children and Adolescents on Antipsychotics |
| NTSV CB | Nulliparous, Term, Singleton, Vertex (NTSV) Cesarean Birth Rate |
| POD | Pharmacotherapy for Opioid Use Disorder |
| PCR | Plan All-Cause Readmissions |
| PDS-E | Postpartum Depression Screening and Follow-Up |
| PND-E | Prenatal Depression Screening and Follow-Up |
| PRS-E | Prenatal Immunization Status |
| LTC Report Only Measures to DHCS | |
| HFS | Number of Out-Patient ED Visits per 1,000 Long Stay Resident Days |
| SNF HAI | Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization |
| PPR | Potentially Preventable 30-Day Post Discharge Readmission |

MCAS Measures RY2023 vs RY2024

MY2022|RY2023

Total Measures: 39

31 Admin

8 Hybrid

15 Held to MPL

MY2023|RY2024

Total Measures: 42

27 Admin

8 Hybrid

1 ECDS & Admin

6 ECDS

18 Held to MPL

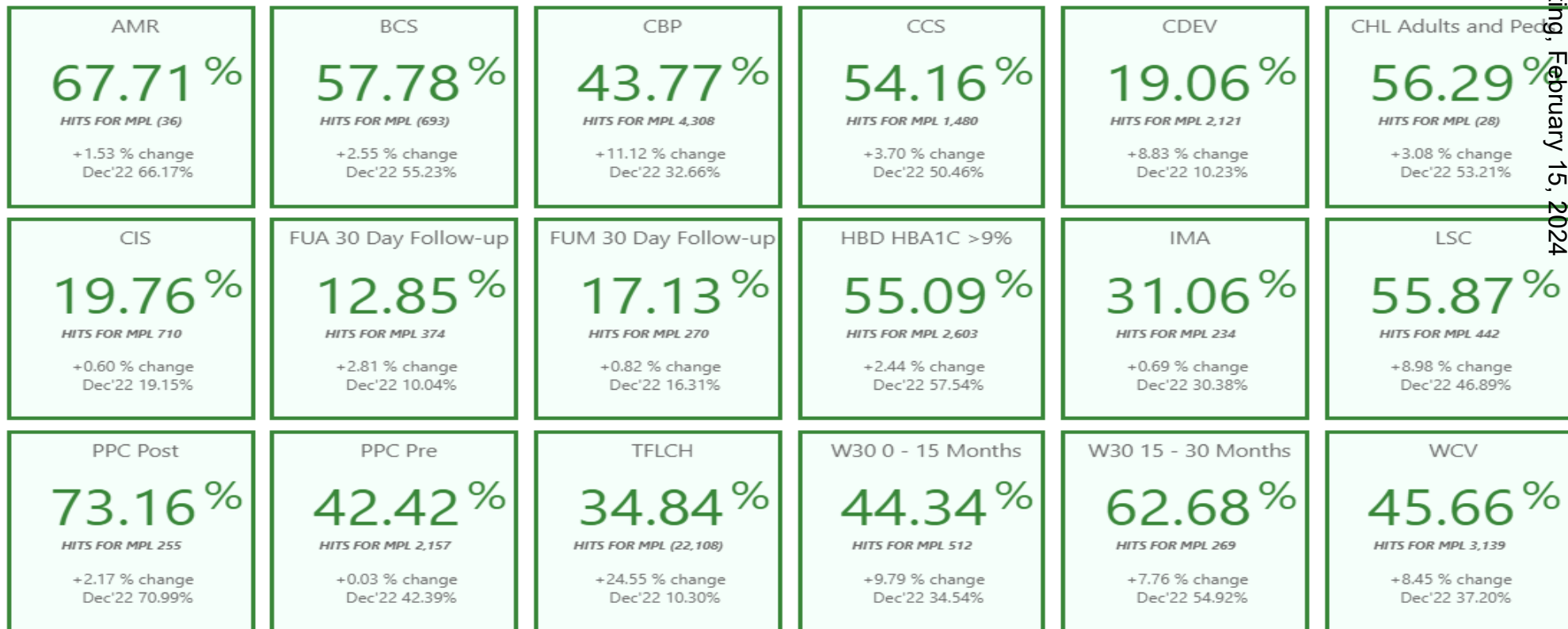


MCAS MY 2023 Trending Performance

MCAS MY2023 Performance Trending Metrics through December 2023

Home | AMR | BCS | CBP | CCS | CDEV | CHL | CIS | FUA | FUM | HBD | IMA | LSC | PPC | TFLCH | W30 | WCV

MPL | YoY



Measure rates are thru claims and standard supplemental data. No medical record reviews are included.

Performance Challenges

Children's Domain

- CIS-Combo 10
 - Influenza vaccine
- IMA-Combo 2
 - Second HPV vaccine dose
- W30
 - Well visits for ages 0-15 months and 15-30 months
 - Most challenging 6+ visits for 0-15 months of age group.
- WCV
- LSC

Behavioral Domain

- FUA 30
- FUM 30

Women's Domain

- CCS
- CHL
 - Least compliant age group 16-20yrs
- PPC – Pre
 - Least compliant age group 35-44yrs



2023 Initiatives and Interventions

MCAS Strike Team

- Created February 2023 focusing on initiatives to improve MCAS rates. The strike team consists of representatives from Marketing/Member Engagement, Business Intelligence, Provider Network Management, and Quality Performance.
- The Strike Team is focused on developing key strategies to close gaps in care and monitoring and analyzing outcomes for continual improvements.

Member Outreach Team

- Created a Member Outreach team to contact members aging out of measures and schedule appointments for their preventative health services:
 - WCV
 - CIS-10
 - IMA-2
 - LSC
 - W30

HBD Focus

- Partnered with endocrinologist office to support decrease measure for HBD.
 - Schedule appointment
 - Complete A1C testing
- Partnered with Urgent Cares to focus on hemoglobin A1C testing

Mental and Substance Abuse

- Partnered with Telehealth to support follow ups after ED visits for mental health and substance abuse disorders.

Breast Cancer Screening

- Partnered with local oncology provider to schedule and complete Mammograms

2023 Initiatives' Outcomes

Breast Cancer Screening (BCS)
Local Oncology

- 198 compliant members, increased compliance rate 4.66%

Follow up After ED Visit for Substance Abuse- 30 days (FUA)
Telemedicine

- Marginal increase in performance
- Identified potential opportunities and improvements

Follow up After ED Visit for Mental Illness- 30 days (FUM)
Telemedicine

- Marginal increase in performance
- Identified potential opportunities and improvements

Hemoglobin A1c Control for Patient with Diabetes- HbA1c Poor Control (>9%)

- 2,012 members, 633 are in the HBD measure
- 406 of the 633 members are now compliant

Hemoglobin A1c Control for Patient with Diabetes- HbA1c Poor Control (>9%)
Urgent Care

- 1,069 members are in the HBD measure
- 17 members had A1c drawn in the urgent care

MPL Met MY2023: 4 Administrative

Pending completion of HSAG Audit

2023 Member Outreach Team

| Measure | Population | Compliant |
|---|---------------|---------------|
| Asthma Medication Ratio | 108 | 72 |
| Breast Cancer Screening | 669 | 348 |
| Cervical Cancer Screening | 4,640 | 2,286 |
| Child and Adolescent Well-Care Visits | 19,167 | 10,539 |
| Childhood Immunization Status | 7,945 | 1,300 |
| Chlamydia Screening in Women | 1,354 | 864 |
| Controlling High Blood Pressure | 1,817 | 849 |
| Developmental Screening in the First 3 Years of Life | 15,211 | 2,530 |
| Follow-Up After Emergency Department Visit for Mental Illness | 47 | 5 |
| Follow-Up After Emergency Department Visit for Substance Use | 85 | 9 |
| Hemoglobin A1c Testing >9% & Control for Patients With Diabetes | 1,075 | 524 |
| Immunizations for Adolescents | 6,554 | 455 |
| Lead Screening in Children | 7,962 | 4,420 |
| Postpartum Care | 2,778 | 1,595 |
| Prenatal Care | 2,778 | 1,292 |
| Well-Child Visits in the First 15 Months of Life | 4,036 | 1,220 |
| Well-Child Visits in the First 30 Months of Life | 7,481 | 4,243 |
| Grand Total | 83,707 | 32,551 |



2024 Goals and Initiatives

Member Outreach Team

- Continue member outreach efforts from 2023

Mobile Units

- KHS has partnered with four (4) providers to utilize Mobile Units in rural areas & Street Medicine
- Approval from Homeless centers for medical mobile unit on-site services
- Working with multiple school districts for onsite mobile clinics

Quality Grant Programs

- Develop innovative partnerships with network providers to elevate the quality of care delivered to our members.

Data Exchange & EMR Access

- Increase EMR, Rx, and Lab data exchange from providers
- Increase provider EMR access
- Use Admission, Discharge, and Transfer (ADT) data
- Leverage CSV appointment data

Pediatric Focus

- Increase focus around the various pediatric measures in the Children's domain.
- Increase accessibility to services on school campuses

Targeted Outreach

- Utilize GIS to target specific populations and help locate based on zip codes.
- Increase member mailings, texts, and calls

Direct Appointment Access

- Partnering with providers to access their appointment scheduler and book appointments directly for members

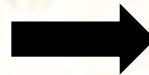


KHS Tier Status

Tier 3

Tier 2

| Proposed Triggers within the RU Level | Accountability Project | Advantage |
|--|--|---|
| RU/s is below the State AND Region median in 3 or more domains (RY 2023) | <ul style="list-style-type: none"> a. Red Tier Process with Fishbone Diagram and Strategies for all RUs that triggered. b. All triggered RUs are to submit strategies that are region-oriented – based on needs of members and providers. c. Include a strategy in the triggered RU on how to close the gap in identified group disparity within the triggered region d. One NC to do this process to oversee consistency within regions e. Data trending | <ul style="list-style-type: none"> 1. One NC coordinating this process allows consistency across and within regions and allows similar Red Tier RUs within a region to collaborate 2. Systems-based approach 3. Allows HE integration and collaboration across RUs that belong to different Plans to work on the same disparate groups and close gaps via data trending |



| Proposed Triggers within the RU Level | Accountability Project | Advantage |
|--|---|--|
| RU/s below the State or region median in 2 domains (RY 2023) | <ul style="list-style-type: none"> a. SWOT process with modification of SWOT analysis to be replaced by fishbone for each domain triggered by the RU . b. The fishbone should include disparity barriers for the disparate group compared to the well-performing group within the triggered domain. | <ul style="list-style-type: none"> 1. Allows peer comparison performance within a region. 2. Allows accountability for performance that is consistently low compared to the plans within the region 3. Allows domain-focused interventions that could potentially impact multiple measures within a domain 4. Allows improvement in rates for disparate groups within the region for multiple measures within a domain |

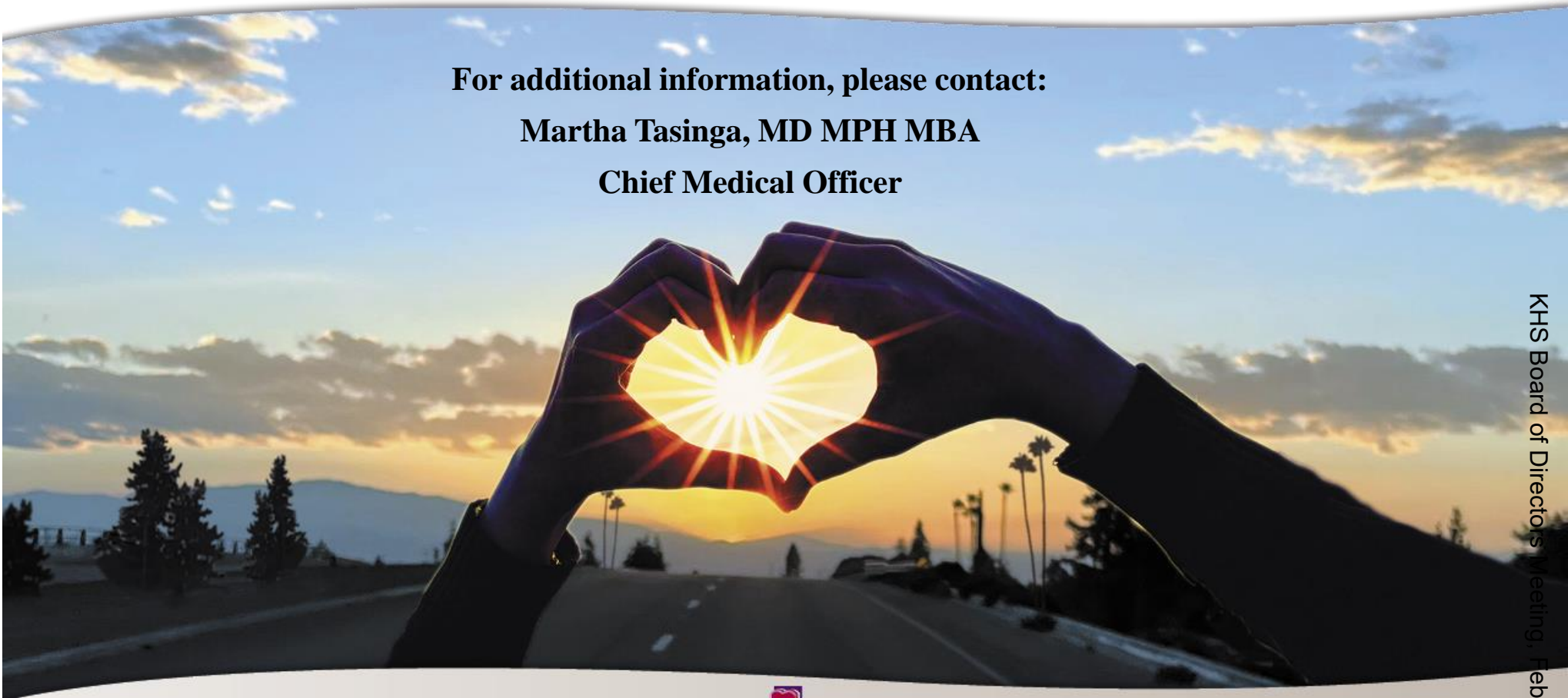


You + Us = a better day!

For additional information, please contact:

Martha Tasinga, MD MPH MBA

Chief Medical Officer



Kern Health Systems

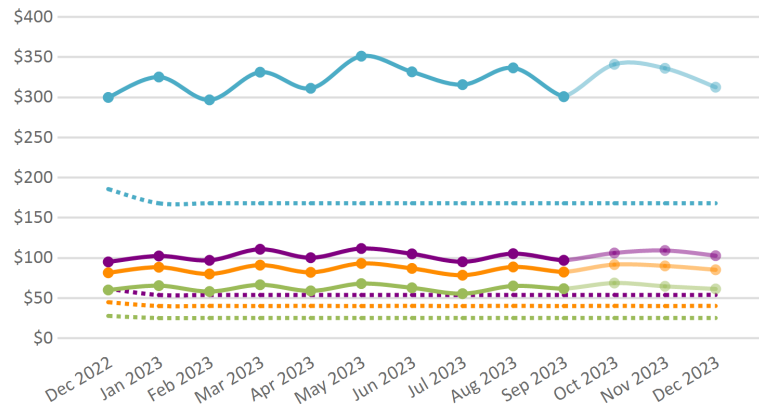
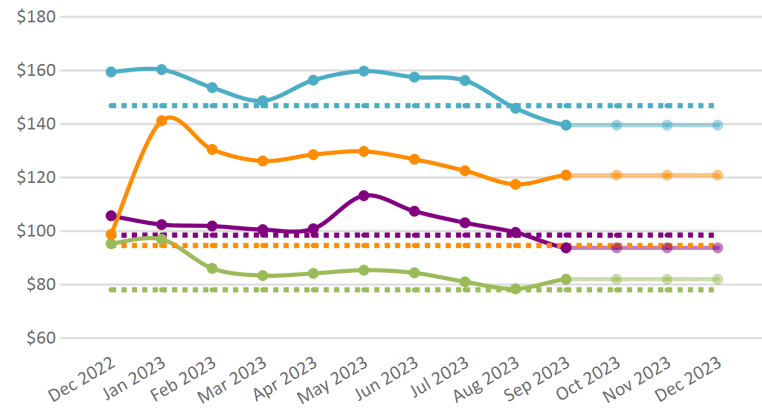
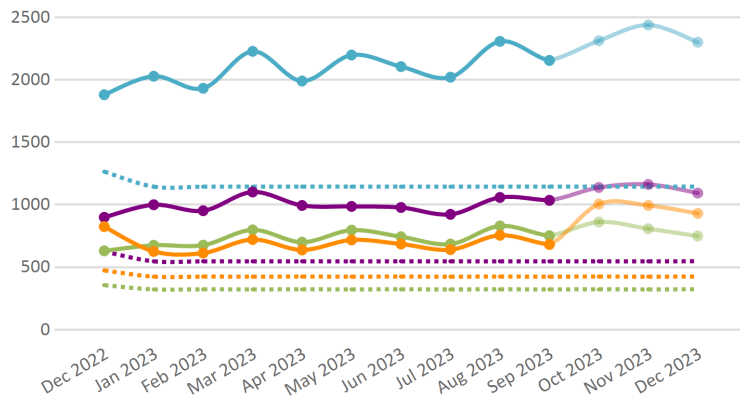
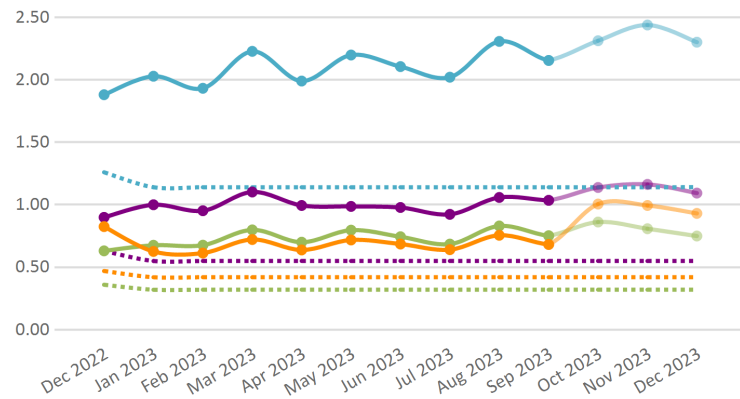
KHS Medical Management Performance Dashboard (Critical Performance Measurements)



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


Services provided through: 12/31/2023

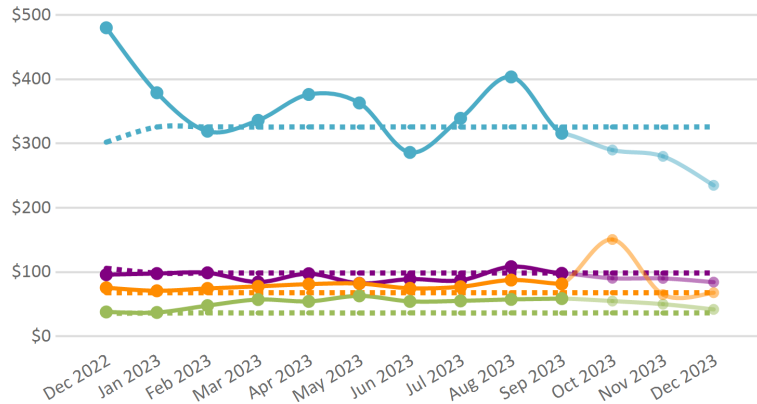
Claims Paid through: 1/31/2024

Inpatient

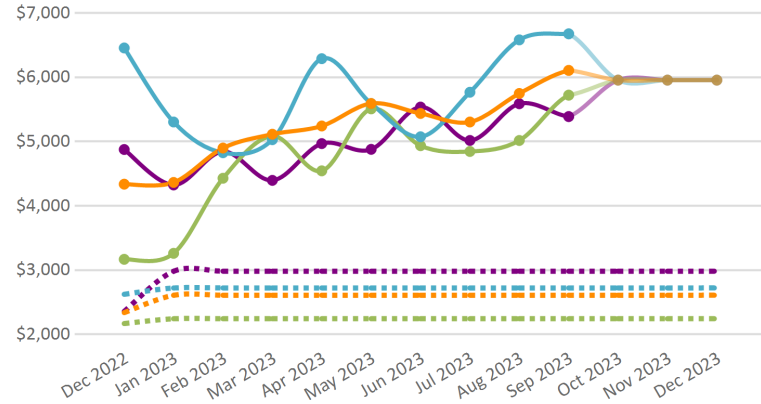
(Includes: Inpatient Hospital Claims)

- 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

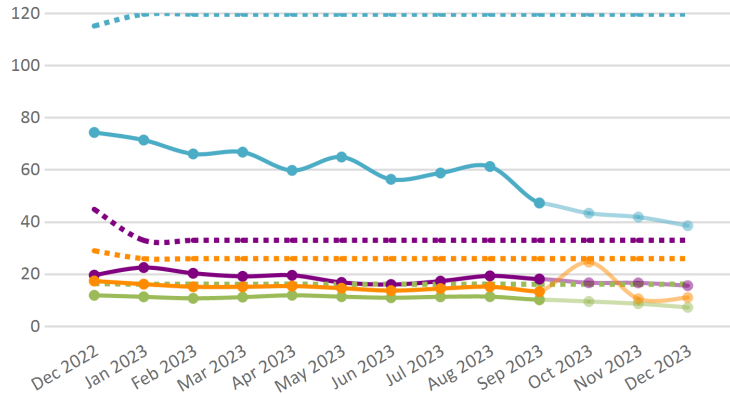
Inpatient Services Incurred by Aid Group PMPM



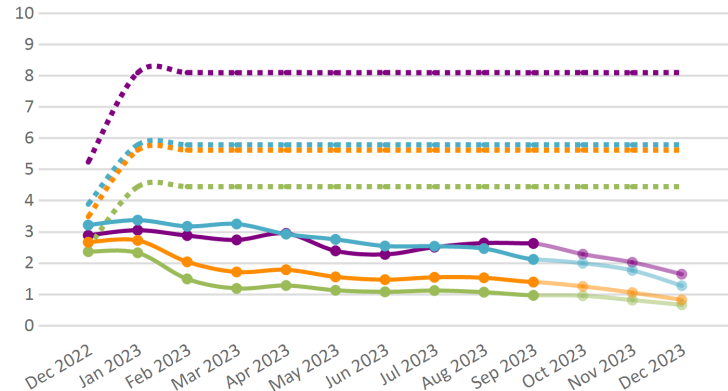
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group



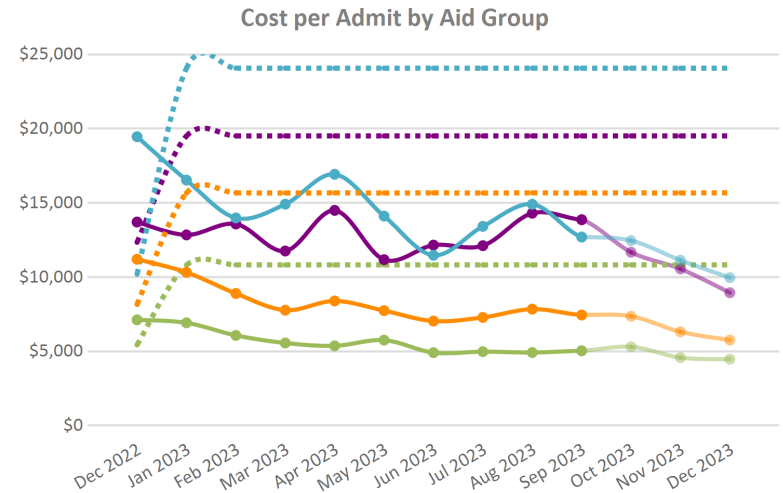
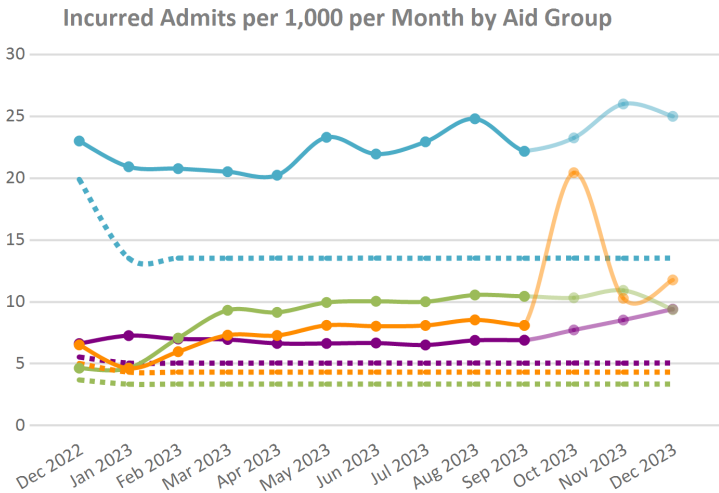
Services provided through: 12/31/2023

Claims Paid through: 1/31/2024

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



Services provided through: 12/31/2023

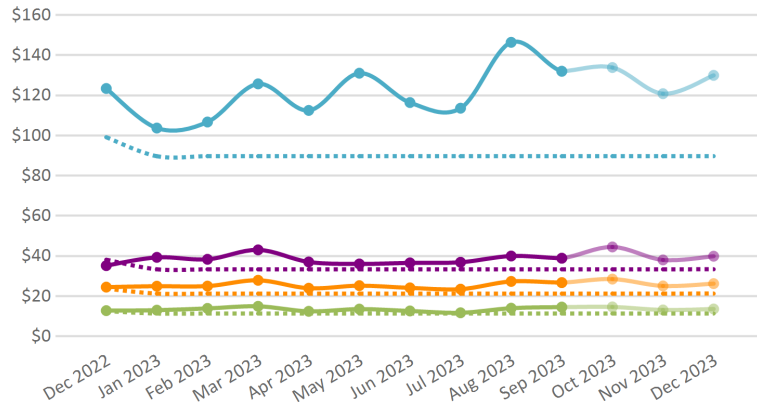
Claims Paid through: 1/31/2024

Outpatient Hospital

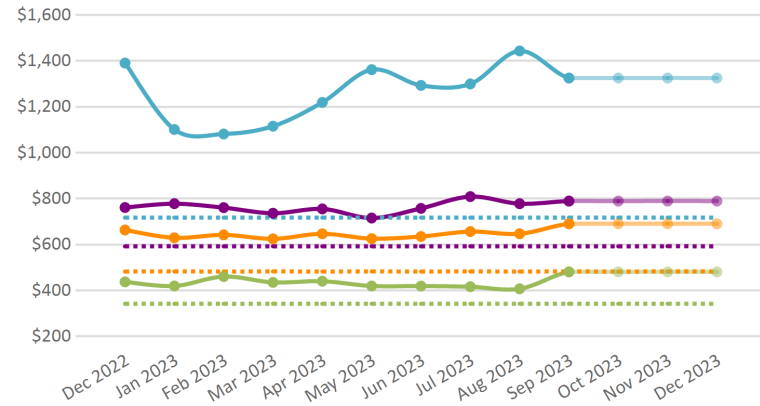
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

- 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

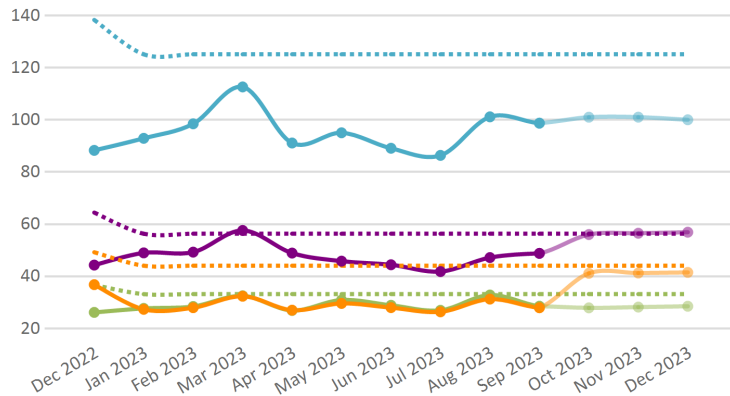
Outpatient Services Incurred by Aid Group PMPM



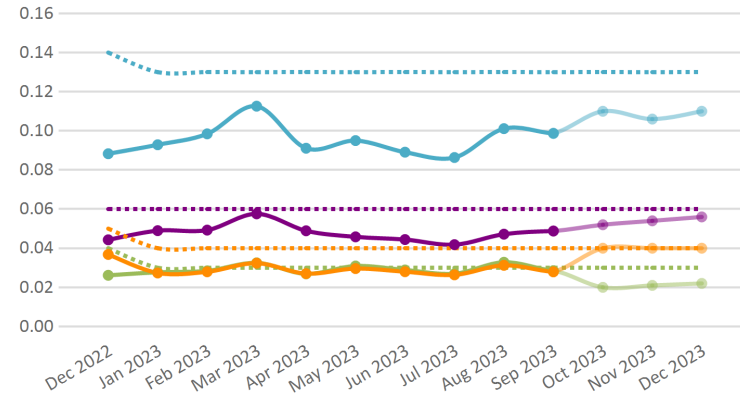
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group



Services provided through: 12/31/2023

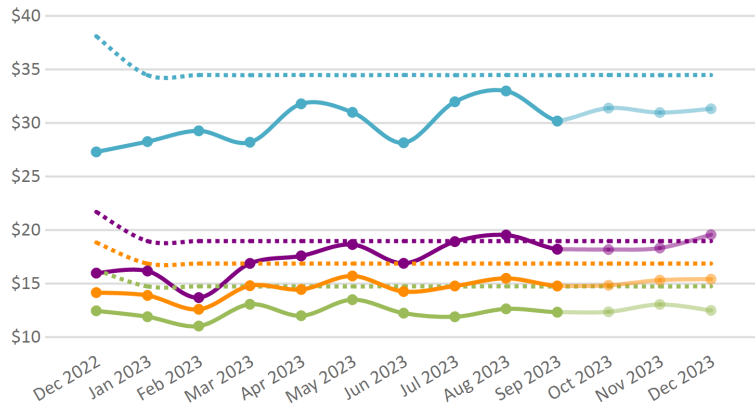
Claims Paid through: 1/31/2024



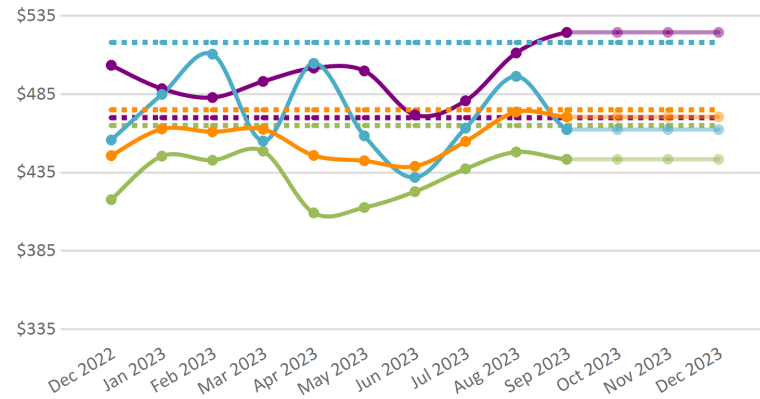
Emergency Room

- 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

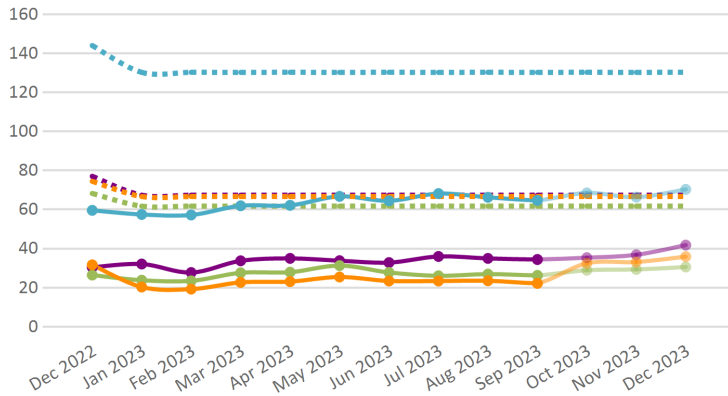
ER Services Incurred by Aid Group PMPM



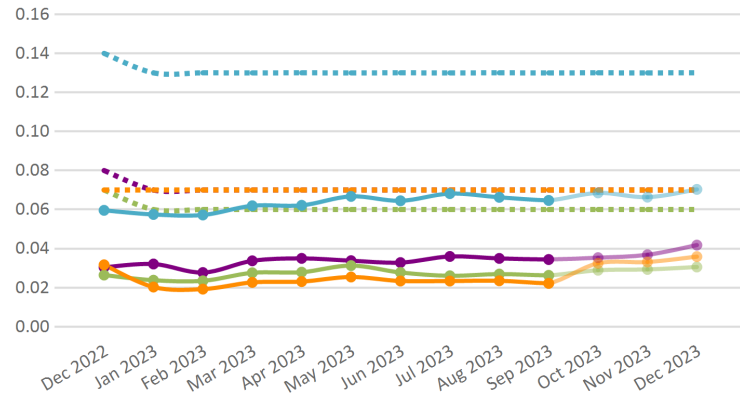
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



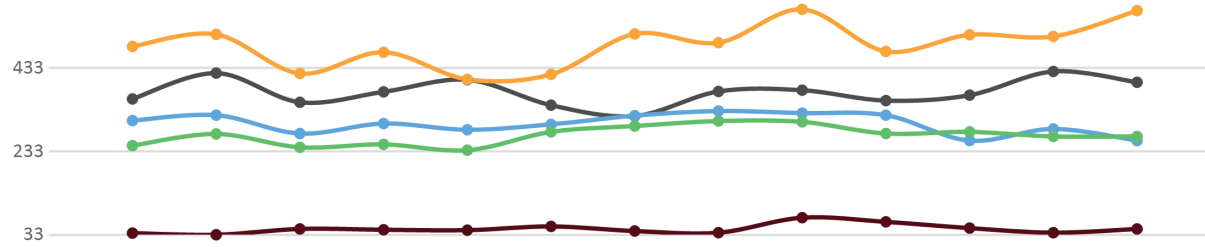
ER Visits per Member per Month by Aid Group



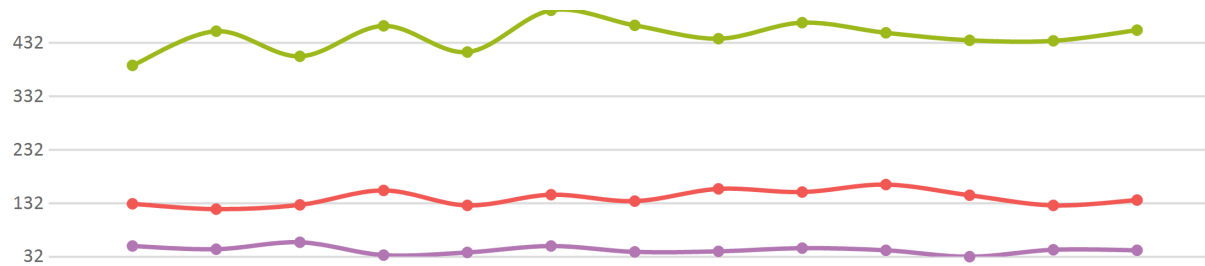
Services provided through: 12/31/2023

Claims Paid through: 1/31/2024

Inpatient Admits by Hospital



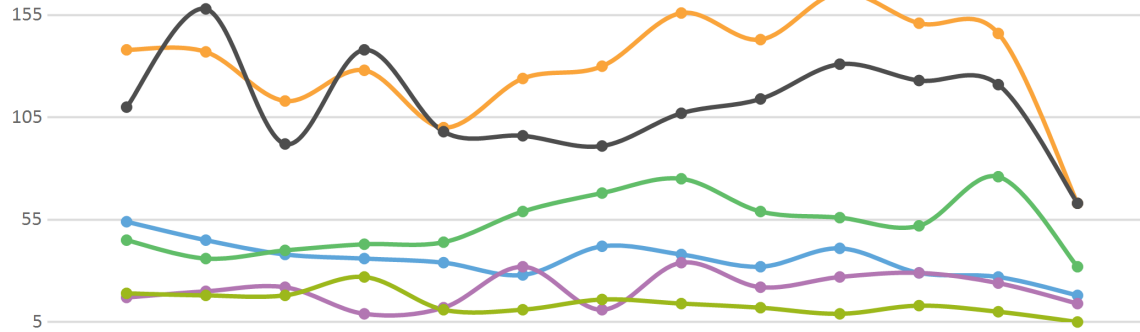
| | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| KERN MEDICAL | 485 | 514 | 420 | 471 | 406 | 418 | 515 | 494 | 574 | 473 | 513 | 509 | 571 |
| BAKERSFIELD MEMORIAL | 359 | 421 | 351 | 376 | 405 | 344 | 318 | 377 | 380 | 355 | 368 | 425 | 399 |
| ADVENTIST HEALTH | 307 | 320 | 276 | 300 | 285 | 298 | 319 | 330 | 325 | 320 | 259 | 287 | 259 |
| MERCY HOSPITAL | 247 | 275 | 243 | 250 | 236 | 280 | 294 | 306 | 304 | 276 | 280 | 269 | 269 |
| BAKERSFIELD HEART HOSP | 37 | 33 | 47 | 45 | 44 | 53 | 42 | 38 | 74 | 64 | 49 | 38 | 47 |



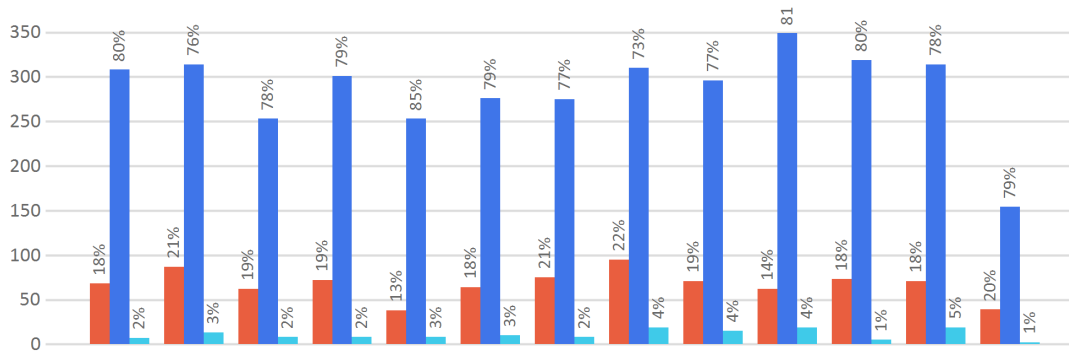
| | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GOOD SAMARITAN HOSPITAL | 131 | 121 | 129 | 156 | 128 | 148 | 136 | 159 | 153 | 167 | 147 | 128 | 138 |
| OUT OF AREA | 390 | 454 | 407 | 464 | 415 | 493 | 465 | 440 | 470 | 451 | 437 | 436 | 456 |
| DELANO REGIONAL HOSPITAL | 52 | 46 | 59 | 35 | 40 | 52 | 41 | 42 | 48 | 44 | 32 | 45 | 44 |

Governed Reporting System

Obstetrics Metrics

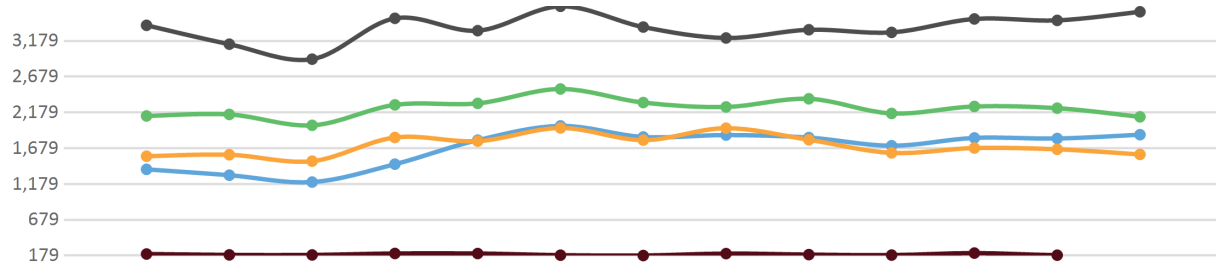


| | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BAKERSFIELD MEMORIAL | 110 | 158 | 92 | 138 | 98 | 96 | 91 | 107 | 114 | 131 | 123 | 121 | 63 |
| KERN MEDICAL | 138 | 137 | 113 | 128 | 100 | 124 | 130 | 156 | 143 | 166 | 151 | 146 | 63 |
| MERCY HOSPITAL | 45 | 36 | 40 | 43 | 44 | 59 | 68 | 75 | 59 | 56 | 52 | 76 | 32 |
| ADVENTIST HEALTH | 54 | 45 | 38 | 36 | 34 | 28 | 42 | 38 | 32 | 41 | 29 | 27 | 18 |
| DELANO REGIONAL HOSPITAL | 17 | 20 | 22 | 9 | 12 | 32 | 11 | 34 | 22 | 27 | 29 | 24 | 14 |
| OTHER | 19 | 18 | 18 | 27 | 11 | 11 | 16 | 14 | 12 | 9 | 13 | 10 | 5 |

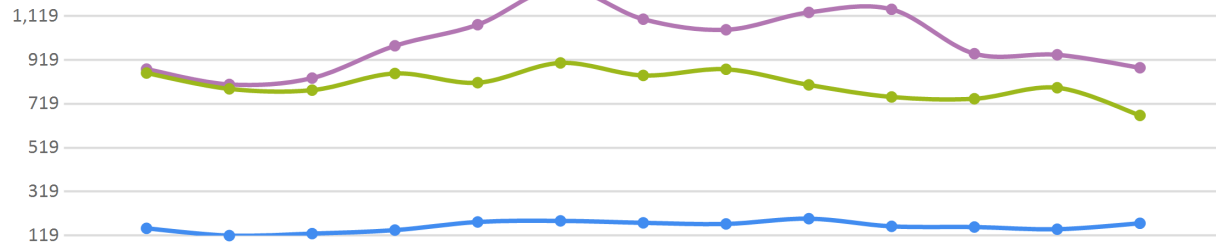


| | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| VAGINAL DELIVERY | 308 | 314 | 253 | 301 | 253 | 276 | 275 | 310 | 296 | 349 | 319 | 314 | 154 |
| C-SECTION DELIVERY | 68 | 87 | 62 | 72 | 38 | 64 | 75 | 95 | 71 | 62 | 73 | 71 | 39 |
| PREVIOUS C-SECTION DELIVERY | 7 | 13 | 8 | 8 | 8 | 10 | 8 | 19 | 15 | 19 | 5 | 19 | 2 |

Emergency Visits by Hospital



| | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BAKERSFIELD MEMORIAL | 3,397 | 3,133 | 2,924 | 3,495 | 3,322 | 3,662 | 3,373 | 3,220 | 3,335 | 3,298 | 3,486 | 3,466 | 3,586 |
| MERCY HOSPITAL | 2,130 | 2,151 | 1,999 | 2,285 | 2,306 | 2,507 | 2,317 | 2,256 | 2,370 | 2,165 | 2,263 | 2,239 | 2,118 |
| KERN MEDICAL | 1,567 | 1,588 | 1,498 | 1,829 | 1,778 | 1,962 | 1,793 | 1,959 | 1,797 | 1,614 | 1,682 | 1,664 | 1,592 |
| ADVENTIST HEALTH | 1,384 | 1,302 | 1,206 | 1,456 | 1,792 | 1,991 | 1,836 | 1,863 | 1,828 | 1,714 | 1,823 | 1,815 | 1,868 |
| BAKERSFIELD HEART HOSP | 200 | 188 | 187 | 208 | 207 | 184 | 179 | 206 | 192 | 185 | 213 | 184 | |



| | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| DELANO REGIONAL HOSPITAL | 877 | 807 | 836 | 983 | 1,079 | 1,249 | 1,104 | 1,056 | 1,135 | 1,149 | 947 | 942 | 883 |
| OUT OF AREA | 859 | 787 | 781 | 857 | 815 | 905 | 848 | 876 | 805 | 750 | 742 | 792 | 666 |
| KERN VALLEY HEALTHCARE | 152 | 119 | 128 | 144 | 181 | 186 | 177 | 172 | 196 | 161 | 158 | 148 | 175 |

Asthma Medication Ratio

The percentage of members 5–64 years of age who were identified as having persistent asthma and had a ratio of controller medications to total asthma medications of 0.50 or greater during the measurement year.

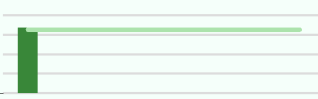
AMR

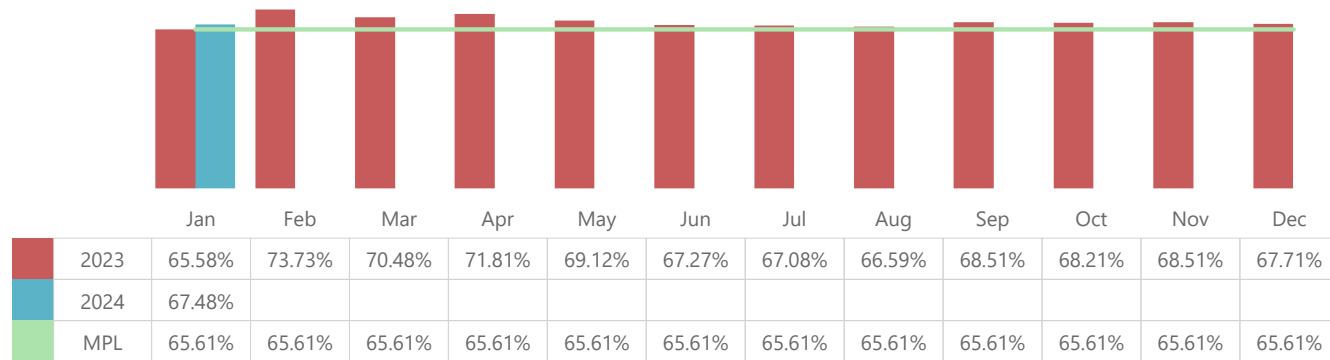
Hits needed for MPL

0

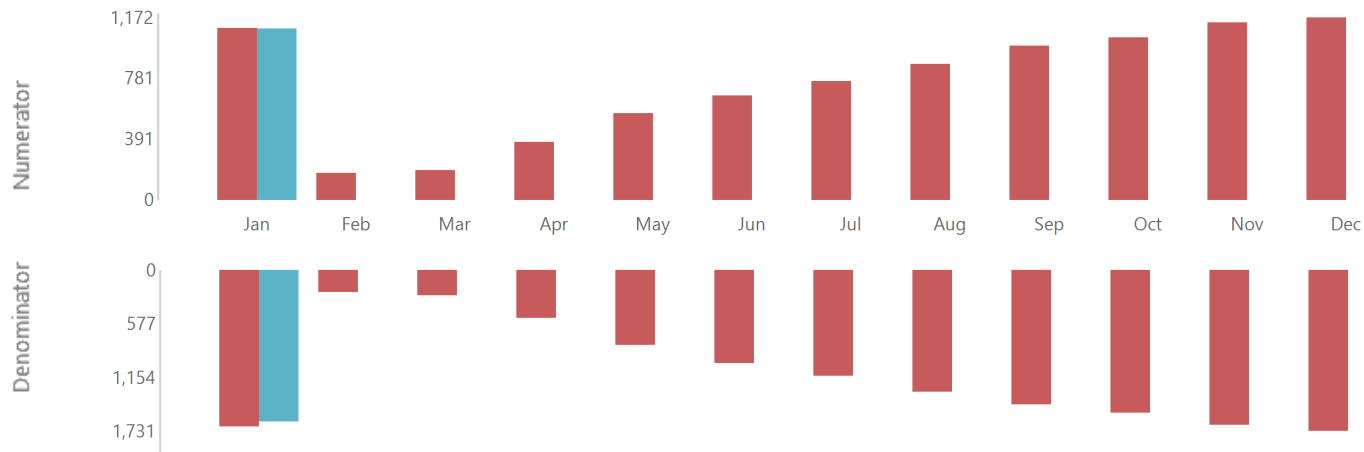
Rate: 67.48%

MPL: 65.61%





$$\frac{1,100}{1,630}$$



Breast Cancer Screening

The percentage of women 50–74 years of age who had a mammogram to screen for breast cancer. Measurement period: January 1–December 31.

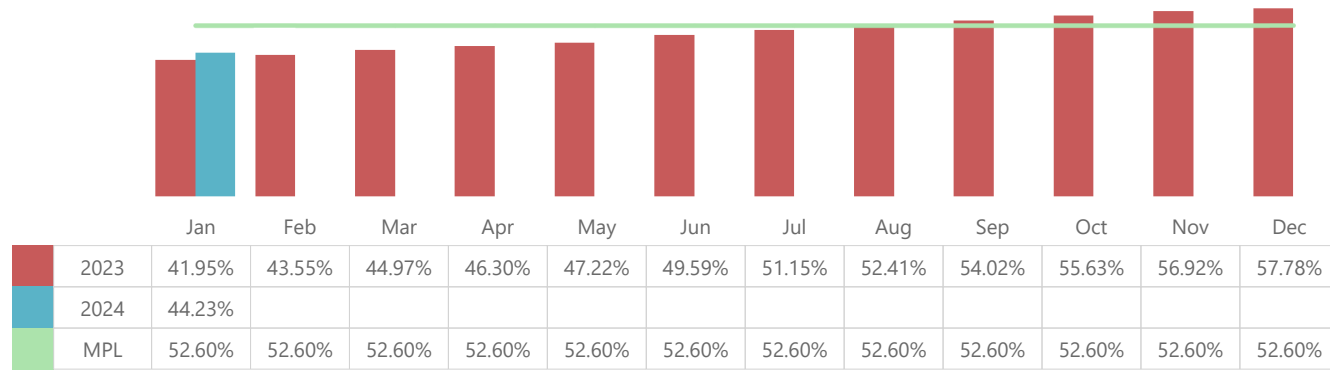
BCS

Hits needed for MPL

1,460

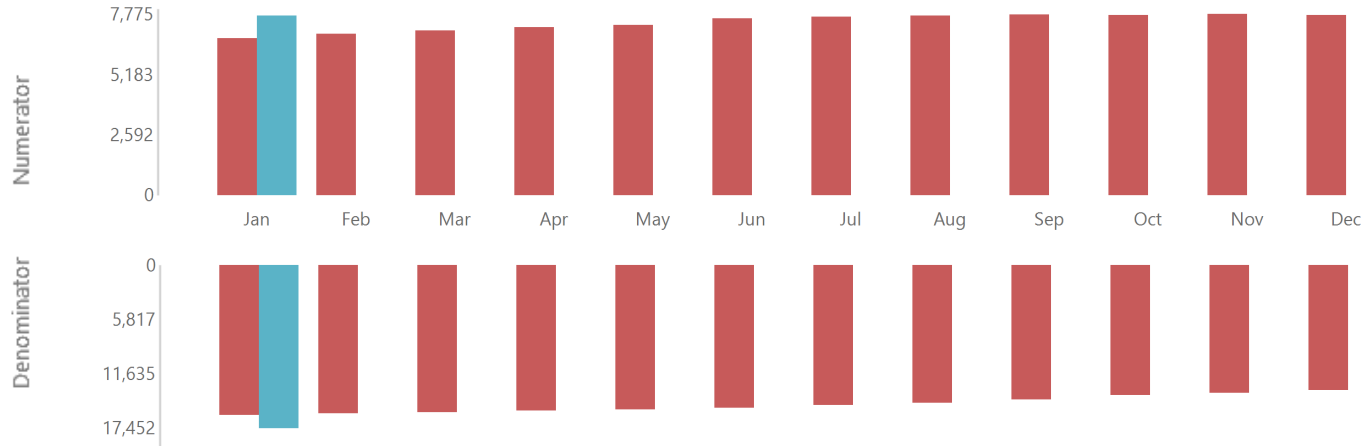
Rate: 44.23%

MPL: 52.60%



7,719

17,452



Cervical Cancer Screening

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

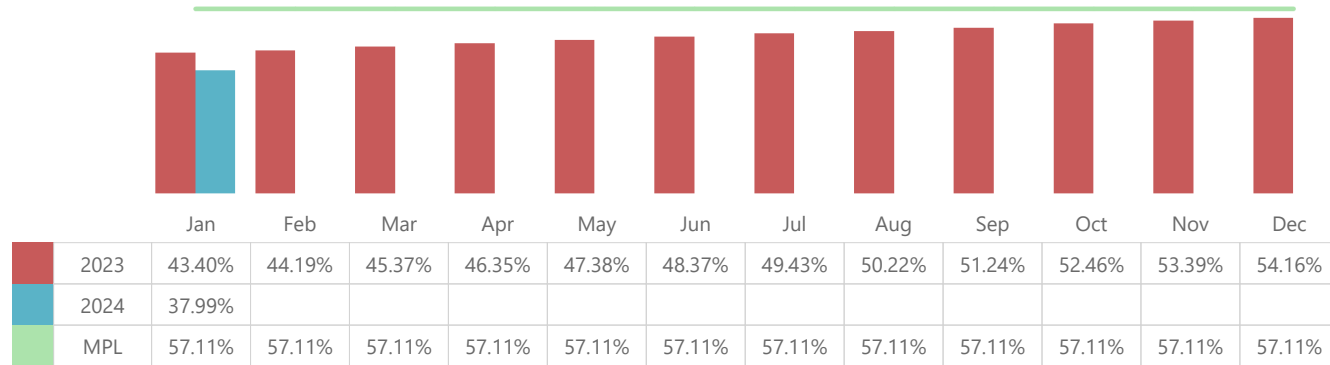
CCS

Hits needed for MPL

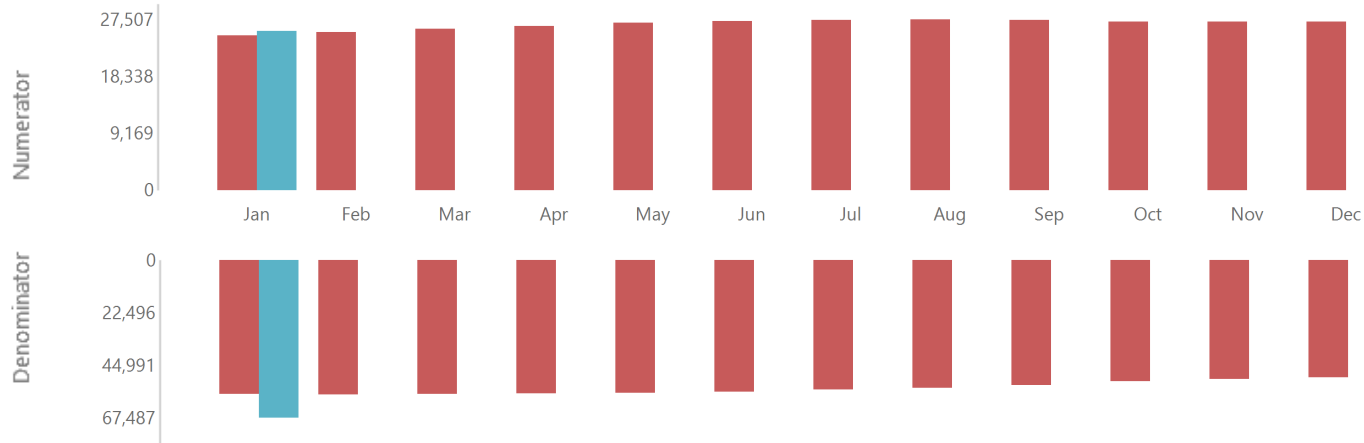
12,903

Rate: 37.99%

MPL: 57.11%



$$\frac{25,638}{67,487}$$



Childhood Immunization Status

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

CIS

Hits needed for MPL

1,378

Rate: 10.01%

MPL: 30.90%

| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2023 | | 11.04% | 12.93% | 14.34% | 16.13% | 16.92% | 17.47% | 17.74% | 17.89% | 18.07% | 18.65% | 19.40% | 19.76% |
| 2024 | | 10.01% | | | | | | | | | | | |
| MPL | | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% |

661

6,601



Immunizations for Adolescents

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

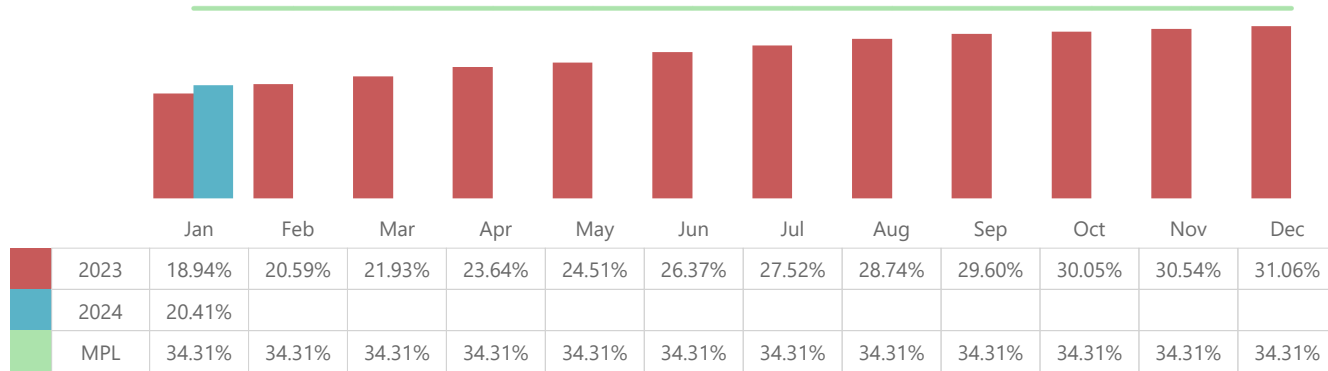
IMA

Hits needed for MPL

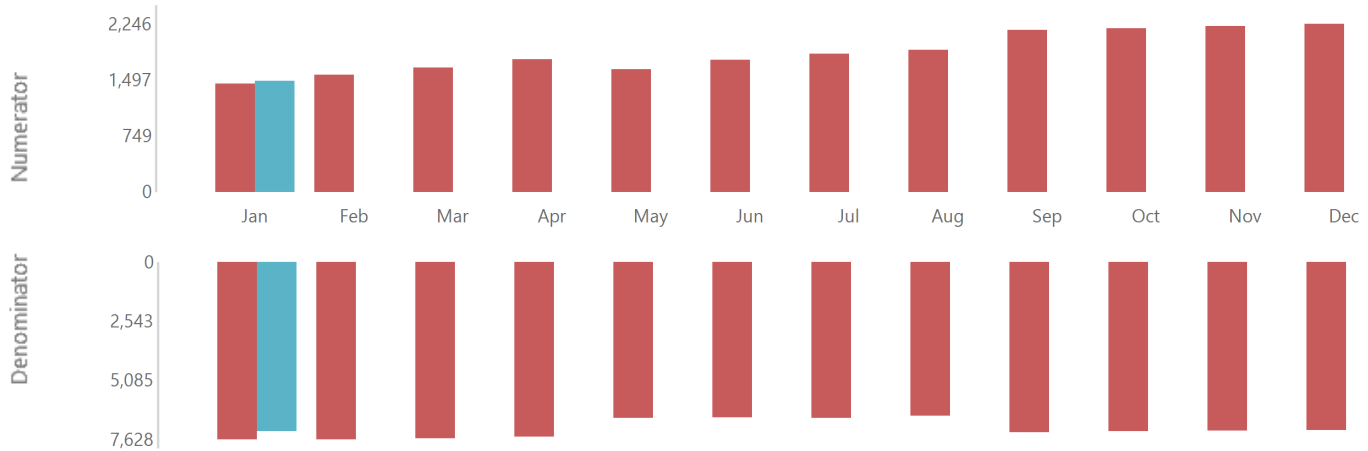
1,009

Rate: 20.41%

MPL: 34.31%



$$\frac{1,483}{7,266}$$



Chlamydia Screening in Women

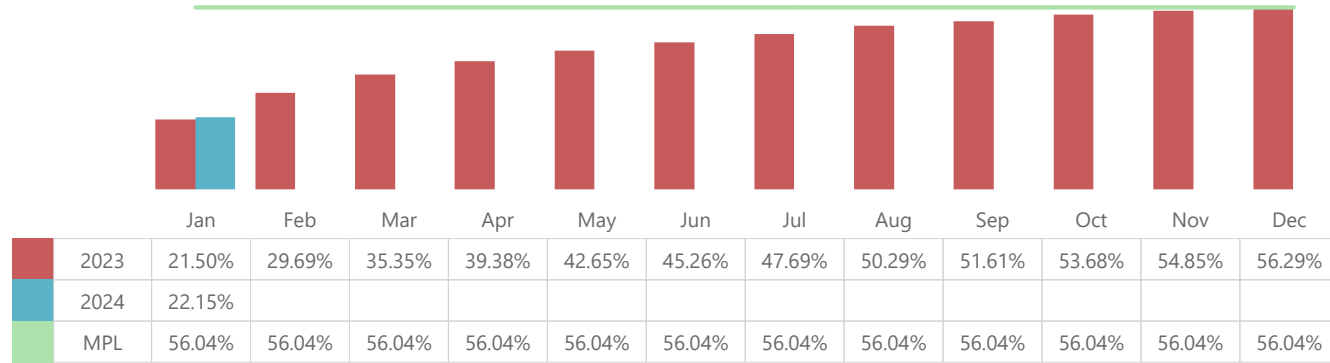
The percentage of women 16–24 years of age who were identified as sexually active and who had at least one test for chlamydia during the measurement year.

CHL Adults and Peds

Hits needed for MPL

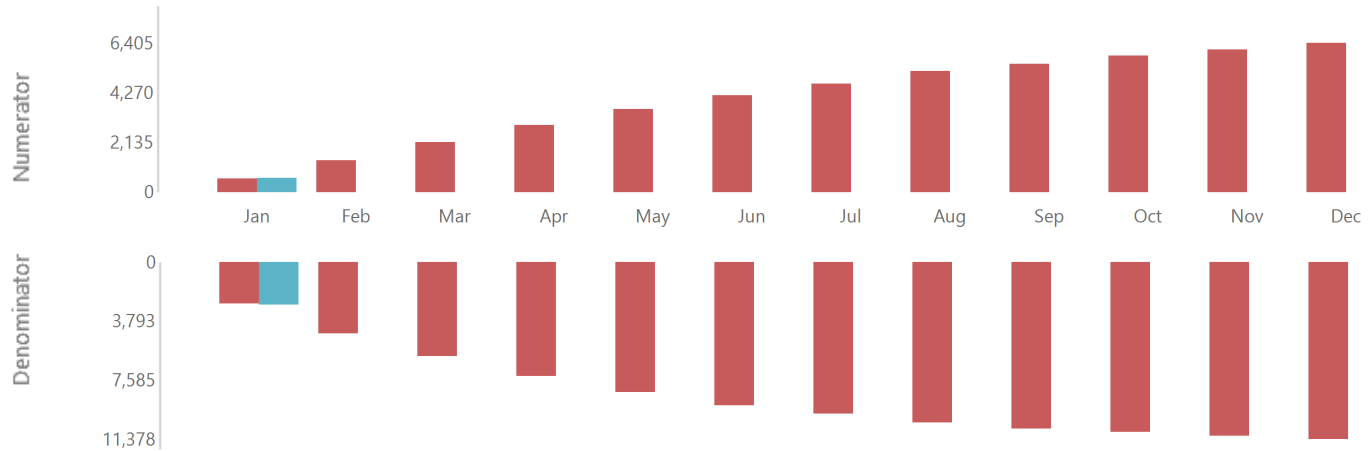
933

Rate: 22.15%
MPL: 56.04%



610

2,754



Lead Screening in Children

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

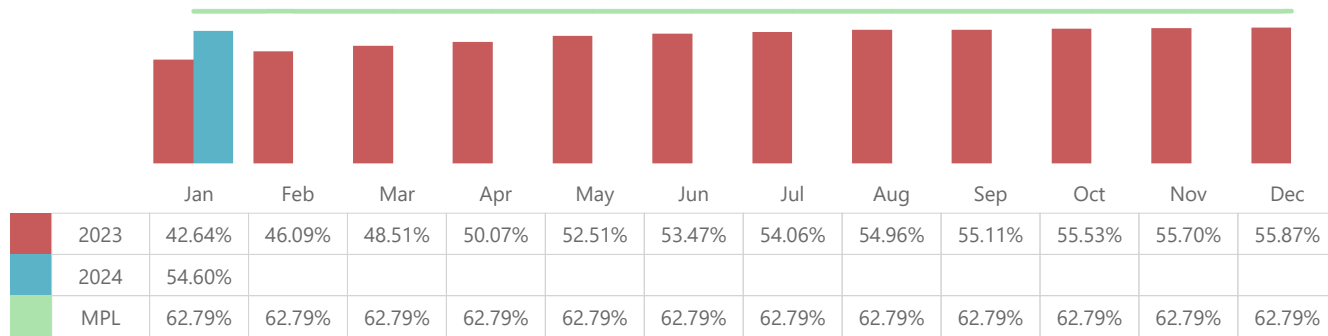
LSC

Hits needed for MPL

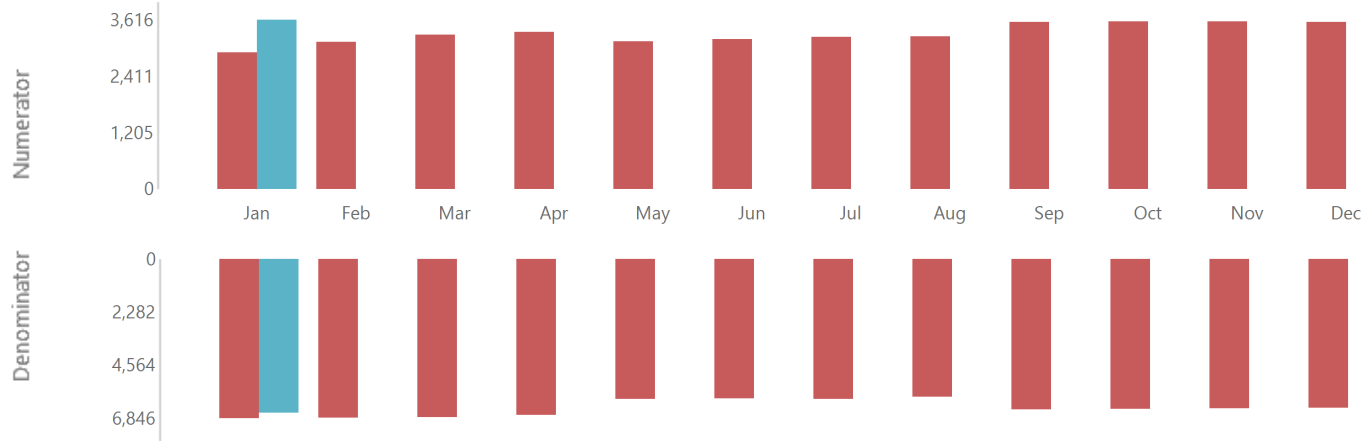
542

Rate: 54.60%

MPL: 62.79%



$$\frac{3,616}{6,623}$$



Child and Adolescent Well-Care Visits

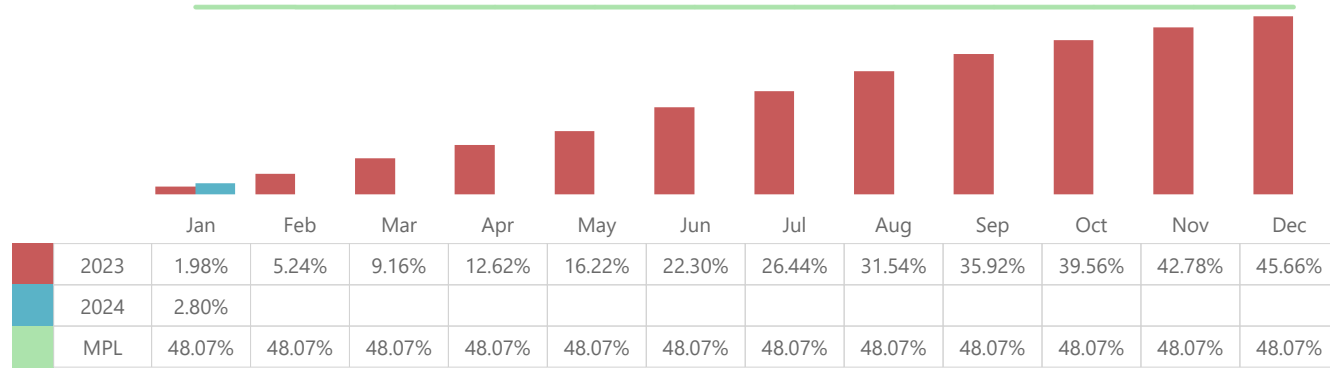
The percentage of members 3–21 years of age who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year.

WCV

Hits needed for MPL

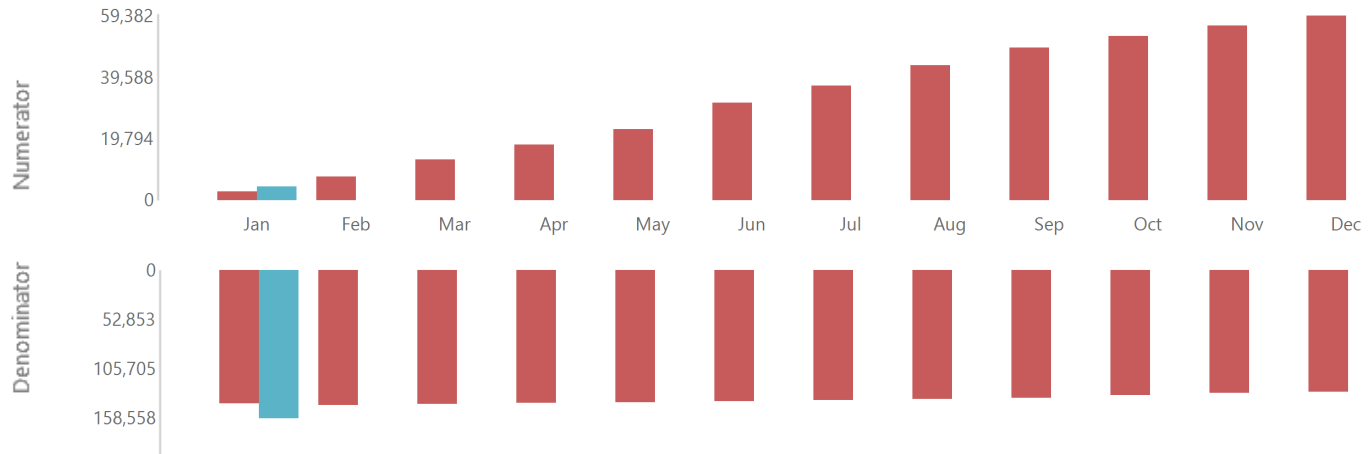
71,784

Rate: 2.80%
MPL: 48.07%



4,434

158,558



Controlling High Blood Pressure

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

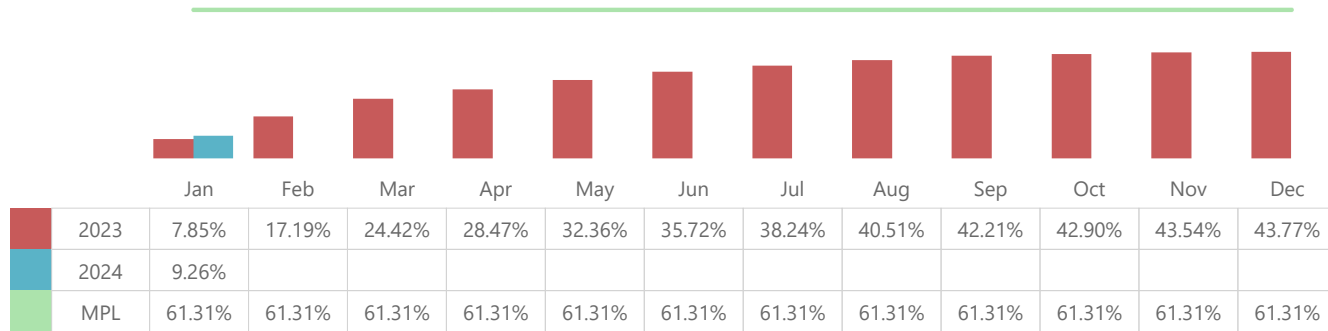
CBP

Hits needed for MPL

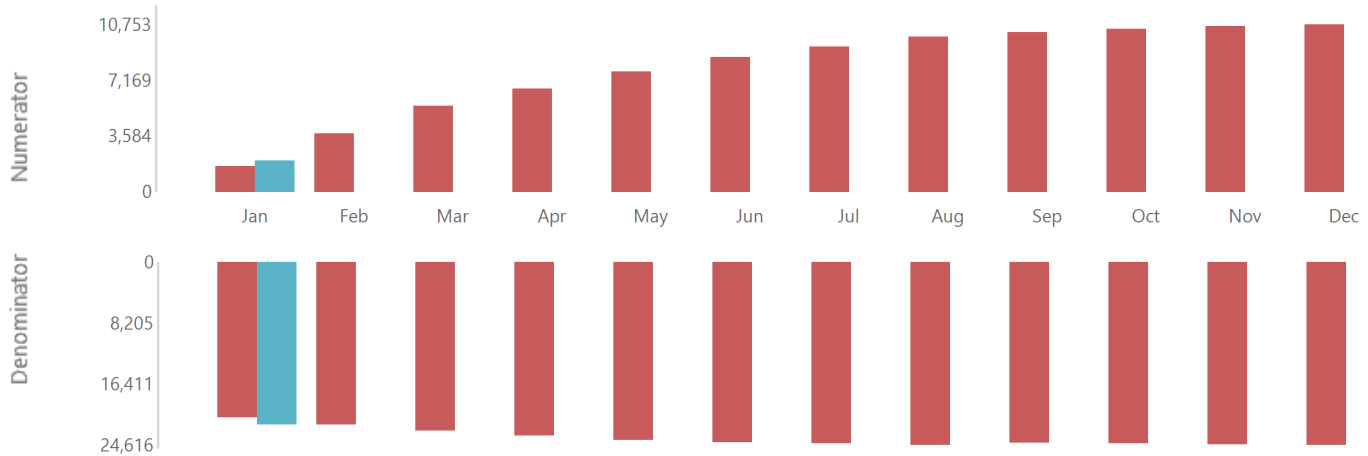
11,372

Rate: 9.26%

MPL: 61.31%



2,024
 21,850



Well-Child Visits in the First 30 Months of Life

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

W30 0 - 15 Months

Hits needed for MPL

1,170

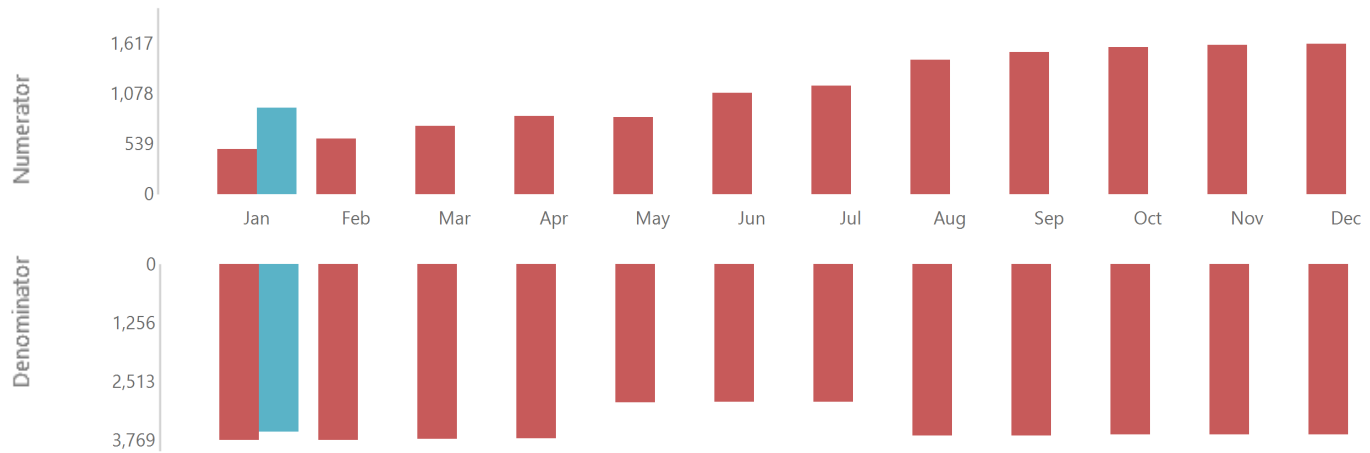
Rate: 25.77%

MPL: 58.38%

| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|--|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2023 | 12.79% | 15.81% | 19.48% | 22.46% | 27.87% | 36.89% | 39.59% | 39.21% | 41.55% | 43.27% | 44.00% | 44.34% |
| | 2024 | 25.77% | | | | | | | | | | | |
| | MPL | 58.38% | 58.38% | 58.38% | 58.38% | 58.38% | 58.38% | 58.38% | 58.38% | 58.38% | 58.38% | 58.38% | 58.38% |

925

3,589



Well-Child Visits in the First 30 Months of Life

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

W30 15 - 30 Months

Hits needed for MPL

908

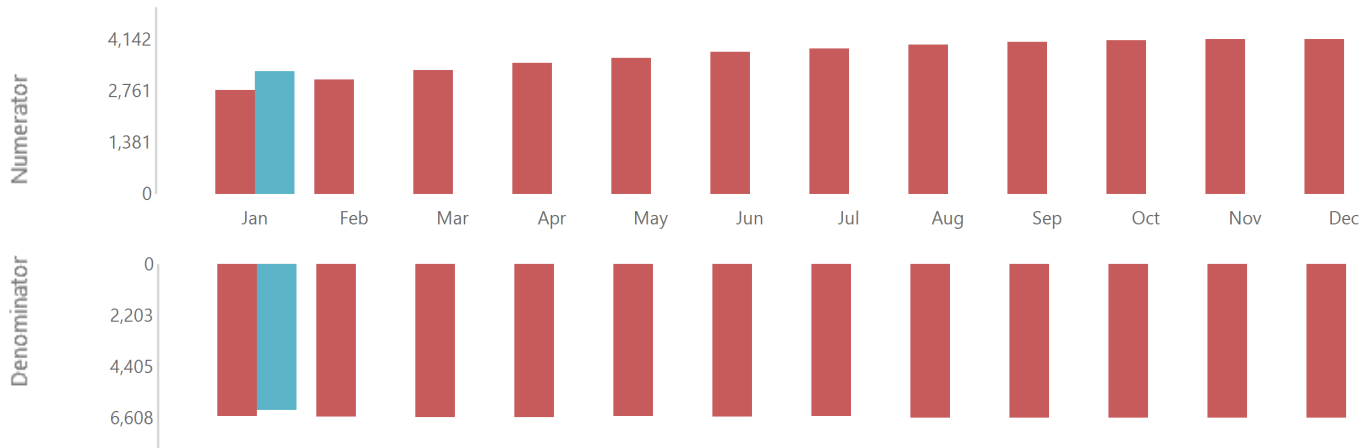
Rate: 52.29%

MPL: 66.76%

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2023 | 42.49% | 46.54% | 50.24% | 53.15% | 55.58% | 57.89% | 59.44% | 60.40% | 61.68% | 62.20% | 62.58% | 62.68% |
| 2024 | 52.29% | | | | | | | | | | | |
| MPL | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% |

3,283

6,279



Prenatal and Postpartum Care

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

PPC Pre

Hits needed for MPL

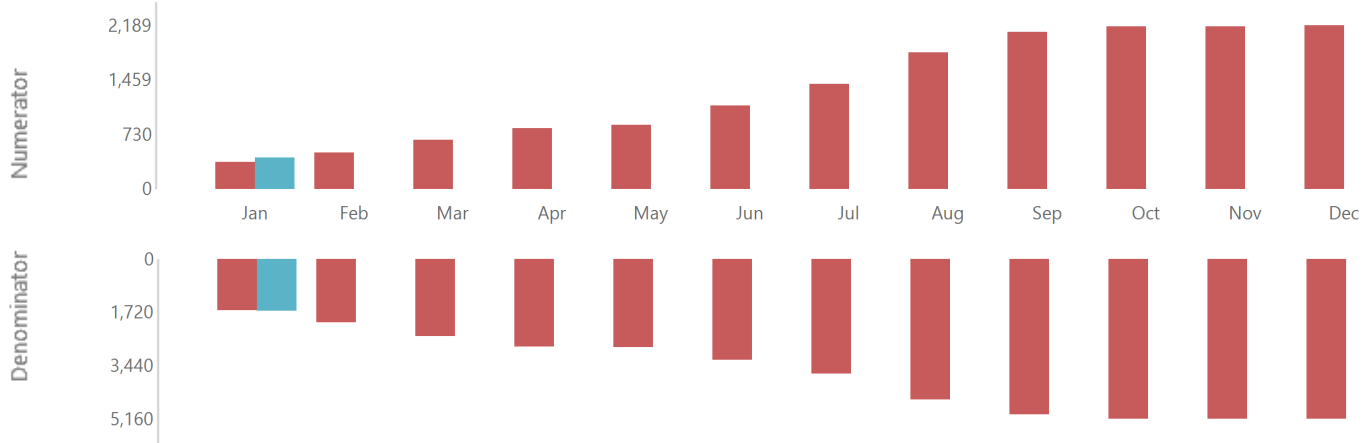
991

Rate: 25.10%

MPL: 84.23%

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2023 | 21.77% | 23.83% | 26.43% | 28.58% | 30.12% | 34.28% | 37.92% | 40.41% | 41.91% | 42.15% | 42.16% | 42.42% |
| 2024 | 25.10% | | | | | | | | | | | |
| MPL | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% |

$$\frac{421}{1,677}$$



Prenatal and Postpartum Care

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

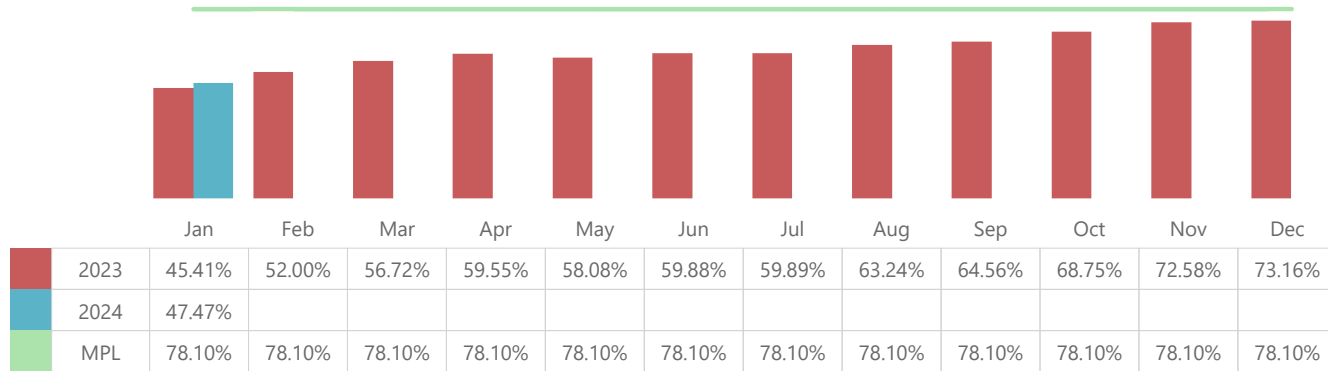
PPC Post

Hits needed for MPL

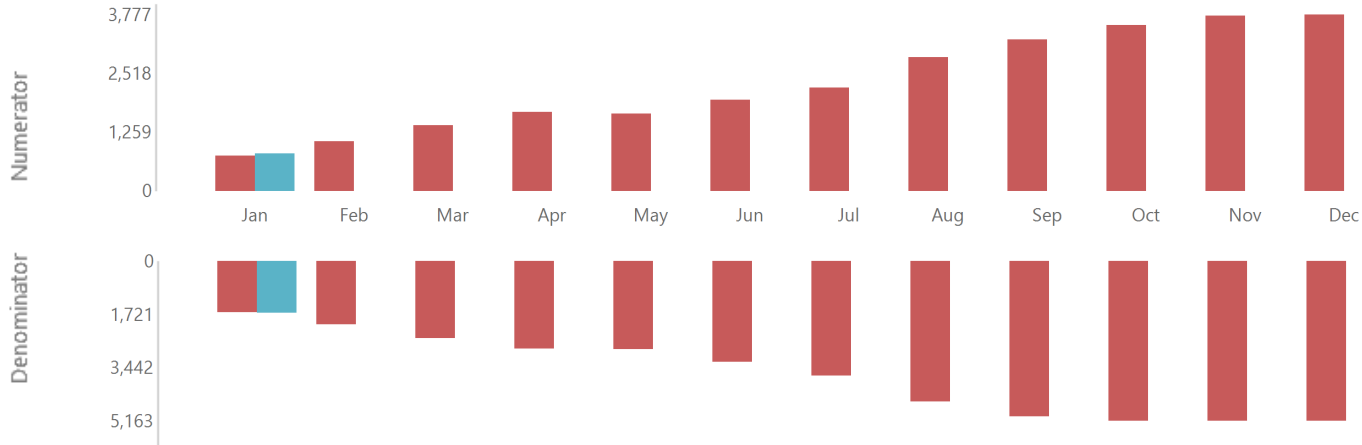
513

Rate: 47.47%

MPL: 78.10%



$$\frac{796}{1,677}$$



Follow-Up After Emergency Department Visit for Mental Illness

The percentage of emergency department (ED) visits for members 6 years of age and older with a principal diagnosis of mental illness or intentional self-harm, who had a follow-up visit for mental illness within 30 days of the ED visit.

FUM 30 Day Follow-up

Hits needed for MPL

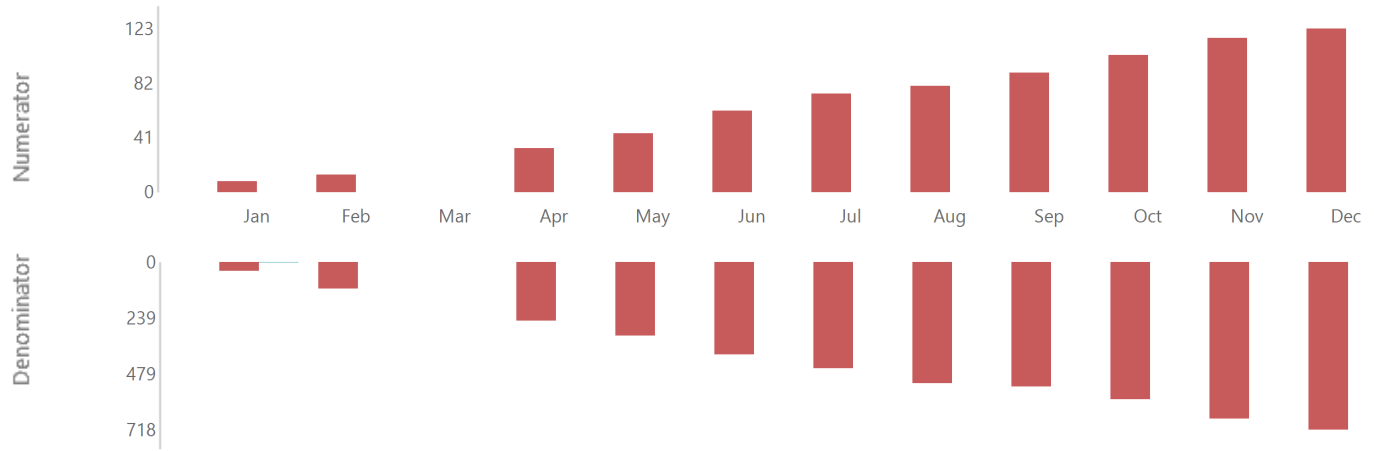
1

Rate: 0.00%

MPL: 54.87%

| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2023 | | 20.51% | 11.50% | | 13.15% | 13.97% | 15.37% | 16.23% | 15.44% | 16.89% | 17.55% | 17.29% | 17.13% |
| 2024 | | | | | | | | | | | | | |
| MPL | | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% |

0
—
3



Follow-Up After Emergency Department Visit for Substance Use

The percentage of emergency department (ED) visits among members age 13 years and older with a principal diagnosis of substance use disorder (SUD), or any diagnosis of drug overdose, for which there was follow-up within 30 days of the ED visit.

FUA 30 Day Follow-up

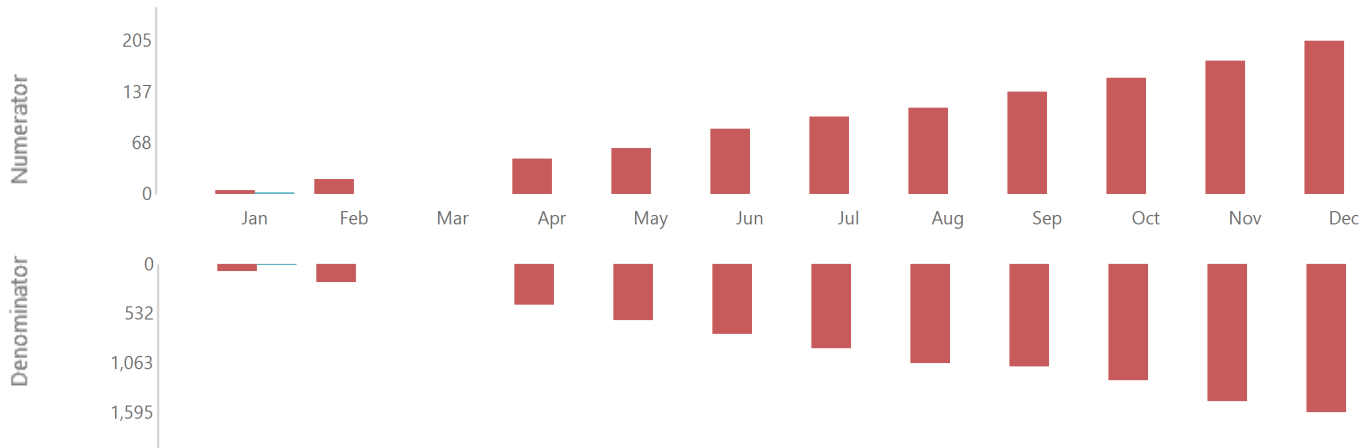
Hits needed for MPL

1

Rate: 20.00%
MPL: 36.34%

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2023 | 6.41% | 10.36% | | 10.71% | 10.05% | 11.58% | 11.33% | 10.81% | 12.45% | 12.39% | 12.06% | 12.85% |
| 2024 | 20.00% | | | | | | | | | | | |
| MPL | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% |

$$\frac{2}{10}$$



Hemoglobin A1c Testing & Control for Patients With Diabetes

The percentage of members 18–75 years of age with diabetes (types 1 and 2) whose hemoglobin A1c (HbA1c) was at the following levels during the measurement year:

- HbA1c Control (<8.0%).
- HbA1c Poor Control (>9.0%).

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

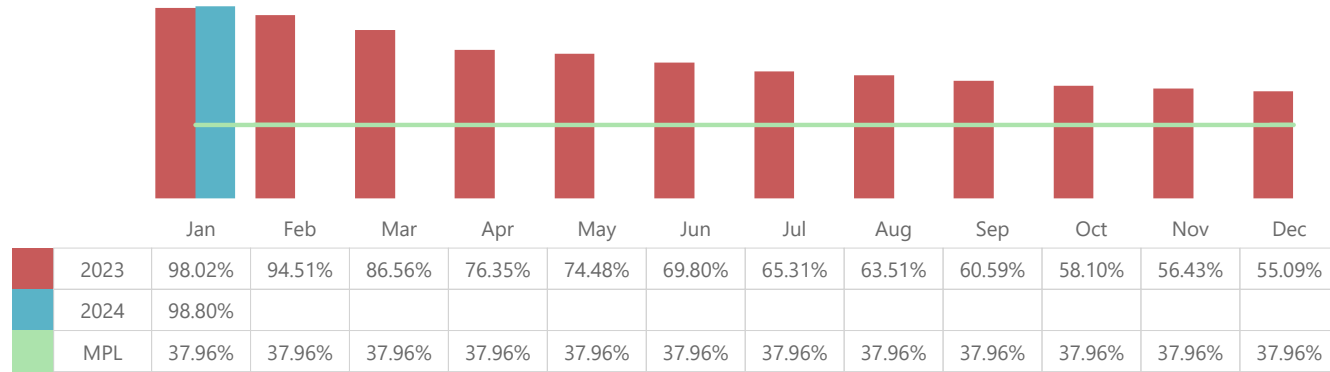
HBD HBA1C >9%

Hits needed for MPL

8,828

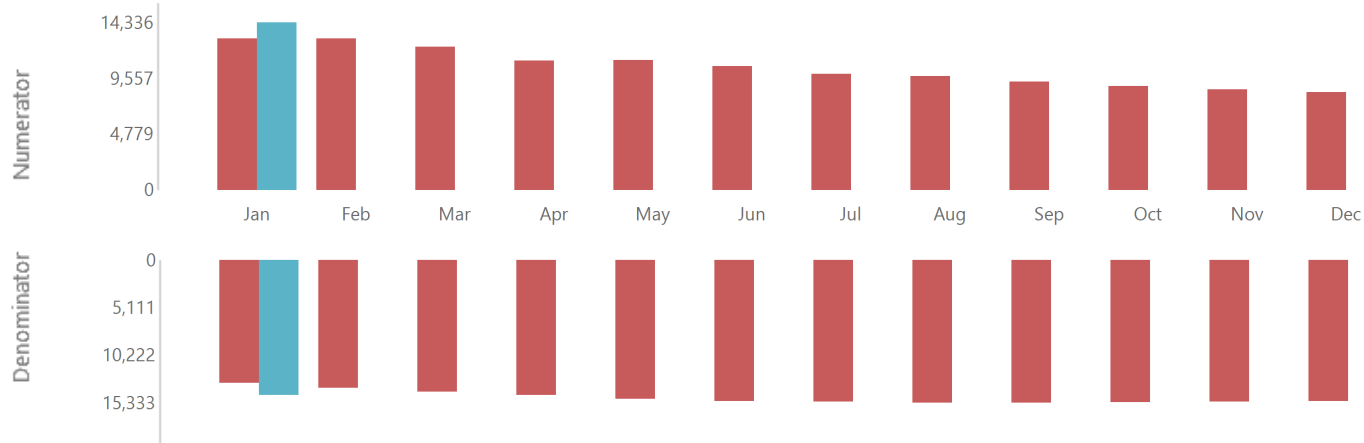
Rate: 98.80%

MPL: 37.96%



14,336

14,510



Developmental Screening in the First 3 Years of Life

The percentage of children screened for risk of developmental, behavioral and social delays using a standardized screening tool in the 12 months preceding or on their first, second, or third birthday. This is a composite measure of screening in the first three years of life that includes three, age-specific indicators assessing whether children are screened in the 12 months preceding or on their first, second or third birthday.

CDEV

Hits needed for MPL

3,715

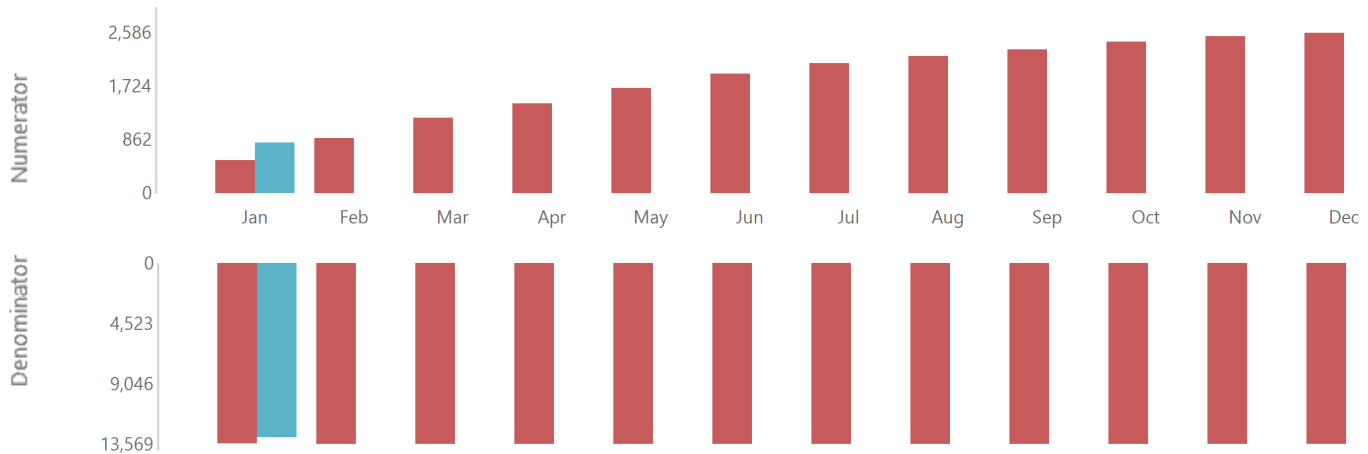
Rate: 6.26%

MPL: 34.70%

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2023 | 3.89% | 6.53% | 8.95% | 10.68% | 12.49% | 14.20% | 15.45% | 16.27% | 17.05% | 18.00% | 18.65% | 19.06% |
| 2024 | 6.26% | | | | | | | | | | | |
| MPL | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% |

818

13,066



Prevention: Topical Fluoride for Children

Percentage of children aged 1–21 years who received at least 2 topical fluoride applications as (a) dental OR oral health services, (b) dental services, and (c) oral health services within the reporting year.

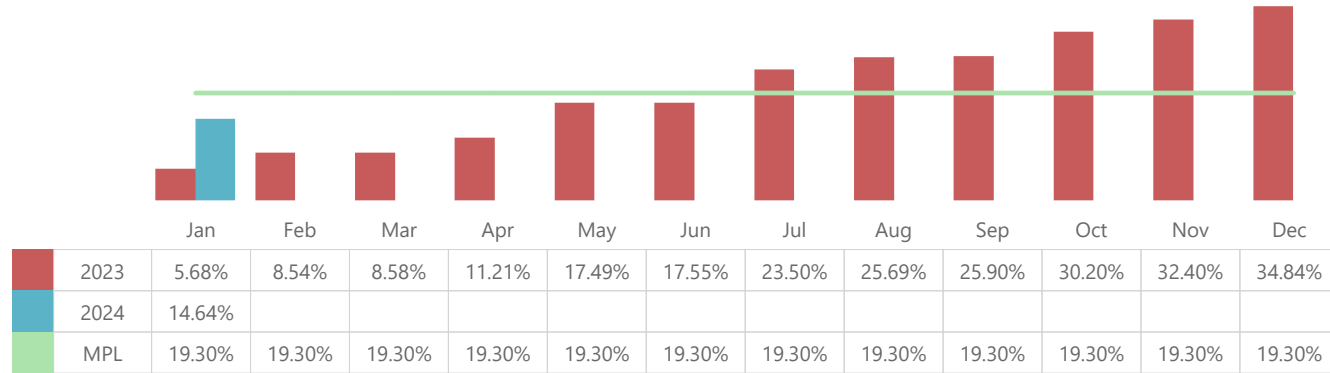
TFLCH

Hits needed for MPL

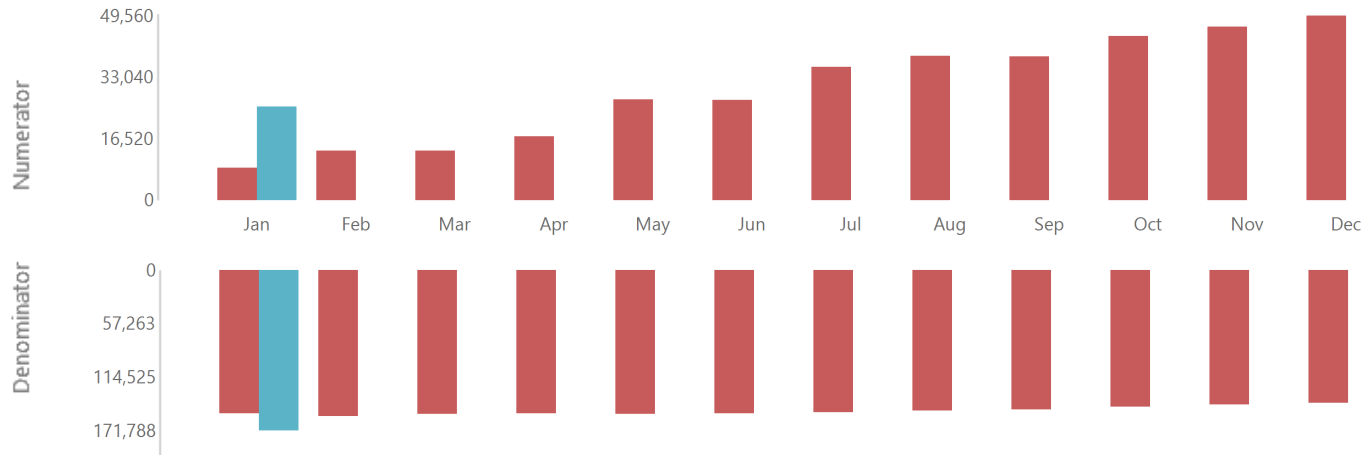
8,008

Rate: 14.64%

MPL: 19.30%



$$\frac{25,147}{171,788}$$





KERN HEALTH SYSTEMS

Chief Executive Officer's Report

Board of Director's Meeting

Emily Duran

February 15, 2024



KHS STRATEGIC PLAN & CEO CORPORATE GOALS

The KHS strategic plan identifies the key priority areas and serves as a roadmap for 2023 – 2025 for the organization. KHS remains on track in accomplishing the strategic goals, please refer to the *Year-End Update on the 2023-2025 Strategic Plan* presentation.

The CEO corporate goals are monitored on a quarterly basis and are aligned with the KHS strategic plan. Included under **Attachment A: 2023 Corporate Goals Tracking** is a final review of the 2023 Corporate Goals status. As noted in the attachment, KHS was successful in completing all items for 2023.

STATE PROGRAM DEVELOPMENT

KHS executed the implementation of several DHCS programs as of 1/1/24:

Long Term Care (LTC) Phase 2: On 1/1/24 DHCS implemented the next phase of the Long-Term Care carve-in for adult and pediatric services in Intermediate Care and Subacute Facilities. In January KHS received 157 members and worked to coordinate care with their existing providers. This transition increases access to comprehensive care coordination, care management, and provides various benefits and services for eligible members. The internal project team successfully prepared for the implementation of these new services through data sharing, approving authorization and reauthorization requests, and coordinating transitioning members for continuity of care. KHS continues to receive members and is collaborating with existing providers to coordinate care. KHS contracted with various Medi-Cal intermediate and subacute providers in our service areas. There is also ongoing internal work to finalize the remaining provider contracts and provide other assistance as needed.

Medi-Cal Expansion to Adults regardless of immigration status: As of 1/1/24 DHCS completed the expansion of full-scope Medi-Cal to individuals who are 26 through 49 years of age regardless of immigration status. DHCS estimated over 18,000 members in Kern County would transition, and an unknown number of new members are now eligible for Medi-Cal. Due to the timing of DHCS sending out Member Choice Packets, most of these members were not enrolled into KHS until February. As of February, KHS has received over 10,000 new members related to this transition.

2024 Health Plan Transitions: Effective 1/1/24, the Medi-Cal Commercial Health Plan option in Kern County changed from Health Net to Anthem Blue Cross. In November all of Health Net's ~90,000 Medi-Cal members received a choice packet from DHCS with instructions on selecting a new Plan. KHS also established data sharing with DHCS and Health Net in preparation for receiving these members. As of January, KHS received over 63,000 members from this transition, and total enrollment eclipsed 400,000. Given this volume, each functional area has adopted an "all hands on deck" approach to onboarding these members and providing continuity of care. Kaiser also effectuated a direct contract with DHCS and as of January, over 16,000 members were transitioned directly to Kaiser and are no longer members with KHS.

LEGISLATIVE SUMMARY

2024 State Legislation: The State Legislature reconvened on January 3rd and the deadline for new bills to be introduced is February 16th. Between now and late April, legislative policy committees will meet to review the merits of bill proposals. Staff is monitoring for relevant bills and analyzing potential impacts. The 2024 bill tracking document is included under **Attachment B: Bill Tracking**. Many more bills are expected to be added to the tracking list as the introduction deadline approaches. KHS Government Relations staff will be in Sacramento on February 27th to participate in the Local Health Plans of California (LHPC) Legislative Briefing Day. LHPC and Plan Staff will be engaging with Legislative and Regulatory staff on priority issues for 2024.

2024-2025 January Draft Budget Proposal: The Governor's proposed 2024-2025 State Budget was released on 1/10/24. This first draft is considered the starting point of a 6-month process to determine State spending effective July 1, 2024. The Governor's Administration projects a \$37.9 billion budget shortfall for the coming fiscal year. Notably, the Administration's projected budget shortfall is substantially smaller than the California Legislative Analyst's Office's (LAO) projected \$68 billion shortfall. Despite the shortfall, the Governor's proposal largely maintains funding for healthcare including Medi-Cal. The Governor proposes to maintain investments in recent initiatives such as CalAIM and the Medi-Cal Expansion to Adults Regardless of Immigration Status. There are some proposed changes to the MCO tax to draw down additional federal funds to help close the deficit. Importantly, the administration remains committed to funding Provider Rate Increases for 2024 and 2025 through the MCO tax, as previously agreed to. Finally, there is a proposed new benefit in Medi-Cal for Wellness Coaches effective 1/1/25. Between now and May the Governor's Admin, Legislators, and other Stakeholders will engage in additional State Budget conversations via the legislative process. Then in May the Governor's Administration will release an updated budget proposal with the latest revenue and spending projections. As always, the KHS Government Relations team will be highly actively engaged in this process, along with our Trade Associations and other partners.

MEDICARE D-SNP UPDATE

In October 2023, I reported that KHS would not be guaranteed passive enrollment for the Medicare D-SNP eligible members on our plan. As a result, we had to re-evaluate our implementation strategy. KHS has been working toward implemented the Medicare D-SNP benefit and program structure however after review, KHS leadership has decided to explore delegating a significant portion of the Medicare product line. This will provide KHS more time to operationalize the technical and regulatory structure. This does not mean that the technical and systems work will come to a halt, but rather it will alleviate the financial and personnel pressures and allow for KHS to continue working to improve quality programs for this population. It will also give us time to hire and train staff to be D-SNP subject matter experts. Delegation contract commitment can be accomplished in the next several months.

STAFFING AND FACILITY UPDATE

As approved in our 2024 Budget, KHS is estimating to be at 700+ full time employees by the end of CY 2024. The current facility was designed and built to accommodate approximately 525 staff. In order to accommodate seating for all staff, we are utilizing a hybrid work model which offers some department staff an alternative to work both from home and in the office. With the addition of other lines of business such as Medicare D-SNP, Medicare Advantage, and potentially Covered California, it is time to re-evaluate our space needs. We have started exploring leasing office space options but would also like to evaluate a campus model (constructing an adjacent building) to accommodate future growth. A formal presentation will be provided to the KHS board later this year to begin discussing in more detail our space needs.

GRANTS AND INITIATIVES 2023 – 2025

Positive progress has been made across various initiatives:

- Community-Based Organizations have successfully executed their contracts and initiated projects. Specifically, 9 out of 15 have started their community initiatives.
- In the Quality Grant Program, 4 out of 10 providers have initiated projects using the grant funding. This includes activities such as purchasing equipment and hiring staff. All contracts within this program have been fully executed, and all providers have begun their respective projects.
- Providers participating in the Recruitment and Retention Grant have actively started their retention efforts and recruitment initiatives. All contracts under this grant program have been fully executed.
- Within the Healthcare Workforce initiative, 7 out of 9 providers have successfully executed their contracts. Efforts are underway to collaborate closely with other institutions to obtain signatures from their Boards.

These updates reflect the proactive and collaborative efforts of the organizations involved in implementing various programs and grants, contributing to the overall success of the initiatives.

Grants Next Steps

A press conference is scheduled for February 15, 2024, aimed at offering the community an insightful overview of the collaborative efforts underway through the various Grants and Initiatives to address gaps in care. As part of this endeavor, close collaboration with providers and Community-Based Organizations (CBOs) is maintained to ensure steady progress toward the outlined milestones in their contracts.

To facilitate effective monitoring, progress reports will be collected monthly from providers and CBOs. This ongoing assessment ensures that providers are aligned with the agreed-upon milestones and making consistent strides toward the overarching goals of the initiatives.

INCENTIVE PAYMENT PROGRAM

Background

The CalAIM Incentive Payment Program (IPP) is intended to support the implementation and expansion of Enhanced Care Management (ECM) and Community Supports (CSS) by incentivizing managed care plans (MCPs) to invest in provider capacity and delivery system infrastructure; bridge current silos across physical and behavioral health care service delivery; reduce health disparities and promote health equity; achieve improvements in quality performance; and encourage take-up of Community Supports.

Year – End Updates

IPP Program Year 1 | July 1, 2022 – December 31, 2023

Incentive Payment PY 1, 4 out of the 19 providers/CBOs did not meet at least one milestone and, consequently, did not draw down the full amount awarded. These milestones encompassed various objectives, including staff recruitment, achievement of quality performance measures, and enrollment of the targeted population outlined by DHCS. However, in the first year of the Incentive Payment Program, notable achievements have been reached. Specifically, 9 out of the 19 participating providers have successfully completed all designated milestones, allowing them to access the full funding awarded for their respective projects. Additionally, a group of 6 providers is currently in the process of finalizing December monthly reports and submitting reimbursement requests. The completion of these steps will facilitate the processing of final payments, marking the successful conclusion of the remaining milestones. This progress underscores the commitment and dedication of the providers in meeting the program objectives.

IPP Program Year 2 | January 1, 2023 – June 30, 2024

In the second year of the Incentive Payment Program, 3/9 providers/CBOs have successfully completed all designated milestones, allowing them to access the full funding awarded. As of the status update, 6 out of the 9 participating providers in the Incentive Payment Program Year 2 are in the process of finalizing their December monthly reports and submitting reimbursement request. Reflecting the ongoing efforts and commitment of these providers to fulfill program requirements and achieve successful outcomes in line with the established milestone.

- Bakersfield American Indian Health Project has initiated ECM enrollment and has hired a Nurse Practitioner, Community Health Worker, Cultural Coordinator, and Lead Case Manager.
- SD Healthcare has achieved a significant milestone by successfully providing Respite Caregiver Services, Personal Care and Homemaker, and Asthma services to over 135 members in Delano and outlying areas. This accomplishment reflects the positive impact and support SD Healthcare has extended to the communities, contributing to the well-being and care of individuals in need.
- Premier Valley Medical Group has hired a Lead Care Manager with lived experience to work Justice Involved population for their ECM program in Arvin.

IPP Program Year 3 | January 1, 2024 – December 31, 2024

A total of 30 Letters of Intent (LOIs) have been received for Enhanced Care Management and Community Support Services. The committee is actively engaged in the review process and has already made initial recommendations. As a next step, a follow-up meeting is scheduled with the respective

Providers/Community-Based Organizations (CBOs) to seek further clarification and ensure a thorough understanding of the services. This collaborative approach aims to enhance communication and align expectations for successful engagement in these services.

IPP Next Steps

Ongoing efforts will be dedicated to addressing these challenges and working collaboratively with the providers to ensure the successful attainment of program milestones in the subsequent phases. IPP programs are funded by the DHCS and it is an outcomes based incentive program focused on expanding ECM and CSS initiatives.

HOUSING AND HOMELESSNESS INCENTIVE PROGRAM

Background | November 1, 2022 – December 31, 2023

As a part of the State’s overarching home and community-based services (HCBS) spending plan, the California Department of Health Care Services (DHCS) launched the Housing and Homelessness Incentive Program (HHIP). HHIP aims to prevent and reduce homelessness and housing instability & insecurity by addressing social determinants of health while improving health outcomes and accessibility to whole-person care for those who are a part of the Medi-Cal population and simultaneously experiencing or at risk of being homeless. Final fund distribution is contingent on meeting all DHCS outcomes.

Year – End Updates

In the Housing and Homelessness Incentive Program, substantial achievements have been reached.

Project Completion: Among the 18 participating providers/Community-Based Organizations (CBOs), 4 have successfully completed their projects, drawing down all allocated funds.

Ongoing Engagement: Of the 18 participating providers in the Housing and Homelessness Incentive Payment Program, 13 are actively involved in finalizing their 4th quarter monthly reports and preparing reimbursement requests. This reflects the ongoing commitment of these providers to meeting program requirements and achieving successful outcomes aligned with established milestones.

- Clinica Sierra Vista (CSV) continues to provide Street Medicine services in rural, urban areas of Kern, and metro Bakersfield. Notably, CSV has distributed 425 harm reduction kits to unsheltered individuals receiving Street Medicine services.
- Corbow Inc. has made a significant impact by providing community support services to LGBTQ+ members at risk of experiencing homelessness.
- The Housing Authority celebrated the grand opening at the Cornerstone Oildale, offering permanent housing to young adults ages 18-25 experiencing or at risk of experiencing homelessness or housing instability.
- United Way's Prevention and Diversion Program, focusing on rental and utility assistance, has successfully assisted 70 households during the 4th quarter.
- Habitat Golden Empire completed 40 minor repairs and 3 major repairs during the 4th quarter, successfully concluding all projects.

- Golden Empire Affordable Housing continues its impactful work by providing housing to families experiencing homelessness.

These accomplishments highlight the collective dedication and efforts of the involved organizations, making a positive impact on homelessness and housing support in the Kern County area.

HHIP Next Steps

Projects will continue until September of 2024 as several are still outstanding due to construction and permit delays.

California Veterans Assistance Foundation ongoing construction on 12 individual units. Casa Esperanza ongoing construction of 2nd permanent housing location. Chaparral ongoing construction on Haley Street Project to build 40 permanent units to house individuals experiencing homelessness. Additionally, Chaparral group has secured space for an additional 10 units.

STUDENT BEHAVIORAL HEALTH INCENTIVE PROGRAM (SBHIP)

Background

The State Budget for 2021 – 2022 included \$13.2 million over three years in incentive funding to build infrastructure, partnerships, and capacity for school behavioral health services in Kern County. In collaboration, KHS and HealthNet convened several stakeholders in Kern County including local education and behavioral health agencies, to collectively identify specific school districts, student populations, and interventions to build infrastructure and support behavioral services on or near campuses.

Status Update

Kern County Superintendent of Schools (KCSOS) is the fiduciary intermediary for fund distribution for the SBHIP initiative. Each participating school district submitted their bi-quarterly reports in December 2023 which are currently under review at DHCS awaiting final approval. All districts remain on target to meet their proposed outcomes. KHS is collaborating with KCSOS to establish data sharing for enhanced care coordination. Examples of the districts targeted interventions include expansion of family resource centers, modular space for service offerings, and telehealth services, teacher trainings, social worker staff recruiting, creating referral tracking system, and hiring onsite behavioral health staff.

Health Net has ended its involvement in Kern County. KCSOS is now leading subgroup meetings with the districts with KHS support. No additional funding has been distributed in 2024.

KHS FEBRUARY 2024 ENROLLMENT

Member Demographics

| Member Age | | Ethnicity | | Language | |
|------------|-----|------------------|-----|----------|-----|
| 0-5 | 12% | Hispanic | 63% | English | 68% |
| 6-18 | 30% | Caucasian | 17% | Spanish | 31% |
| 19-44 | 36% | No Valid Data | 10% | Other | 1% |
| 45-64 | 16% | African American | 6% | | |
| 65+ | 6% | Asian Indian | 1% | | |
| | | Filipino | 1% | | |
| | | Other | 2% | | |

| | Enrollment Type | | | |
|----------|-----------------|--|-----------------|--|
| | Medi-Cal | Seniors & Persons with Disabilities (SPDs) | Adult Expansion | Total KHS Medi-Cal Managed Care Enrollment |
| 2024-01 | 267,900 | 21,891 | 115,827 | 405,618 |
| 2024-02 | 271,248 | 21,962 | 118,179 | 411,389 |
| % Change | 1.2% | 0.3% | 2.0% | 1.4% |

Enrollment Update: The unwinding of Medi-Cal continuous enrollment provision began April 1, 2023 for Medi-Cal eligibles who were due to renew their Medi-Cal eligibility starting in June 2023. Thus, beginning in June 2023, the “automated discontinuance process” for Medi-Cal Redeterminations resumed when beneficiaries do not complete the Annual Eligibility Redetermination process. In December 2023, the Medi-Cal managed care commercial plan transition process began. KHS received over 60,000, Health Net members in January 2024. All Kaiser Permanente members were also transitioned out of KHS and to KP in January 2024. In February 2024, the Medi-Cal managed care undocumented adult expansion for those ages 26-49 began.

COMMUNITY EVENTS

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

| Organization Name | Event Name | Purpose | Donated Amount |
|---|------------------------------------|--|----------------|
| Houchin Community Blood Bank | Annual Houchin T-Shirt Sponsorship | The highly anticipated Houchin T-shirt Giveaways are making their return in 2024, and will be held throughout the year to help battle the product shortage by enticing donors to donate and receive a gift in return | \$1,250 |
| NAACP | NAACP Awards Extravaganza | Recognize outstanding achievements and contributions within the African American Community and demonstrates our commitment to diversity and inclusion. KHS received the 2024 NAACP Corporate Award. | \$5,000 |
| Safe Haven Kids League of California City | Annual Spread the Love Kids Winter | This event will provide the following to the California City community: free food boxes & fresh produce, educational items, winter coats | \$3,000 |

| | | | |
|--|---|--|---------|
| | Coat & Community Resource Giveaway | for all kids, hygiene kits, arts & crafts, food & beverage, and more. | |
| Kern County Hispanic Chamber of Commerce | 2024 Installation & Business Awards Gala | The Installation and Business Awards Gala celebrates 39 years of success. Emily Duran, CEO, was honored as the 2024 Business Woman of the Year. | \$9,250 |
| Boys & Girls Clubs of Kern County | Youth of the Year Legacy Gala | All proceeds raised from the Legacy Gala will be invested back into the Club's Advanced Education Scholarship fund for young adults in their programs. | \$1,500 |
| CSUB | Alumni Hall of Fame | Recognize CSUB graduates whose career accomplishments, community service and/or support of the university have made their alma mater proud. | \$2,500 |
| Garden Pathways | Heart of the Country | Proceeds benefit Garden Pathways mentoring and education programs for at-risk and low-income families and youth. | \$5,000 |
| The Plank Foundation | Game Night/Game Show Connection | The Plank Foundation's focus is to provide needed funds for cancer care, cancer treatment, and the needs of hospice organizations, all within Kern County. | \$1,200 |
| Valley Fever Americas Foundation | Foundation Night at the Bakersfield Condors | Sponsor the purchase of 100 tickets for survivors and family members to the Bakersfield Condors game. This night will be designated the Valley Fever Night where the Foundation will award a grant to Centennial High. | \$1,500 |
| Alzheimer's Disease Association Of Kern County (ADAKC) | ADAKC's Annual Golf Classic | Proceeds will benefit ADAKC efforts to improve the life of someone with Alzheimer's while giving their caregivers some much-needed relief. | \$800 |
| Kern County Cancer Foundation | Teaming Up Against Cancer | KCCF helps pay for the treatment of local cancer patients who lack insurance or sufficient coverage to pay for their medical care. | \$3,500 |
| Bakersfield College Foundation | The 16th Annual Sterling Silver Dinner | Recognize community members whose support is bringing to life many of BC's new programs and campus improvements. | \$2,500 |
| Bakersfield Chapter of the Links, Incorporated | 2nd Annual Black Family Wellness Expo | Addresses the health needs of all families. Gain knowledge on living a healthier lifestyle and on mental health. | \$2,500 |
| Stewards | 10th Annual Bakersfield Amazing Race | Proceeds support the most vulnerable of the community, mentally disabled, and elderly adults with financial services. | \$1,000 |
| Noel Alexandria Foundation | 3rd Annual Night with the Angels | Mission is to raise awareness, provide free resources, and emotional and financial support to families affected by Pregnancy and Infant Loss. | \$2,500 |

KHS will also participate in the following events in February and March:

| Organization Name | Event Name | Location | Date | Time |
|---------------------------|-----------------------------|---|-------------|----------------|
| First Presbyterian Church | Food Pantry | First Presbyterian Church 1705 17th St. Bakersfield | 2/15/2024 | 7:30am-10:30am |
| South High School | Black History Cultural Fair | 1101 Planz Rd, Bakersfield | 2/21/2024 | 11:30am-1:15pm |
| First Presbyterian Church | Food Pantry | First Presbyterian Church 1705 17th St. | 3/21/2024 | 7:30am-10:30am |

Member Engagement Updates: Member Engagement Representatives (MERs) are working at the Family Resource Centers in Mojave, Lake Isabella, and Frazier Park. The goal is to begin working at the Delano Union School District Office, the Taft Historic Fort, and the Ridgecrest Family Resource Center this month. MERs continue outreach efforts including benefits, member rewards, and Medi-Cal renewal/expansion awareness at various events and collaborative meetings in rural communities. Member Engagement is collaborating with Health Equity to facilitate quarterly KHS Community Advisory Committee meetings and supporting KHS efforts by facilitating outreach campaigns for Medi-Cal Renewals and the Member Engagement Rewards Program.

Employee Video Newsletter

KHS' Video Employee Newsletter can be seen by clicking the following link:
[Keeping Up with KHS - February Newsletter on Vimeo](#)

KHS Media Clips

We compiled local media coverage that KHS received in December 2023 – February 2024. Please see [Attachment C: Public Relations/Publicity Media Clips](#).

KHS ORGANIZATIONAL HIGHLIGHTS

KHS Career Expo

KHS hosted its second annual Career Expo on January 25, 2024. The event is an excellent networking platform, provides new recruitment opportunities, and increases community engagement.

The event was advertised in local print, news and radio, social media and shared with our community business partners; the response was phenomenal. Over 575 candidates RSVP'd and 450 attended the event. KHS leadership was present and shared upcoming job opportunities with all attendees. Attendees shared positive feedback not only about the organization, but the leadership who spoke highly of the company, their departments, and upcoming opportunities. The career expo was a huge success and KHS is looking forward to utilizing the talent pool from this event as well as hosting additional expos to create a pipeline for the future talent.



KHS PROVIDER NETWORK HIGHLIGHTS

Pay for Performance (P4P) Dinner

Kern Health Systems (KHS) hosted its 14th annual Pay for Performance (P4P) Dinner for its network of Primary Care Providers on Wednesday January 31, 2024. The event highlights the P4P Program, under which network providers are rewarded for providing preventive and chronic health care services to their assigned members. The dinner was kicked off with a keynote presentation from our CEO, Emily Duran, centered on the KHS Corporate Strategic Plan. She emphasized the importance of achieving several of KHS's strategic goals including Quality and Health Equity, Behavioral Health, Member Engagement, CalAIM, and Workforce Expansion.

Following her presentation, Loni Hill-Pirtle, Director of Enhanced Care Management, gave an overview of what Enhanced Care Management (ECM) is, and what it is not, as well as what practices can do to become KHS ECM providers. Jake Hall, Senior Director of Contracting and Quality Performance, concluded the presentations with an overview of the 2024 Pay for Performance Program. As emcee Traco Matthews, KHS' Chief Health Equity Officer, kept the energy high throughout the event, this was a great opportunity to connect KHS staff and network providers, enjoy a delicious meal, and be reminded of our shared common goals of achieving health equity for all by collaboratively improving our members' health.



KHS MEMBERSHIP | COMMUNITY HIGHLIGHTS

Health Equity Listening Sessions

Kern Health System's Health Equity Office is taking proactive steps to address healthcare disparities by organizing a series of regional listening sessions. These sessions aim to better understand the distinctive challenges that each region within Kern County faces concerning healthcare access, quality, and trust. By engaging with our members, community-based organizations, healthcare providers, and community stakeholders, the Health Equity Office seeks to gain valuable insights that will inform targeted strategies to improve health outcomes and equity across the diverse populations and regions of our county. Meetings were held in Taft, Delano, Lamont and Bakersfield with an upcoming meeting in East Kern. Participants discussed barriers such as issues with navigating their care, identifying resources, transportation and language among others. This initiative underscores Kern Health System's commitment to fostering inclusivity, understanding local nuances, and working collaboratively to enhance healthcare experiences for all residents.





Corporate Goals Status: Q4 2023

| Corporate Goal 1 | | | | |
|---|---|------------|------------|---|
| Name | Behavioral Health Program | | | |
| Description | Over the last several years, managed care plans have experienced a number of behavioral health focused services that transitioned under their scope of services. In 2018, the managed care plans assumed responsibility of Autistic Behavioral Therapy (ABA) and non-specialty mental health service delivery. Most recently, the plans are to collaborate with the specialty mental health provider to incorporate a “No Wrong Door” structure which requires close engagement between providers in coordinating behavioral and mental health care for the member, regardless of initial screening or service entry point. KHS currently lacks the personnel to oversee the services specific to behavioral health, and with an increased focus in care integrations, the need to develop a department is essential. | | | |
| Deliverables | Start Date | Due Date | % Complete | Q4 Status |
| Develop and incorporate a Behavioral Health department into the KHS organizational structure. Create/update policies, procedures and operationalize the department in the 1st – 2nd Quarter, 2023. | 1/1/2023 | 6/30/2023 | 100% | Initial Behavioral Health framework and policies completed. Ongoing development of additional policies and procedures. Finalized hiring 2023 budgeted Behavioral Health staff. Ongoing execution of the Behavioral Health Corporate Project, under the direction of the Behavioral Health Director. |
| Evaluate and ensure the mental health provider network is adequate to provide all outlined non specialty mental health services (NSMHS) and communicate with MHPs regarding DHCS requirements. Create a formal collaborative structure with Kern Behavioral Health and Recovery Services and other entities that provide behavioral and mental health services during the 2nd Quarter, 2023. | 1/1/2023 | 6/30/2023 | 100% | Internal structures established, and communications lines with Kern Behavioral Health and Recovery Services (KBHRS) are in place. Established ongoing internal analytics and surveys on provider capacity and appointment wait times to identify gaps in the network. Established ongoing collaboration with KBHRS to share referrals/screenings for BH Services. |
| Further evaluate and develop the implementation of Primary Care Provider Roles with Substance Use Disorder services / Medication Assisted Treatment services. Coordinate with participating Primary Care Providers, Inpatient Hospitals, Emergency Rooms, or other contracted medical settings for Medications for Addiction Treatment (MAT – aka Medication Assisted Treatment) starting in the 3rd Quarter, 2023. | 7/1/2023 | 12/31/2023 | 100% | BH Director worked with pharmacy on reports to identify MAT medications being prescribed (member and provider level). Enhanced reporting and analytics to identify members who receive MAT for coordination and oversight. Confirmed provider contracts do not need to be modified, as this service can be provided in the PCP setting. |
| Evaluate the availability of emergency stabilization services. Coordinate with participating Primary Care Providers and Kern Behavioral Health and Recovery Services regarding access to care for substance use disorder (SUD) services in the 4th Quarter, 2023. | 10/1/2023 | 12/31/2023 | 100% | Coordination between the BH and UM teams for SUD referrals. Worked to support notification of providers when members visit the ED for SUD. Worked on coordination with external vendor to follow up with members after SUD hospital visits. |

Corporate Goals Status: Q4 2023

| Corporate Goal 2 | | | | |
|--|---|-----------|------------|--|
| Name | Quality and Health Equity Program | | | |
| Description | DHCS has published the 2022 Comprehensive Quality Strategy (CQS) that focuses on guiding principles of eliminating health disparities from inherent delivery system bias, using community-based partnerships; data driven improvements that address the whole person; and transparency, accountability and member involvement. These principles and strategies are meant to improve the clinical outcomes of our membership. There are also three specific focus areas that include children’s preventative care, maternity care and birth equity, and behavioral health integration. | | | |
| Deliverables | Start Date | Due Date | % Complete | Q4 Status |
| Identify organizational structure for the role of a Health Equity Officer, as required in the DHCS CQS. This position will be responsible for carrying out the CQS strategies in collaboration with the Quality Improvement and Population Health Management departments. Project to launch 1st Quarter, 2023. | 1/1/2023 | 3/31/2023 | 100% | <p>Chief Health Equity Officer hired, and KHS Health Equity Office launched. Policies and procedures are being rolled out continuously.</p> <p>Health Equity Office structure completed and approved. Health Equity staff onboarded.</p> <p>Initial set of Quality Improvement and Health Equity Transformation Program (QIHETP) policies and procedures documented and approved. Additional strategic direction in development.</p> |
| Identify and assess members risks guiding the development of care management programs and focused strategies in the 2nd Quarter, 2023. | 1/1/2023 | 6/30/2023 | 100% | <p>Internal updates to Risk Stratification and Segmentation processes have been completed. Additional updates will occur as needed.</p> <p>Re-structured Care Management (CM) Team to ensure all members received appropriate CM services. Hired LVNs and Community Health Workers to provide Care Management to moderate and low-level risk members.</p> |
| Create strategies to engage members as “owners of their own care”. Member Engagement Program - Develop a robust member and community engagement program in the 2nd and 3rd Quarter, 2023 | 4/1/2023 | 9/30/2023 | 100% | <p>Developed job descriptions, conducted interviews, and hired Community Engagement Coordinator position and Member Navigators. Coordinated with community partners in designated areas to station staff.</p> <p>Continued to support and expand street medicine initiatives designed to meet members where they are.</p> <p>Conducted proactive outreach to members in need of services and addressed barriers in receiving necessary care.</p> |

Corporate Goals Status: Q4 2023

| | | | | |
|---|----------|------------|------|---|
| | | | | Ongoing execution of comprehensive multi-channel outreach efforts to members due for Medi-Cal redetermination. |
| Develop communication strategies that will focus on keeping families and communities healthy via prevention during the 3rd Quarter, 2023. | 7/1/2023 | 9/30/2023 | 100% | Developed comprehensive Medi-Cal renewal communications campaign. Member Outreach Specialists contacting members in need of services and addressing barriers in receiving necessary care. |
| Create early interventions for rising risk and patient centered chronic disease management by the end of the 3rd Quarter, 2023. | 4/1/2023 | 9/30/2023 | 100% | Conducted analysis on members diagnosed with obesity and diabetes. Developed special program description and scope of work to address this population. |
| Expand on programs that focus on whole person care for high-risk populations, addressing drivers of health by the end of the 4th Quarter, 2023. | 4/1/2023 | 12/31/2023 | 100% | Developed and implemented Population Health Management Programs for Maternal Mental Health, Sickle Cell Anemia and eating disorders, and for members enrolled in Community-Based Adult Services and receiving Private Duty Nursing. Additional program developed for high-risk pregnancy including screening for high-risk pregnancy, and hiring a high-risk pregnancy nurse internally. Population Health Management team also implemented the KHS baby-steps initiative. |

Corporate Goals Status: Q4 2023

| Corporate Goal 3 | | | | |
|---|--|-----------------|-------------------|---|
| Name | Health Information Data Exchange & Security | | | |
| Description | Kern Health Systems is accountable to the Health Insurance Portability and Accountability Act of 1995 (HIPAA) Security Rule which leverages the National Institute Standards and Technology (NIST) for Information Security (InfoSec) practices. Additionally, the plan is obligated through contracts with the State of California to ensure that the health plan maintains data and systems following these standards. As KHS continues to expand on the health information data exchanges with numerous provider groups that potentially do not have technology safeguards in place, it also raises KHS security concerns. As a result, KHS continuously scrutinizes and updates its information and cyber security protocols and practices to ensure that the best strategies and tools are being used based to provide a secure and protected environment. Over the next year, KHS will establish 24-hour monitoring of its Information Security systems to ensure that there is immediate action to avoid potential threats. After the installation of this new system, KHS will perform its annual 3rd party audit of the Information Security procedures and controls and provide an Executive presentation to key stakeholders. | | | |
| Deliverables | Start Date | Due Date | % Complete | Q4 Status |
| Procure, install, and configure new logging and monitoring system in the 1st Quarter, 2023. | 1/1/2023 | 3/31/2023 | 100% | Logging and monitoring system has been procured and installed. Currently monitoring 3rd party events |
| Perform annual 3rd party audit following the NIST security framework to independently evaluate Kern Health Systems starting the 2nd Quarter, 2023. | 4/1/2023 | 10/30/2023 | 100% | Developed and published RFQ to solicit vendors to perform security audit. Vendor selection is complete. 3 rd party audit completed, with recommendations analysis output. |
| Analyze audit and perform risk management and remediation on any findings to close gaps by end of 3rd Quarter, 2023. | 10/1/2023 | 12/31/2023 | 100% | 11 Vulnerabilities were discovered (only 3 considered HIGH) and all but one of the 11 have been remediated. A second “remediation” test is being scheduled to confirm. |
| Provide an Executive presentation to key stakeholders on the status of the Corporate Information Security strategies and audit by end of 4th Quarter, 2023. | 11/1/2023 | 12/31/2023 | 100% | The compilation of the findings, risks, and remediation efforts was presented to leadership. |

Corporate Goals Status: Q4 2023

| Corporate Goal 4 | | | | |
|---|--|------------|------------|--|
| Name | Dual Eligible Special Needs Population (DSNP) and Medicare | | | |
| Description | Promoting integrated care by incorporating mandatory Medi-Cal Managed care enrollment for individuals who are dual eligible for (Medi-Cal and Medicare) is part of the CalAIM initiative to improve health. Although this is optional for managed care plans, it is strongly recommended by DHCS. The goal is to promote integration and align enrollment of the DSNP population, increase coordination of care, and better health outcomes. KHS would be eligible to offer a Medicare Advantage product in 2025-2026 contingent on preparation, fiscal and operational feasibility, and both DHCS and CMS approvals. In order to evaluate our role and readiness for this new line of business, the process and preparation is being initiated. | | | |
| Goal 4a: National Committee for Quality Assurance (NCQA) Health Plan and Health Equity Accreditation | | | | |
| One component of DHCS' CalAIM initiative will require Health Plans to receive accreditation from the National Committee for Quality Assurance (NCQA) by 2026. This accreditation consists of a rigorous framework of policies and procedures designed to improve quality and quality measurement. Plans are evaluated across a number of departments and functions including Quality Improvement, Population Health Management, Provider Network Management, Utilization Management, and Member Services. Becoming NCQA accredited will require a multi-year approach to preparation. In 2023 KHS will assess current policy and procedure against the NCQA requirements to build out a remediation plan. | | | | |
| Deliverables | Start Date | Due Date | % Complete | Q4 Status |
| KHS will embark in a detailed Medicare Advantage Fiscal and Operational Feasibility study and gap analysis. This will require the procurement of consulting services that have the expertise in Medicare implementation for Medi-Cal focused plans. This process will start in the 1st Quarter of 2023 with final reporting by 4th Quarter, 2023. | 1/1/2023 | 12/31/2023 | 100% | Initial Milliman Gap Analysis completed by end of 2022. Internal Medicare leadership onboarded, and Corporate Project is executing. Finalized development of a 3-year product roadmap and timeline. Market and Competitor analysis completed for 2023. Conducted gap analysis and requirements gathering across functional areas. Developed 2023 and 2024 staffing model and resource plan, and identified projects needed for 2024. Finalized Medicare business strategy and timeline delivery plan. Developed Health Services strategy and Population Health risk analysis. |
| NCQA Gap Analysis will be initiated and will encompass all KHS departments. Education and training will be provided to all stakeholders on NCQA standards and accreditation processes. The Gap Analysis will assess the current plan position against NCQA standards starting in the 1st Quarter, 2023. | 12/1/2022 | 2/28/2023 | 100% | Procurement completed for NCQA consulting services related to gap analysis and readiness. NCQA gap analysis and readiness assessment has been initiated. NCQA training conducted on health plan and health equity accreditation. Additional training will occur as needed through the course of the accreditation process. |

Corporate Goals Status: Q4 2023

| | | | | |
|---|-----------------|-------------------|-------------|---|
| <p>Conduct NCQA readiness and gap assessment across all Health Plan functions and relevant NCQA standards starting in the 3rd – 4th Quarter, 2023.</p> | <p>1/1/2023</p> | <p>7/31/2023</p> | <p>100%</p> | <p>Comprehensive NCQA gap analysis and readiness assessment has been completed.</p> |
| <p>Develop a deliverable document with gaps and recommendations for remediation with reference to NCQA standard requirements. Develop timeline for readiness and application process will start in the 3rd – 4th Quarter, 2023.</p> | <p>6/1/2023</p> | <p>12/31/2023</p> | <p>100%</p> | <p>Implementation timeline, strategy, and workplan developed. Completing gap-closure work based on areas identified in the readiness review.</p> <p>Developed roadmap and project needs for 2024 NCQA work.</p> <p>Hired dedicated NCQA Manager tasked with overseeing implementation and operational excellence.</p> |

Corporate Goals Status: Q4 2023

| Corporate Goal 5 | | | | |
|---|---|-----------------|-------------------|---|
| Name | DHCS Incentive Programs | | | |
| Description | Starting in 2021, DHCS introduced Incentive Programs to promote health plan, provider, and community service organizations collaborative participation to carry out the development of several areas of the CalAIM initiatives. These incentive programs are not a requirement and participation is voluntary, however these funds are available to assist in building program and service delivery models, including infrastructure. | | | |
| Goal 5a: Incentive Payment Program (IPP) | | | | |
| Deliverables | Start Date | Due Date | % Complete | Q4 Status |
| KHS will host CalAIM Roundtables in partnership with key stakeholders, and/or continue promoting local engagement efforts with regional partners through diverse forums starting in 1st Quarter, 2023. | 1/1/2023 | 12/31/2023 | 100% | CalAIM Kern Collaborative meetings held monthly in collaboration with HC2 Strategies and Health Net leadership promoting local engagement efforts with regional partners through this forum. Kern CalAIM Collaborative Steering Committee meeting also met monthly to offset planning and priority initiatives introduced at larger CalAIM Kern Collaborative meeting. |
| Establish quarterly performance monitoring capabilities ensuring milestones are met by KHS Provider Network and CBOs in order to award Provider proposals with earned dollars for Program Year 2023. | 1/1/2023 | 12/31/2023 | 100% | Providers submitted monthly progress reports with updates on milestones. Met monthly with providers to offer support to ensure milestones are met and address any challenges. DHCS reporting completed on time as required. |
| Track high-priority budgeted solutions implemented, respective to each Priority Area strategy, as they are outlined in the Program Year 2 Incentive Payment Measure Set prior to an initial submission scheduled by DHCS by end of 3rd Quarter, 2023. | 1/1/2023 | 9/30/2023 | 100% | KHS Grant team met with new Providers and CBOs who were awarded funds for IPP PY 2. Funds used for the implementation of new ECM programs and CSS services. Milestones and budgets were submitted, reviewed, and agreements were drafted. KHS Grant team collected data and monitored milestone completion. DHCS reporting was completed and submitted timely. KHS is on track to earn full payment. |
| Goal 5b: Housing and Homeless Incentive Program (IPP) | | | | |
| Deliverables | Start Date | Due Date | % Complete | Q4 Status |
| Implement the “Local Homelessness Plan (LHP)” determining what is necessary to meet structural and capacity requirements to fulfill HHIP objectives by 1st Quarter, 2023. | 1/1/2023 | 3/31/2023 | 100% | Contracts for HHIP were finalized and executed in December 2022. Progression towards fulfilling HHIP objectives is discussed via meetings, committees, and |

Corporate Goals Status: Q4 2023

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|--|-------------------|-----------------|-------------------|---|
| | | | | working groups. HHIP projects are implemented and on track to meet milestones outlined in respective contracts addressing the needs in the County as outlined in the LHP. |
| Complete and submit to DHCS the “MCP Submission 1” outlining implementation approach to address gaps and needs by February 2023. | 1/1/2023 | 3/10/2023 | 100% | Staff collected the necessary information for reporting and submitted by DHCS' updated due date of 3/10. |
| Create performance monitoring capability to measure the Local Homelessness Plan (LHP) success as defined as demonstrated performance against measure targets linked to achievement of HHIP milestones by 2nd Quarter, 2023. | 3/1/2023 | 6/30/2023 | 100% | Progress reports collected monthly from HHIP contracted providers. Staff are providing support as needed to HHIP providers as new projects continue to make progress towards completion dates. |
| Complete and submit to DHCS the “MCP Submission 2” outlining implementation approach to address gaps and needs by December 2023. | 10/1/2023 | 12/31/2023 | 100% | Worked closely with HHIP providers to ensure data collection met DHCS requirements. Progress reports collected monthly to ensure milestones were on track. KHS submitted the HHIP submission to DHCS on 12/29/23. |
| Goal 5c - Student Behavioral Health Improvement Program (SBHIP) | | | | |
| Deliverables | Start Date | Due Date | % Complete | Q4 Status |
| Implement the “Project Plan (Milestone One)” determining what is necessary to fulfill SBHIP initiatives including each targeted intervention & the County Needs Assessment for Program Year 2, starting the 1st Quarter, 2023. | 1/1/2023 | 12/31/2023 | 100% | Funding received from DHCS. Proposed project budgets have been received. Contract between the school districts and KHS has been signed and executed. Subgroup meetings with districts continue to be led by KHS. School districts tracking and collecting data to demonstrate outcomes. DHCS Approved the first report received, granting an additional \$1.2 million to KHS. |
| Complete and submit to DHCS an initial Bi-Quarterly Report by end of 2nd Quarter, 2023. | 5/15/2023 | 6/30/2023 | 100% | All bi-quarterly reports were submitted by each district. KHS completed internal review and approval of the final bi-quarterly reports for each intervention. Documents submitted to DHCS on 6/28. |
| Complete and submit to DHCS a second Bi-Quarterly Report by end of 4th Quarter, 2023. | 11/15/2023 | 12/31/2023 | 100% | 2 nd bi-quarterly reports and supporting documents were submitted to DHCS on 12/28/23. DHCS confirmed receipt. |

Corporate Goals Status: Q4 2023

| Corporate Goal 6 | | | | |
|--|--|------------|------------|---|
| Name | Institutionalizing Telehealth Coverage Revisions as New (Permanent) Medi-Cal Benefit* | | | |
| Description | Telehealth Services has shown to be an effective method for maintaining the physician/patient relationship during the pandemic. DHCS modified its benefits to expand telehealth as an alternative to office visits during the stay-at-home order. DHCS intends to make permanent and expand several telehealth provisions that were allowed during the Public Health Emergency, effective in 2023. | | | |
| Deliverables | Start Date | Due Date | % Complete | Q4 Status |
| Determine the impact to the participating provider network by 1st Quarter, 2023. Determine the impact to KHS, its policy, procedures, protocols, tracking and reporting by 1st Quarter, 2023. | 1/1/2023 | 5/31/2023 | 100% | DHCS released the final Telehealth APL in mid-April. Internal review and analysis, operational planning, policy development, system configuration discussions completed. |
| Inform participating providers telehealth will become a permanent benefit effective 2023 under Medi-Cal by 4th Quarter, 2022. | 5/1/2023 | 6/30/2023 | 100% | PNM developed a Provider Bulletin in collaboration with multiple business areas. Compliance notified Kaiser of the APL and their responsibilities. |
| Convey logistical information about the benefit and procedures providers will need to follow when using telehealth services and receiving payment for telehealth services by 1st Quarter, 2023. | 5/1/2023 | 6/30/2023 | 100% | PNM developed a Provider Bulletin in collaboration with multiple business areas. Compliance notified Kaiser of the APL and their responsibilities. |
| Inform members that telehealth will be added to their Medi-Cal benefits explaining what it is, why it is beneficial and how this service will be provided and used for the member’s benefit by 1st Quarter, 2023 | 5/1/2023 | 6/30/2023 | 100% | Member Handbook was previously updated. Notices were sent during COVID, and benefit didn't materially change. |
| Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2023). | 5/1/2023 | 12/31/2023 | 100% | Team developed internal Telehealth Policy. DHCS policy and procedure requirements were submitted timely by 7/10. Ongoing discussion to develop internal quality monitoring process. |

*Subject to DHCS finalization of policy and release of guidance (APL)



ATTACHMENT B: BILL TRACKER

| Title | Description | Status |
|-----------------------------------|---|--|
| <p>AB 236 (Holden)</p> | <p>This bill would require a plan or insurer to annually verify and delete inaccurate listings from its provider directories, and would require a provider directory to be 60% accurate on July 1, 2025, with increasing required percentage accuracy benchmarks to be met each year until the directories are 95% accurate on or before July 1, 2028. The bill would subject a plan or insurer to administrative penalties for failure to meet the prescribed benchmarks. If a plan or insurer has not financially compensated a provider in the prior year, the bill would require the plan or insurer to delete the provider from its directory beginning July 1, 2025, unless specified criteria applies. The bill would require a plan or insurer to arrange care and provide coverage for all covered health care services provided to an enrollee or insured who reasonably relied on inaccurate, incomplete, or misleading information contained in a health plan or policy's provider directory or directories and to reimburse the provider the contracted amount for those services. The bill would prohibit a provider from collecting an additional amount from an enrollee or insured other than the applicable in-network cost sharing. The bill would require a plan or insurer to provide information about in-network providers to enrollees and insureds upon request, and would limit the cost-sharing amounts an enrollee or insured is required to pay for services from those providers under specified circumstances.</p> <p>This bill would authorize the Department of Managed Health Care and the Department of Insurance to develop uniform formats for plans and insurers to use to request directory information from providers and would authorize the departments to establish a methodology and processes to ensure accuracy of provider directories. The bill would require the health plan or the insurer, as applicable, to ensure the accuracy of a request to add back a provider who was previously removed from a directory and approve the request within 10 business days of receipt, if accurate.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB236</p> | <p>CAHP/LHPC Opposed</p> <p>01/30/24 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |

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| <p>AB 1316 (Irwin)</p> | <p>This bill would revise the definition of “psychiatric emergency medical condition” to make that definition applicable regardless of whether the patient is voluntary, or is involuntarily detained for evaluation and treatment. The bill would make conforming changes to provisions requiring facilities to provide that treatment.</p> <p>The bill would require the Medi-Cal program to cover emergency services and care necessary to treat an emergency medical condition, as defined, including all professional physical, mental, and substance use treatment services, including screening examinations necessary to determine the presence or absence of an emergency medical condition and, if an emergency medical condition exists, for all services medically necessary to stabilize the beneficiary.</p> <p>The bill would require coverage, including by a Medi-Cal managed care plan, for emergency services necessary to relieve or eliminate a psychiatric emergency medical condition, regardless of duration, or whether the beneficiary is voluntary, or involuntarily detained for evaluation and treatment, including emergency room professional services.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB1316</p> | <p>01/25/24 - In Senate. Read first time. To Com. on RLS. for assignment.</p> |
| <p>AB 1783 (Essayli)</p> | <p>Existing federal law provides for the Medicare Program, which is a public health insurance program for persons 65 years of age and older and specified persons with disabilities who are under 65 years of age. Existing law provides for the Medi-Cal program, administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Department of Insurance.</p> <p>This bill would state the intent of the Legislature to enact legislation to remove all taxpayer funding for health care for illegal immigrants from the California State Budget.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB1783</p> | <p>INTRODUCED IN ASSEMBLY JANUARY 03, 2024</p> |
| <p>AB 1895 (Weber)</p> | <p>Spot bill expressing the intent of the Legislature to enact legislation to address maternity ward closures.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1895</p> | <p>01/24/24 - From printer. May be heard in committee February 23.</p> |

| | | |
|-------------------------------------|--|---|
| <p>AB 1943 (Weber)</p> | <p>This bill would require the department, in collaboration with the agency, to collect appropriate data and identify indicators for tracking telehealth outcomes associated with impacting individual patient outcomes and overall population health. The bill would require the department to use the data collected to measure health outcomes of populations, as specified.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1943</p> | <p>1/30/24 - From Printer: May be heard in committee February 29.</p> |
| <p>AB 1975 (Bonta)</p> | <p>This bill would make medically supportive food and nutrition interventions, as defined, a covered benefit under the Medi-Cal program, through both the fee-for-service and managed care delivery systems, effective July 1, 2026, subject to federal approval and the issuance of final guidance by the department. The bill would require those interventions to be covered if determined to be medically necessary by a health care provider or health care plan, as specified. The bill would require the provision of interventions for 12 weeks, or longer if deemed medically necessary. The bill would require a Medi-Cal managed care plan to offer at least 3 of 6 listed interventions, with certain conditions for a 7th intervention.</p> <p>The bill would require the department to define the qualifying medical conditions for purposes of the covered interventions. The bill would require a health care provider, to the extent possible, to match the acuity of a patient's condition to the intensity and duration of the covered intervention and to include culturally appropriate foods.</p> <p>The bill would require the department to establish a medically supportive food and nutrition benefit stakeholder group, with a specified composition, to advise the department on certain related items. The bill would require the workgroup to issue final guidance on or before July 1, 2026.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1975</p> | <p>01/31/24 - From printer. May be heard in committee March 1.</p> |
| <p>AB 2043 (Boerner)</p> | <p>This bill would require the department to require Medi-Cal managed care plans that are contracted to provide nonemergency medical transportation or nonmedical transportation to contract with public paratransit service operators who are enrolled Medi-Cal providers, for the purpose of establishing reimbursement rates for those transportation trips provided by a public paratransit service operator. The bill would require that the rates be based on the department's fee-for-service rates for the transportation service, as specified.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2043</p> | <p>02/01/24 - Read first time. To print.</p> |

| | | |
|--|---|--|
| <p>SB 953 (Menjivar)</p> | <p>This bill would add menstrual products, as defined, to that schedule of covered Medi-Cal benefits. The bill would require the department to seek any necessary federal approvals to implement this coverage. The bill would require the department to seek, and would authorize the department to use, any and all available federal funding, as specified, to implement this coverage.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB953</p> | <p>01/23/24 - May be acted upon on or after February 22.</p> |
| <p>SB 975 (Ashby)</p> | <p>This bill would state the intent of the Legislature to enact legislation relating to the payment and reimbursement for mobile integrated health and community paramedicine programs.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB975</p> | <p>1/30/24 - May be acted upon on or after February 29.</p> |

Public Relations & Publicity

Media Clips
Dec 2023-Feb 2024

Kern County Cancer Foundation holds 14th annual Pediatric Christmas Party.

By: **KGET-17** | December 16, 2023

"Sometimes families who are struggling with their child's cancer treatment can't afford Christmas gifts for their kids because of medical bills, but there are angels here to help this holiday season at the annual Pediatric Christmas Party...Santa Claus himself stopped by and dropped off 100 toys donated by Kern Family Health Care, Hermanos Unidos and the Bakersfield community." [Click here to read more.](#)

The Kern County Cancer Foundation makes the holidays a little easier for local children with cancer.

By: **BakersfieldNow** | December 16, 2023

Children with cancer got to receive a special Christmas surprise this holiday, and its events like these that bring them joy during this time of year...Santa Claus helped hand out more than 100 toys donated by Kern Family Health Care, Hermanos Unidos, and the Bakersfield Community. [Click here to read more.](#)

MLK Day: Education and shaping future generations

By: **KGET-17** | Jan 16, 2024

"Martin Luther King Jr. spoke a lot about education, joining us now to discuss how our education system can do better are local leaders in the community: Dr. Jessica Grimes, Traco Matthews, T Johnson, and Michael Bowers." [Click here to view segment.](#)

MLK Day: March on Washington for Jobs and Justice

By: **KGET-17** | Jan 16, 2024

"Most people are familiar with Martin Luther King Jr's, "I Have a Dream" speech, fewer people know that the title of the event was the "March on Washington for Jobs and Justice." Dr. Jessica Grimes, Traco Matthews, T Johnson, and Michael Bowers weigh in on how employers can be more inclusive." [Click here to view segment](#)

MLK Day: How far have we come, and what more can we do?

By: **KGET-17** | Jan 16, 2024

"Here to discuss racial equity is Dr. Jessica Grimes, Traco Matthews, T Johnson, and Michael Bowers." [Click here to view segment](#)

MLK Day: A conversation with Kern Health Systems' Chief Health Equity Officer

By: KGET-17 | Jan 16, 2024

"Kern Family Health Care and Studio 17 have partnered up together in honor of Martin Luther King Jr. Day. Joining us now to discuss the great work of MLK is Chief Health Equity Officer at Kern Health Systems, Traco Matthews." [Click here to view segment](#)

Affordable youth housing unit opens in Oildale

By: Bakersfield Now | Jan 18, 2024

"What this does is provide a safe and stable place with services to support them, to have a better future for themselves," said Stephen M. Pelz, Executive Director of Kern County Housing Authority. Funding for Cornerstone was provided by the State of California Homekey Program, Kern Health Systems, and the Housing Authority of the County of Kern." [Click here to read more.](#)

Health care career opportunities coming next week at Kern Health Systems Expo

By: KGET-17 | Jan 19, 2023

"As an organization, we are working together towards these goals—to create better access to health care, improve social determinants of health, and elevate the quality of life for our community in Kern County," said Traco Matthews, Chief Health Equity Officer of Kern Health Systems." [Click here to read more.](#)

Attend the Kern Health Systems Career Expo this Thursday

By: KGET-17 | Jan 22, 2023

"We are excited for you to join us for our annual Kern Health Systems Career Expo! Bring your resume and join us from 5:30 to 7:30 PM on January 25, 2024." [Click here to read more.](#)

Kern River Valley Bridge Connection Brings Resources and Information to Seniors

By: 23abc | Feb 2, 2023

"The burden has been mainly on us, and I came in here mainly to see if I can get some help'...After speaking with Kern Family Health Care he learned useful information. 'We can actually get help with the gas because we have to make several trips a week to Bakersfield, sometimes five days in a row.'" [Click here to read more.](#)



COMMITTEE: **PHYSICIAN ADVISORY COMMITTEE**
 DATE OF MEETING: **NOVEMBER 8, 2023**
 CALL TO ORDER: **7:03 AM BY MARTHA TASINGA, MD - CHAIR**

| | | | |
|---------------------------------------|--|--|---|
| Members Present On-Site: | Martha Tasinga, MD – KHS Chief Medical Officer Atul Aggarwal, MD - Network Provider, Cardiology | Miguel Lascano – Network Provider, OB/GYN | Ashok Parmar, MD– Network Provider, Pain Medicine Raju Patel, MD - Network Provider, Internal Medicine |
| Members Virtual Remote: | None | | |
| Members Excused=E Absent=A | Hasmukh Amin, MD – Network Provider, Pediatrics (E) | Ghohar Gevorgyan, MD – Network Provider, FP (E) David Hair, MD - Network Provider, Ophthalmology (E) | |
| Staff Present: | Alan Avery, KHS, Chief Operating Office Michelle Curioso, KHS, PHM Director Amy Daniel, KHS Executive Health Svcs Coordinator Misty Dominguez, KHS, UM Director | Jake Hall, KHS, Deputy Director of Contracting Yolanda Herrera, KHS Credentialing Manager Yesenia Sanchez, KHS Credentialing Coordinator John Miller, MD - KHS Medical Director | Sukhpreet Sidhu, MD - KHS Medical Director Magdee Hugais – KHS QI Director Bruce Wearda – KHS Pharmacy Director |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|--------------------|---|--|---------------|
| Public Comments | Martha Tasinga, MD, Committee Chair, asked for public comment. None were present. | N/A | N/A |
| Committee Comments | Martha Tasinga, MD, Committee Chair, asked for committee member announcements or reports. | <input checked="" type="checkbox"/> CLOSED: Informational only. | N/A |
| Quorum | Attendance / Roll Call | Committee quorum requirement met. | N/A |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-----------------------|--|--|---------------|
| CLOSED SESSION | Adjourned to closed session at 7:10 am | N/A | N/A |
| | <p><u>Peer Review Reports</u></p> <p>CREDENTIALING REPORT Mental Health Pre-Approvals from 10/31/2023: In compliance with Senate Bill 2581, Dr. Tasinga, KHS CMO, pre-approved the Mental/Behavioral Health providers as listed on the 10/23/2023 Credentialing Report, all meeting clean file criteria, in compliance with the 60-day turnaround requirements. Mental Health Providers were accepted as presented with no additional questions or alternative actions.</p> <p>INITIAL CREDENTIALING REPORT Initial Applicants List Dated 11/08/2023: There was one initial application presented for comprehensive review.</p> <ul style="list-style-type: none"> • PRV059466 - Reviewed information regarding NPDB Settlement 2017 \$175,000: Alleged administered an excessive and potentially lethal amount of potassium resulting in hyperkalemia and cardiac arrest; failure to provide sufficient monitoring and order appropriate lab monitoring of serum potassium. Provider explanation reviewed and recommend approval of network participation as there have been no additional settlements. <p>RE-CREDENTIALING REPORT Recredentialing Providers List Dated 10/04/2023: Recredentialing meeting clean file review were accepted as presented with no additional questions or alternative actions.</p> <p>Recredentialing with comprehensive reviews were conducted for the listed providers below for review of additional adverse information and/or information related to malpractice case(s) that resulted in settlement or judgment made on behalf of the practitioner within the</p> | <p><input checked="" type="checkbox"/> ACTION: Dr. Patel moved to approve the Credentialing, Recredentialing and New Vendor Contracts from the reports dated November 8, 2023, seconded by Dr. Aggarwal. Motion carried.</p> | 11/08/23 |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|---------------------|---|---|---------------|
| | <p>previous three years:</p> <ul style="list-style-type: none"> Member Grievances: All Providers with significant Member & Quality Grievances were reviewed. Dr. Tasinga reported there were no quality of service or care issues identified as significant trends or concern requiring further review. There were no additional questions or alternative actions recommended by this committee. PRV004211 – Provider has completed MBC Probation meeting all terms and conditions successfully and was removed from probation by the MBC in February 2023. Recommend approval of continued network participation as there have been no additional issues reported. <p>MONTHLY MONITORING (ONGOING REVIEW)</p> <ul style="list-style-type: none"> PRV071683 –MBC has issued Accusation filed 8/3/23 and was received via MBC Alert dated, 9/20/23. Accusation alleges infant delivered with neurological exam and dx of metabolic acidosis and neonatal ischemic encephalopathy & convulsions. Provider explanation received and escalated to CMO for review. Provider response accepted and recommend adding to the Monthly Monitoring Report to monitor results of the MBC decision on this case. Recommend continued network participation with monthly monitoring. <p>Closed session adjourned back to Open Session.</p> | | |
| OLD BUSINESS | There was no old business to present | N/A | N/A |
| NEW BUSINESS | <p><u>Approval of Minutes</u></p> <p>The Committee’s Chairperson, Martha Tasinga MD, presented the meeting minutes for approval.</p> | <p><input checked="" type="checkbox"/> ACTION: Dr. Lascano moved to approve minutes of October 4, 2023, seconded by Dr. Patel. Motion carried.</p> | 11/08/23 |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-------------|---|--|-----------------|
| | <p><u>Pharmacy Criteria</u> Bruce Wearda, KHS Director of Pharmacy, presented the current criteria for Physician Administered Drugs (PAD) and others that are managed as part of the medical benefit that will be managed by common pharmaceutical utilization management and coverage tools. While the Medi-Cal Manual and Milliman (MCG) criteria does not often provide enough guidance, internal guidelines have been created through either the established approved formulary and/or the previous Pharmacy & Therapeutics Committee, including collaboration with specialist within the network and other professional practice references.</p> <p>Bruce informed the members that while KHS is in process of NCQA Accreditation process, and until the P&T Committee is re-established at KHS, the proposed guidelines have been brought to the PAC meeting for review and approval to accept the general conditions of least costly version to manage the condition and accept criteria presented as attached to the meeting agenda.</p> <p>Bruce also stated for physician administered drug infusions done in the office, there is a “prior authorization” process in place and in most instances a bio-similar drug will be selected unless there is a clinical reason provided for the brand name drug. This process does not apply to the retail medications administered through DHCS Medi-Cal RX program.</p> <p>Dr. Parmar asked how frequently we had requests for the drug, Crysvida. Bruce stated that is it rare, however NCQA requires us to state the criteria used (sic) regardless of how often requested.</p> <p>Dr. Aggarwal asked about the PCSK9 inhibitor criteria. He wanted to know if it was KHS’ responsibility or Medi-cal’s responsibility. Dr. Tasinga stated that these are typically self-administered and are handled by Medi-cal Rx, however, in some instances, if they were done in a physician’s office they would be reviewed by KHS.</p> | <p><input checked="" type="checkbox"/> ACTION: Dr. Parmar moved to approve Pharmacy Criteria Guidelines, seconded by Dr. Patel. Motion carried.</p> <p>Criteria Presented:</p> <ul style="list-style-type: none"> • Asthma Monoclonal Antibody Criteria • Botulinum Toxin Criteria – Anal Fissure Management • Botulinum Toxin Criteria – Cervical Dystonia and Spasticity • Botulinum Toxin Criteria – Overactive Bladder (OAB) and Neurogenic • Burosumab-twza (Crysvida) Criteria • Calcitonin Gene-Related Peptide (CGRP) Criteria – erenumab (Aimovig), • fremanezumab (Ajovy), galcanezumab (Emgality), eptinezumab (Vyepti) • General Review Process and Considerations for Pharmacy Services • IV Iron Criteria • IV Magnesium Criteria • PCSK9 Inhibitor Criteria – alirocumab (Praluent), evolocumab (Repatha) | <p>11/08/23</p> |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|--------------|---|--|---------------|
| OPEN FORUM | | <input checked="" type="checkbox"/> CLOSED: Informational only. | N/A |
| NEXT MEETING | Next meeting will be held Wednesday, December 6, 2023 | <input checked="" type="checkbox"/> CLOSED: Informational only. | N/A |
| ADJOURNMENT | The Committee adjourned at 8:08 AM <i>Respectfully submitted: Amy L. Daniel, Executive Health Services Coordinator</i> | N/A | N/A |

For Signature Only – Physician Advisory Committee Minutes 11/08/23

The foregoing minutes were APPROVED AS PRESENTED on: _____
Date Name

The foregoing minutes were APPROVED WITH MODIFICATION on: _____
Date Name



27 B

COMMITTEE: *DRUG UTILIZATION REVIEW (DUR) COMMITTEE*
DATE OF MEETING: *NOVEMBER 20, 2023*
CALL TO ORDER: *6:34 P.M. BY MARTHA TASINGA, MD - CHAIR*

| | | | |
|---|---|--|--|
| Members Present On-Site: | Martha Tasinga, MD – KHS Chief Medical Officer Dilbaugh Gehlawat, MD – Network Provider Kimberly Hoffmann, Pharm D. – BOD Member | James “Patrick” Person, RPh – Network Provider Alison Bell, PharmD – Network Provider Vasanthi Srinivas, MD – Network Provider, OB/GYN | Abdolreza Saadabadi, MD – Network Provider, Psychiatrist Bruce Wearda, RPh – KHS Director of Pharmacy |
| Members Virtual Remote: | None | | |
| Members Excused= E Absent= A | Sarabjeet Singh, MD - Network Provider, Cardiology - E Joseph Tran, MD – Network Provider – A | | |
| Staff Present: | John Miller, MD, KHS Medical Director Sukhpreet Sidhu, MD, KHS Medical Director Christina Kelly, KHS Pharmacy Admin Support Spvr Amy Daniel, KHS Executive Health Svcs Coordinator | | |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|--------------------|---|---|---------------|
| Public Comments | Martha Tasinga, MD, Committee Chair, asked for public comment. None were present. | N/A | N/A |
| Committee Comments | Martha Tasinga, MD, Committee Chair, asked for committee member announcements or reports. ** Dr. Hoffmann stated she is having problems with Long Acting Injectables (LAI), particularly obtaining the 2 nd dose of a 2-shot regimen. It will eventually be covered under a prior authorization. ** Dr. Tasinga asked Dr. Hoffmann to send in some examples for us to forward to DHCS. | Bruce Wearda informed committee that DHCS will be conducting their routine audit beginning November 28, 2023. Dr. Tasinga shared several points with the committee: <ul style="list-style-type: none"> Regarding MCAS, KHS has been moved off the red list. 70% of our members are going in for a PCP visit within 7 days. (Leading the State) Less than 10% of KHS members visited the ER vs PCP | N/A |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|---|---|--|---------------|
| | | <ul style="list-style-type: none"> Beginning 01/01/24, KHS is expecting membership to increase by 60,000+ members. KHS plans to be NCQA accredited in 2025 Beginning in 2024, we will be implementing several new committees, and we will have open positions to fill. These committees will report to the QIHEC instead of the Board of Directors. | |
| Quorum | Attendance / Roll Call | Committee quorum requirement met. | N/A |
| CLOSED SESSION | N/A | N/A | N/A |
| OLD BUSINESS 6 | <u>Orlissa/Myfembree Update</u> Bruce Wearda followed up on a question from Dr. Srinivas about coverage of the Orlissa/Myfembree. Bruce stated that both are listed on Medi-cal's CDL and should be covered. Dr. Srinivas commented the issues seem to be resolving and she understands that the drugs should not require an auth. | N/A | N/A |
| NEW BUSINESS CA-3 CA-4 CA-5 | <u>Approval of Minutes</u> The Committee's Chairperson, Martha Tasinga MD, presented the meeting minutes for approval. Report of Plan Utilization Metrics – RECEIVED AND FILED Educational Articles – RECEIVED AND FILED | <input checked="" type="checkbox"/> ACTION: Dr. Srinivas moved to approve minutes of September 25, 2023, seconded by Ms. Bell. | 11/20/23 |
| 7 | <u>Executive Order N-01-19: Medi-Cal Rx Update</u> Mr. Wearda informed the committee that beginning December 1, 2023 Medi-Cal was modifying their coverage criteria for continuous glucose meters (CGM). Handling of authorization requests for the supplies/devices would also be changing. Medi-Cal will expand coverage from Type 1 diabetes only to Type 1, Type 2, and Gestational. (Type 2 diabetics need either regular insulin use or demonstrate hypoglycemia.) Authorizations will be approved for one year. Gestational diabetes authorization requests will cover through the due date, plus one year. | <input checked="" type="checkbox"/> ACTION: N/A | 11/20/23 |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|---------------------|--|--|---------------|
| | All supplies (monitors, receivers, transmitters) will be authorized on one request. | | |
| NEXT MEETING | Next meeting will be held Monday, March 18, 2024 at 6:30 pm | <input checked="" type="checkbox"/> CLOSED: Informational only. | N/A |
| ADJOURNMENT | The Committee adjourned 7:16 pm. <i>Respectfully submitted: Amy Daniel, KHS Executive Health Services Coordinator</i> | N/A | 11/22/23 |

For Signature Only – Drug Utilization Review Committee Minutes 11/20/23

The foregoing minutes were APPROVED AS PRESENTED on: _____
Date

Name

The foregoing minutes were APPROVED WITH MODIFICATION on: _____
Date

Name

27 C

SUMMARY

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

KERN HEALTH SYSTEMS
2900 Buck Owens Blvd.
Bakersfield, California 93308

Thursday, November 30, 2023

COMMITTEE RECONVENED

MEMBERS:

Jennifer Ansolabehere, NP, RN, Kern County Public Health
Dr. Satya Arya, MD, ENT
Debra Cox, BA, Director of Quality Improvement at Omni Family Health
Danielle Colayco, PharmD, MS, Executive Director of Komoto Family Foundation
Todd Jeffries, Director of Business Development at Bakersfield Community Healthcare
Allen Kennedy, President/CEO of Quality Team DME
Dr. Michael Komin, MD, Family Medicine
Dr. Philipp Melendez, MD, OB/GYN
Dr. Chan Park, MD, Family Medicine
Dr. Abdolreza Saadabadi, MD, Psychiatrist, KHS Behavioral Health Medical Director
Dr. Martha Tasinga, MD, CMO at KHS (Dr. John Miller, MD alternate)

ROLL CALL: 8 Present; 2 Absent – Cox, Park

MEETING CALLED TO ORDER AT 7:05 A.M. BY DR. TASINGA, MD, KHS CHIEF MEDICAL OFFICER

NOTE: The vote is displayed in bold below each item. For example, Ansolabehere-Arya denotes Member Ansolabehere made the motion and Member Arya seconded the motion.

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

COMMITTEE ACTION SHOWN IN CAPS

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Quality Improvement- Utilization Management Committee Meeting
Kern Health Systems

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PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Committee Members on any matter not on this agenda but under the jurisdiction of the Committee Members. 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 Members at a later meeting. Also, the Committee Members may take action to direct the staff to place a matter of business on a future agenda. **NO ONE HEARD.**

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

DANIELLE COLAYCO ANNOUNCED THAT KOMOTO JUST RECEIVED ACCREDITATION FOR THEIR FIRST COMMUNITY HEALTH WORKER (CHW), CONSUELO ROBLES, AND THEY ARE IN THE PROCESS OF SUBMITTING THE APPLICATION FOR THEIR SECOND CHW, SANDRA HERNANDEZ.

DURING DISCUSSION, DR. MELENDEZ MENTIONED THE DIFFICULTY OF FOLLOWING UP WITH PATIENTS TO ENSURE THAT THEY RECEIVE THEIR MAMMOGRAMS AFTER HE WRITES THE ORDERS. DANIELLE RESPONDED THAT HEALTHCARE PROFESSIONALS CAN EMPLOY CHW'S TO HELP WITH THE FOLLOW-UP AND EDUCATION REGARDING THE IMPORTANCE OF PREVENTIVE SCREENINGS.

CA-3) QI-UM Committee Q3 2023 Summary of Proceedings – APPROVED
Arya-Kennedy: 8 Ayes; 2 Absent – Cox, Park

CA-4) Physician Advisory Committee (PAC) Q3 2023 Summary of Proceedings – APPROVED
Arya-Kennedy: 8 Ayes; 2 Absent – Cox, Park

CA-5) Public Policy – Community Advisory Committee (PP-CAC) Q3 2023 Summary of Proceedings – APPROVED
Arya-Kennedy: 8 Ayes; 2 Absent – Cox, Park

CA-6) Drug Utilization Review (DUR) Committee Q3 2023 Summary of Proceedings – APPROVED
Arya-Kennedy: 8 Ayes; 2 Absent – Cox, Park

CA-7) Pharmacy TAR Log Statistics Q3 2022 – RECEIVED AND FILED
Arya-Kennedy: 8 Ayes; 2 Absent – Cox, Park

Summary of Proceedings

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CA-8) Kaiser Reports (PROPRIETARY AND CONFIDENTIAL)

Arya-Kennedy: 8 Ayes; 2 Absent – Cox, Park

- KFHC APL Grievance Report Q2 2023 – RECEIVED AND FILED
- KFHC Volumes Report for Q2 2023 – RECEIVED AND FILED
- Kaiser Reports will be available upon Request.

9) Credentialing Statistics Q3 2023 – APPROVED
Melendez-Arya: 8 Ayes; 2 Absent – Cox, Park

10) Board Approved New & Existing Contracts Report – APPROVED
Melendez-Arya: 8 Ayes; 2 Absent – Cox, Park

11) Credentialing & Recredentialing Summary Report – APPROVED
Melendez-Arya: 8 Ayes; 2 Absent – Cox, Park

YOLANDA HERRERA, CREDENTIALING MANAGER, PRESENTED ITEMS 9, 10, AND 11 FOR 3RD QUARTER 2023. THERE WERE NO COMMITTEE COMMENTS OR QUESTIONS AFTER THE PRESENTATION.

12) Network Review Q3 2023 – APPROVED
Arya-Jeffries: 8 Ayes; 2 Absent – Cox, Park

JAMES WINFREY, PROVIDER NETWORK MANAGER, PRESENTED THE NETWORK REVIEW REPORT FOR 3RD QUARTER 2023. THERE WERE NO COMMITTEE COMMENTS OR QUESTIONS AFTER THE PRESENTATION.

13) Enhanced Case Management Program Report Q3 2023 – APPROVED
Kennedy-Melendez: 8 Ayes; 2 Absent – Cox, Park

DAN DIAZ, ECM CLINICAL MANAGER, PRESENTED THE ECM DEPARTMENT REPORT FOR 3RD QUARTER 2023. THERE WERE NO COMMITTEE COMMENTS OR QUESTIONS AFTER THE PRESENTATION.

14) Health Education Activity Report Q3 2023 – APPROVED
Melendez-Arya: 8 Ayes; 2 Absent – Cox, Park

ISABEL SILVA, SENIOR DIRECTOR OF WELLNESS AND PREVENTION, PRESENTED THE HEALTH EDUCATION DEPARTMENT REPORT FOR 3RD QUARTER 2023. THERE WERE NO COMMITTEE COMMENTS OR QUESTIONS AFTER THE PRESENTATION.

15) Grievance Operational Board Update Q3 2023 – APPROVED
Melendez-Jeffries: 8 Ayes; 2 Absent – Cox, Park

Summary of Proceedings

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Kern Health Systems

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- 16) Grievance Summary Reports Q3 2023 – APPROVED
Melendez-Jeffries: 8 Ayes; 2 Absent – Cox, Park

AMY CARRILLO, MEMBER SERVICES MANAGER, PRESENTED THE GRIEVANCE DEPARTMENT REPORTS FOR 3RD QUARTER 2023.

TODD JEFFRIES ASKED ABOUT OUR KAISER MEMBERS. AMY CLARIFIED THAT BEGINNING 01/01/24, KHS WILL NO LONGER MANAGE KAISER MEMBERS. THEY WILL BE THE SOLE RESPONSIBILITY OF KAISER, WE WILL NO LONGER HAVE ANY RESPONSIBILITY FOR THESE MEMBERS.

- 17) Quality Improvement Program Reporting Q3 2023 – APPROVED
Melendez-Jeffries: 8 Ayes; 2 Absent – Cox, Park

KAILEY COLLIER, DIRECTOR OF QUALITY PERFORMANCE, PRESENTED THE QI DEPARTMENT REPORT FOR 3RD QUARTER 2023. THERE WERE NO COMMITTEE COMMENTS OR QUESTIONS AFTER THE PRESENTATION.

- 18) Utilization Management Program Reporting Q3 2023 – APPROVED
Melendez-Jeffries: 8 Ayes; 2 Absent – Cox, Park

- Policy 3.20-P Sensitive Services
- Policy 3.21-P Family Planning Services
- Policy 3.53-P Cancer Treatment
- Policy 3.84-P Long Term Care Transitions
- Policy 3.94-P Multipurpose Senior Services Program

MISTY DOMINGUEZ WENT OVER ALL OF THE ABOVE POLICIES WITH THE COMMITTEE. THESE POLICIES WERE ALL MODIFIED OR CREATED TO BE IN ALIGNMENT WITH THE DHCS 2024 CONTRACT.

POLICIES WERE NOT INCLUDED IN THE PACKET IN ERROR, AMY DANIEL TO SEND THEM OUT VIA EMAIL AFTER THE MEETING, AND COMMITTEE MEMBERS WILL SEND IN THEIR APPROVAL OR SUGGESTIONS FOR CHANGES IF ANY.

MISTY DOMINGUEZ WENT OVER THE 2023 UM PROGRAM DESCRIPTION AND ASKED COMMITTEE FOR THEIR APPROVAL.

SHE ALSO PRESENTED AND ASKED THE COMMITTEE TO APPROVE TO ADOPT THE UPDATED UM CRITERIA FOR SPECIALTY CARE REFERRAL GUIDELINES, AND PEER TO PEER GUIDELINES.

DR. MILLER GAVE OVERSIGHT ON PERISCOPE. PERISCOPE IS A COMPANY STAFFED BY PHYSICAL AND OCCUPATIONAL THERAPISTS

Summary of Proceedings

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THAT PROVIDES DURABLE MEDICAL EQUIPMENT (DME) EVALUATIONS TO DETERMINE WHAT THE MEMBER'S ACTUAL EQUIPMENT NEEDS ARE.

FOR EXAMPLE, IF A PROVIDER REQUESTS A POWER WHEELCHAIR FOR A MEMBER, KHS CAN HAVE PERISCOPE EVALUATE THE PATIENT IN THEIR HOME TO SEE IF THE REQUEST IS APPROPRIATE. THEY MAY AGREE WITH THE INITIAL REQUEST, SUGGEST ALTERNATIVES (A SPECIFIC TYPE OF WHEELCHAIR/ACCESSORY) OR EVEN RECOMMEND OTHER DME EQUIPMENT (SUCH AS A BEDSIDE COMMUNE) THAT WAS NOT ORIGINALLY REQUESTED BY THE PROVIDER.

ALLEN KENNEDY COMMENTED THAT HE AND HIS COMPANY HAVE WORKED WITH PERISCOPE IN THE PAST, AND THEY ARE VERY GOOD. HE HIGHLY RECOMMENDS THEM.

- 19) Population Health Management Program Reporting Q3 2023 – APPROVED
Melendez-Ansolabehere: 8 Ayes; 2 Absent – Cox, Park

MICHELLE CURIOSO, DIRECTOR OF POPULATION HEALTH MANAGEMENT, PRESENTED THE PHM DEPARTMENT REPORT FOR 3RD QUARTER 2023.

DR. MICHAEL KOMIN ASKED ABOUT A SYSTEM BEING IN PLACE FOR OPEN AUTHORIZATION NOTIFICATIONS.

MICHELLE CURIOSO ANSWERED, PHM SENDS A REMINDER LETTER EVERY MONTH NOTIFYING PROVIDERS OF APPROVED AUTHORIZATION REQUESTS THAT WERE ISSUED ON BEHALF OF ONE OR MORE OF THEIR ELIGIBLE PATIENTS FOR WHICH THERE IS NO ASSOCIATED CLAIM TO THE AUTHORIZATION.

MEETING ADJOURNED AT 8:39 A.M. TO THURSDAY, FEBRUARY 8, 2024
@ 7:00 A.M



COMMITTEE: **PHYSICIAN ADVISORY COMMITTEE**
 DATE OF MEETING: **DECEMBER 6, 2023**
 CALL TO ORDER: **7:05 AM BY MARTHA TASINGA, MD - CHAIR**

| | | | |
|-----------------------------------|--|--|---|
| Members Present On-Site: | Martha Tasinga, MD – KHS Chief Medical Officer Atul Aggarwal, MD - Network Provider, Cardiology | Miguel Lascano – Network Provider, OB/GYN Abdolreza Saadabadi, MD – KHS Behavioral Health Medical Director | Ashok Parmar, MD– Network Provider, Pain Medicine Raju Patel, MD - Network Provider, Internal Medicine |
| Members Virtual Remote: | None | | |
| Members Excused=E Absent=A | Hasmukh Amin, MD – Network Provider, Pediatrics (E) | Gohar Gevorgyan, MD – Network Provider, FP (E) David Hair, MD - Network Provider, Ophthalmology (E) | |
| Staff Present: | Alan Avery, KHS, Chief Operating Office Michelle Curioso, KHS, PHM Director Amy Daniel, KHS Executive Health Svcs Coordinator Misty Dominguez, KHS, UM Director | Jake Hall, KHS, Deputy Director of Contracting Yolanda Herrera, KHS Credentialing Manager Yesenia Sanchez, KHS Credentialing Coordinator John Miller, MD – KHS Medical Director | Sukhpreet Sidhu, MD – KHS Medical Director Bruce Wearda – KHS Director of Pharmacy Magdee Hugais – KHS Director of QI |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|--------------------|---|--|---------------|
| Public Comments | Martha Tasinga, MD, Committee Chair, asked for public comment. None were present. | N/A | N/A |
| Committee Comments | Martha Tasinga, MD, Committee Chair, asked for committee member announcements or reports. | <input checked="" type="checkbox"/> CLOSED: Informational only. | N/A |
| Quorum | Attendance / Roll Call | Committee quorum requirement met. | N/A |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-----------------------|---|---|---------------|
| CLOSED SESSION | Adjourned to closed session at 7:12 am | N/A | N/A |
| | <p><u>Peer Review Reports</u></p> <p>CREDENTIALING REPORT Mental Health Pre-Approvals from 12/01/2023: In compliance with Senate Bill 2581, Dr. Tasinga, KHS CMO, pre-approved the Mental/Behavioral Health providers as listed on the 12/01/2023 Credentialing Report, all meeting clean file criteria, in compliance with the 60-day turnaround requirements. Mental Health Providers were accepted as presented with no additional questions or alternative actions.</p> <p>INITIAL CREDENTIALING REPORT Initial Applicants List Dated 12/06/2023: There was one initial application presented for comprehensive review.</p> <ul style="list-style-type: none"> • PRV001901- Reviewed information regarding NPDB Settlement 2017 \$10,000: Alleged failure to discontinue Vasotec in pregnant mother, baby born with septo-optic dysplasia, patent ductus arteriosus, adrenal insufficiency, hypothyroidism, and absent septum pellucidum. <i>Provider explanation received and accepted with recommendation to add to provider network.</i> <p>RE-CREDENTIALING REPORT Recredentialing Providers List Dated 12/06/2023: Recredentialing meeting clean file review were accepted as presented with no additional questions or alternative actions.</p> <p>Recredentialing with comprehensive reviews were conducted for the listed providers below for review of additional adverse information and/or information related to malpractice case(s) that resulted in settlement or judgment made on behalf of the practitioner within the previous three years:</p> | <p><input checked="" type="checkbox"/> ACTION: Dr. Amin moved to approve the Credentialing, Recredentialing and New Vendor Contracts from the reports dated December 6, 2023, seconded by Dr. Parmar. Motion carried.</p> | 12/6/23 |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|---------------------|--|--|---------------|
| | <ul style="list-style-type: none"> Member Grievances: All Providers with significant Member & Quality Grievances were reviewed. Dr. Tasinga reported there were no quality of service or care issues identified as significant trends or concern requiring further review. There were no additional questions or alternative actions recommended by this committee. PRV001029 – Accreditation Survey Completed however, has not been updated on website. Per AAAHC Surveyor, report is being finalized and should be available mid-December. <i>Recommend modified recredentialing contingent upon receipt of active/compliant accreditation.</i> PRV011679/PRV011676 – Self reported monetary fines - 2/31/21: TX Pharmacy Board: DHP/VA Monetary Penalty \$500 due to substandard care or skill level 12/19/19: MI Pharmacy Board: Dispensing Error / Monetary Fine \$2,000. <i>Provider explanation received and accepted with recommendation for continued network participation.</i> <p>MONTHLY MONITORING (ONGOING REVIEW)</p> <ul style="list-style-type: none"> No new monthly monitoring to report. <p>Closed session adjourned back to Open Session.</p> | | |
| OLD BUSINESS | There was no old business to present | N/A | N/A |
| NEW BUSINESS | <p><u>Approval of Minutes</u></p> <p>The Committee’s Chairperson, Martha Tasinga MD, presented the meeting minutes for approval.</p> | <p><input checked="" type="checkbox"/> ACTION: Dr. Patel moved to approve minutes of November 8, 2023, seconded by Dr. Parmar. Motion carried.</p> | 12/6/23 |
| | <p><u>Pharmacy Criteria</u></p> <p>Bruce Wearda, KHS Director of Pharmacy, presented the current criteria for Pharmacy Utilization Management Guidelines for:</p> <ul style="list-style-type: none"> General Review Process & Considerations Medical Supplies and Device Criteria | <p><input checked="" type="checkbox"/> ACTION: Dr. Amin moved to approve Pharmacy Criteria Guidelines, seconded by Dr. Paarmar. Motion carried.</p> | 12/6/23 |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-------------|---|---|-------------------------------|
| | <p><u>Delegated Credentialing Tertiary Summary Q3 2023</u> Yolanda Herrera KHS Credentialing Manager, presented the 3rd Quarter Delegated Credentialing Reports and Group Rosters for the tertiary facilities, VSP, Kaiser and ConferMED. During 3rd Quarter, delegates reported Credentialing Committee dates for initial credentialing, recredentialing and terminations.</p> <ul style="list-style-type: none"> • There were no significant changes in the delegated entities credentialing program or performance. • There were no identified changes in the delegated entities provider network that would limit specialty access to our members. • Additionally, there were no identified improvement activities reported <p><u>P&P 4.01-P Credentialing Program – Revised</u> Yolanda Herrera KHS Credentialing Manager, presented the revisions to Policy and Procedure 4.01-P Credentialing Program as follows:</p> <ul style="list-style-type: none"> • Added monitoring process for Non-Discriminatory Credentialing • Added accepted primary sources for credentialing • Revised Area of Practice / Provider Directory • Added practitioner rights • Revised provisional credentialing & clean file approval process • Revised Locum Tenens – Retro-Approval 14-Calendar days only • Added provider notification of recredentialing adverse decisions within 60-days • Added Initial and Ongoing Assessment of Organizational Providers • Added NPDB Continuous Query Reports • Added Professional Liability Policy Certificates to have the named provider on the face sheet, declaration page or Roster included. | <p><input checked="" type="checkbox"/> ACTION: Dr. Amin moved to approve the Delegated Credentialing Tertiary Summary 3rd Quarter 2023 Report dated December 6, 2023, seconded by Dr. Parmar. Motion carried.</p> <p><input checked="" type="checkbox"/> ACTION: Dr. Amin moved to approve the revisions for P&P 4.01-P Credentialing Program, seconded by Dr. Parmar. Motion carried.</p> | <p>12/6/23</p> <p>12/6/23</p> |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|---------------------|--|---|---------------|
| OPEN FORUM | <p><u>Physician Extender Requirements</u> Dr. Parmar requested review of the Physician Extender requirements of 6-month formal training or 1-year work experience in a sub-specialty field. Dr. Tasinga informed the members that KHS has been reluctant to remove this requirement in the past due to risk to the organization of new physician extenders who may not have the necessary experience in a sub-specialty area and/or lack of proper supervision. Dr. Tasinga further explained that those who work in the specialty setting for the first year gain the experience, training and knowledge base that qualifies them for network participation.</p> <p>Other members shared their thoughts and practices within their settings following guidelines from CMS Incident to Physician Billing; Patient evaluated by MD with exam and then the physician lays out a treatment plan for the physician extender to follow.</p> | <input checked="" type="checkbox"/> CLOSED: Informational discussion only. | N/A |
| NEXT MEETING | Next meeting will be held Wednesday, February 7, 2024 | <input checked="" type="checkbox"/> CLOSED: Informational only. | N/A |
| ADJOURNMENT | The Committee adjourned at 8:09 am <i>Respectfully submitted: Amy L. Daniel, Executive Health Services Coordinator</i> | N/A | N/A |

For Signature Only – Physician Advisory Committee Minutes 12/06/23

The foregoing minutes were APPROVED AS PRESENTED on: _____
Date Name

The foregoing minutes were APPROVED WITH MODIFICATION on: _____
Date Name

SUMMARY

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Friday, December 8, 2023

8:00 A.M.

COMMITTEE RECONVENED

Members: Elliott, Bowers, McGlew, Turnipseed, Watson
ROLL CALL: 3 Present; 2 Absent – Turnipseed, Watson

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

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

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-
- 3) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2023 (Fiscal Impact: None) – IRA COHEN, UBS FINANCIAL SERVICES, HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Bowers: 3 Ayes; 2 Absent – Turnipseed, Watson
- 4) Proposed reinsurance policy renewal with IOA Re to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2024 through December 31, 2024 in an amount not to exceed \$0.28 per member per month (Fiscal Impact: \$1,358,616 estimated; Budgeted) – KATHY BOWEN, ARTHUR J. GALLAGHER, HEARD; APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Bowers: 3 Ayes; 2 Absent – Turnipseed, Watson
- 5) Proposed Kern Health Systems 2024 Operating and Capital Budgets (Fiscal Impact: None) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Bowers: 3 Ayes; 2 Absent – Turnipseed, Watson
- 6) Proposed Budget Request for 2024 Project Consulting Professional Services, from January 1, 2024 through December 31, 2024 (Fiscal Impact: \$23,890,000; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Bowers-Elliott: 3 Ayes; 2 Absent – Turnipseed, Watson
- 7) Proposed Agreement with Manifest Medex, for Health Information Exchange System to exchange data electronically across organizations, from January 2, 2024 through January 1, 2027 and Technical Professional Services in support of the Safety Net Providers, from January 2, 2024 through December 31, 2024 (Fiscal Impact: \$2,300,000; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Bowers: 3 Ayes; 2 Absent – Turnipseed, Watson
- 8) Proposed Agreement with Cotiviti, for HEDIS/Stars Software Reporting Tool to support CA Medicaid, Medicare, and Dual Eligible Special Needs Plan, from December 15, 2023 through December 14, 2026 (Fiscal Impact: \$2,079,724; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Bowers-McGlew: 3 Ayes; 2 Absent – Turnipseed, Watson
- 9) Proposed Agreement with DST Health Solutions, for John Hopkins ACG Predictive Modeler Tool and ACG GeoHealth to conduct risk stratification and predictive analytics, from January 1, 2024 through December 31, 2026 (Fiscal Impact: \$601,050; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Bowers-McGlew: 3 Ayes; 2 Absent – Turnipseed, Watson

SUMMARY

Finance Committee Meeting
Kern Health Systems

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- 10) Proposed Agreement with Harte Hanks, a national customer service engagement organization, to conduct KHS new member orientation calls for the HealthNet members transitioning to KHS, from January 1, 2024 through March 31, 2024 (Fiscal Impact: \$321,412; Budgeted) - APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Bowers-McGlew: 3 Ayes; 2 Absent – Turnipseed, Watson
- 11) Report on Kern Health Systems financial statements for September 2023 and October 2023 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Bowers: 3 Ayes; 2 Absent – Turnipseed, Watson
- 12) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for September 2023 and October 2023 and IT Technology Consulting Resources for the period ended September 30, 2023 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Bowers: 3 Ayes; 2 Absent – Turnipseed, Watson

ADJOURN TO FRIDAY, FEBRUARY 9, 2024 AT 8:30 A.M.

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SUMMARY

PUBLIC POLICY/COMMUNITY ADVISORY COMMITTEE

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308
1st Floor Board Room

Tuesday, December 12, 2023

COMMITTEE RECONVENED

Members: Janet Hefner, Jennifer Wood, Jasmine Ochoa, Mark McAlister, Cecilia Hernandez-Colin, Beatriz Basulto, Tammy Torres, Yadira Ramirez, Michelle Bravo, Quon Louey, Kaelsun Singh Tyiska, Rukiyah Polk

ROLL CALL: 10 Present; 2 Absent – Yadira Ramirez, Kaelsun Singh Tyiska

Meeting called to order by Louie Iturriria, Senior Director of Marketing and Member Engagement, at 11:02 AM.

NOTE: The vote is displayed in bold below each item. For example, Hefner-Wood denotes Member Hefner made the motion and Member Wood seconds the motion.

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification; make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Also, the Committee may take action to direct the staff to place a matter of business on a future agenda.

**SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!
NO ONE HEARD.**

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

CA-3) Minutes for Public Policy/Community Advisory Committee meeting on September 26, 2023 -
APPROVED
Hefner-Wood: 10 Ayes; 2 Absent – Ramirez, Singh Tyiska

CA-4) Report on December 2023 Medi-Cal Membership Enrollment
- RECEIVED AND FILED
Hefner-Wood: 10 Ayes; 2 Absent – Ramirez, Singh Tyiska

CA-5) Report on Health Education for Q3 2023 -
RECEIVED AND FILED
Hefner-Wood: 10 Ayes; 2 Absent – Ramirez, Singh Tyiska

- 6) Member Services - Grievance Operational Report and Grievance Summary for Q3 2023 -
APPROVED
Louey-Hernandez Colin: 10 Ayes; 2 Absent – Ramirez, Singh Tyiska

MS. WOOD INQUIRED ABOUT PULLING KAISER HISTORICAL DATA TO USE IN COMPARISON FOR FUTURE 2024 REPORTING.

MR. LOUEY ASKED ABOUT THE GRIEVANCE NUMBERS THAT WE REPORT TO THE STATE, AND IT WAS CLARIFIED BY AMY CARRILLO THAT IN OUR GRIEVANCE COUNTS TO THE STATE, WE COMBINE THE MEMBERS ASSIGNED TO KAISER INTO THOSE REPORTS. THE STATE RECOGNIZES THE KAISER ASSIGNED MEMBERS AS THE RESPONSIBILITY OF KHS. AS OF 01/01/24, KHS WILL NO LONGER MANAGE KAISER MEMBERS.

MS. HEFNER ASKED WHO WILL TAKE CARE OF THE KAISER MEMBERS AFTER 01/01/24, AND IT WAS CLARIFIED THAT THEY WILL BE THE SOLE RESPONSIBILITY OF KAISER BEGINNING 01/01/24, AND KHS WILL NO LONGER HAVE ANY RESPONSIBILITY FOR THESE MEMBERS.

- 7) Health Equity – Community Advisory Committee 2024 Changes and Elections – APPROVED – (PLEASE SEE ATTACHMENT WITH ELECTION RESULTS)
Hefner-Wood: 10 Ayes; 2 Absent – Ramirez, Singh Tyiska
- 8) Health Education – KFHC Summer 2024 Member Newsletter -
APPROVED
Louey-Hefner: 10 Ayes; 2 Absent – Ramirez, Singh Tyiska

**Summary – Public Policy/Community Advisory
Committee**
Kern Health Systems

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MS. WOOD SUGGESTED “WATER SAFETY” AS A TOPIC TO ADD IN SUMMER 2024 NEWSLETTER.

MR. MCALISTER ASKED WHAT INFORMATION WOULD BE SHARED IN THE UPCOMING NEWSLETTER IN REGARD TO THE MEDI-CAL EXPANSION. HE OFFERED HIS ASSISTANCE IN WHAT INFORMATION TO INCLUDE FOR THE MEMBERS.

MR. CABALLERO SUGGESTED “FOOD INSECURITY AND WHERE TO FIND HELP” AS A TOPIC TO ADD IN SUMMER 2024 NEWSLETTER.

**MEETING ADJOURNED BY LOUIE ITURRIRIA, SENIOR DIRECTOR OF
MARKETING AND MEMBER ENGAGEMENT, AT 12:27 PM TO
MARCH 26, 2024 AT 11:00 AM**

SUMMARY

GOVERNANCE AND COMPLIANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Wednesday, January 24, 2024

9:00 A.M.

COMMITTEE RECONVENED

Members: Acharya, Hoffmann, Meave, Turnipseed
ROLL CALL: All Present

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

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

SUMMARY

Governance and Compliance Committee Meeting
Kern Health Systems

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- 3) Report on Governance and Compliance Committee Charter (Fiscal Impact: None) – RECEIVED AND FILED; APPOINTED DIRECTOR HOFFMANN COMMITTEE CHAIR; APPROVED 2024 MEETING SCHEDULE; REFERRED TO KHS BOARD OF DIRECTORS
Turnipseed-Acharya: All Ayes
- 4) Report on Compliance Officer Priorities and Program Shifts (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD DIRECTORS
Acharya-Meave: All Ayes
- 5) Report on 2024 Compliance Program Description (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Acharya-Hoffmann: All Ayes
- 6) Report on Final 2023 Compliance Work Plan Review and Proposed 2024 Work Plan Review (Fiscal Impact: None) – RECEIVED AND FILED; APPROVED 2023 WORK PLAN; APPROVED 2024 WORK PLAN; REFERRED TO KHS BOARD OF DIRECTORS
Meave-Hoffmann: All Ayes

ADJOURNED TO MARCH 2024

