



**KERN HEALTH
SYSTEMS**

**REGULAR MEETING OF THE
BOARD OF DIRECTORS**

Thursday, April 15, 2021

at

8:00 A.M.

At

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

The public is invited.

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

AGENDA

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, April 15, 2021

8:00 A.M.

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

PLEASE TURN OFF CELL PHONES OR ELECTRONIC DEVICES DURING THE BOARD MEETING

BOARD TO RECONVENE

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

ADJOURN TO CLOSED SESSION

CLOSED SESSION

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

8:15 A.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
- CA-4) Minutes for Kern Health Systems Board of Directors regular meeting on February 11, 2021 (Fiscal Impact: None) –
APPROVE
- 5) Welcome New Board Member to the Kern Health Systems Board of Directors (Fiscal Impact: None) –
RECEIVE AND FILE
- 6) Report from Association for Community Affiliated Plans, Washington, D.C. on national health care policy under the Biden Administration (Fiscal Impact: None) –
RECEIVE AND FILE

- 7) Report by Daniells Phillips Vaughan & Bock on the audited financial statements of Kern Health Systems for the year ending December 31, 2020 (Fiscal Impact: None) – APPROVE
 - 8) Report on California Advancing and Innovating Medi-Cal (CalAIM) Initiative (Fiscal Impact: None) – RECEIVE AND FILE
 - CA-9) Proposed Agreement with Office Ally, LLC, to process and submit electronic medical claims from providers and institutions directly to KHS, from April 15, 2021 through April 15, 2024, in an amount not to exceed \$0.23 per claim (Fiscal Impact: \$180,000 estimated annually; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
 - CA-10) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
 - 11) Report on Kern Health Systems financial statements for December 2020 and January 2021 (Fiscal Impact: None) – RECEIVE AND FILE
 - CA-12) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for December 2020 and January 2021 and IT Technology Consulting Resources for the period ending December 31, 2020 (Fiscal Impact: None) – RECEIVE AND FILE
 - 13) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) – RECEIVE AND FILE
 - 14) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVE AND FILE
 - 15) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVE AND FILE
 - CA-16) Miscellaneous Documents – RECEIVE AND FILE
- A) Minutes for KHS Finance Committee meeting on February 5, 2021

ADJOURN TO JUNE 10, 2021 AT 8:00 A.M.

**AMERICANS WITH DISABILITIES ACT
(Government Code Section 54953.2)**

The meeting facilities at Kern Health Systems are accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Board of Directors may request assistance at the Kern Health Systems office, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5010. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

SUMMARY

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, February 11, 2021

8:00 A.M.

BOARD RECONVENED

Directors: McGlew, Judd, Stewart, Deats, Flores, Garcia, Hoffmann, Jones, Martinez, Melendez, Nilon, Patel, Patrick, Rhoades, Watson
ROLL CALL: 15 Present

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

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

BOARD ACTION SHOWN IN CAPS

ADJOURN TO CLOSED SESSION

Deats

CLOSED SESSION

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

8:15 A.M.

BOARD RECONVENED AT 8:15 A.M.

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING FEBRUARY 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR MCGLEW ABSTAINED FROM VOTING ON BULGARELLI; DIRECTOR JUDD ABSTAINED FROM VOTING ON KAVIPURAPU, LEE, MURUGESAN, RANGANATHAN; DIRECTOR STEWART ABSTAINED FROM VOTING ON BARNETT, SANCHEZ; DIRECTOR GARCIA ABSTAINED FROM VOTING ON PEDI CENTER URGENT CARE; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON CAPRIOLI, GARCIA, PARKER, PAT, SURaweera

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

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 FACILATATOR 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))

DIRECTOR MCGLEW THANKED DIRECTOR PETERS FOR SERVING ON THE KHS BOD AND ANNOUNCED THAT WE ARE LOOKING AT REPLACING DIRECTOR PETERS AND THAT CANDIDATES WERE SUBMITTED FOR CONSIDERATION

DIRECTOR JUDD REPORTED THAT BLUE SHIELD OF CALIFORNIA IS ACTING AS THE STATE OF CALIFORNIA'S THIRD PARTY ADMINISTRATOR (TPA) TO MANAGE THE ENHANCED NETWORK, THAT'S DESIGNED TO MAKE COVID-19 VACCINES AVAILABLE TO ALL CALIFORNIANS EQUITABLY, SAFELY AND AS QUICKLY AS POSSIBLE; DIRECTOR JUDD STATED THAT KHS MEMBERS ARE CRUCIAL TO THIS AND THAT WHO EVER IS ADMINISTERING THE VACCINE HAS TO USE THE STATES SYSTEM SO THAT THEY KNOW WHERE THE VACCINE IS GOING AND WHO'S RECEIVING; DIRECTOR JUDD ALSO REPORTED THAT THE STATE HAS REVIVED CalAIM

- CA-4) Minutes for Kern Health Systems Board of Directors regular meeting on December 10, 2020 (Fiscal Impact: None) – APPROVED
Rhoades-Melendez: All Ayes
- 5) Proposed Amendment No. 11 to Agreement with Douglas A. Hayward, for services as Chief Executive Officer, and to incorporate 2021 performance goals (Fiscal Impact: None) – APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Patrick-Flores: All Ayes
- 6) Report on Kern Health Systems 2020 Member Survey (Fiscal Impact: None) – RECEIVED AND FILED
Melendez-Nilon: All Ayes
- 7) Report on Kern Health Systems 2020 Employee Satisfaction & Engagement Survey (Fiscal Impact: None) – RECEIVED AND FILED
Deats-Patrick: All Ayes
- 8) Report on Kern Health Systems 2019 Provider Satisfaction Survey (Fiscal Impact: None) – RECEIVED AND FILED
Rhoades-Melendez: All Ayes
- CA-9) Report on Kern Health Systems 2019-2020 Provider Grant Results (Fiscal Impact: None) – RECEIVED AND FILED
Rhoades-Melendez: All Ayes
- 10) Report on Kern Health Systems 2021-2022 Provider Grant Program (Fiscal Impact: Up to \$10 million; Not-budgeted) – RECEIVED AND FILED
Rhoades-Patel: All Ayes

- CA-11) Report on Kern Health Systems 2020 Department Goals and Objectives (Fiscal Impact: None) –
RECEIVED AND FILED
Rhoades-Melendez: All Ayes
- CA-12) Report on Kern Health Systems Strategic Plan for fourth quarter ending December 31, 2020 (Fiscal Impact: None) –
RECEIVED AND FILED
Rhoades-Melendez: All Ayes
- CA-13) Report on Kern Health Systems investment portfolio for the fourth quarter ending December 31, 2020 (Fiscal Impact: None) –
RECEIVED AND FILED
Rhoades-Melendez: All Ayes
- CA-14) Report on 2020 annual review of the Kern Health Systems Investment Policy (Fiscal Impact: None) –
RECEIVED AND FILED
Rhoades-Melendez: All Ayes
- CA-15) Report on 2020 Annual Travel Report (Fiscal Impact: None) –
RECEIVED AND FILED
Rhoades-Melendez: All Ayes
- CA-16) Report on 2020 Annual Report of Disposed Assets (Fiscal Impact: None) –
RECEIVED AND FILED
Rhoades-Melendez: All Ayes
- CA-17) Proposed Agreement with FluidEdge, LLC., for Population Health Consulting Services, from March 1, 2021 through May 31, 2021 (Fiscal Impact: \$160,000; Not-Budgeted) –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Rhoades-Melendez: All Ayes
- CA-18) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Rhoades-Melendez: All Ayes
- DIRECTOR RHOADES LEFT THE DAIS AT 10:03 A.M. DURING THE DISCUSSION OF ITEM 19 AND DID NOT RETURN
- 19) Report on Kern Health Systems financial statements for November 2020 (Fiscal Impact: None) –
RECEIVED AND FILED
Deats-Watson: 14 Ayes; 1 Absent - Rhoades

- CA-20) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for November 2020 and IT Technology Consulting Resources for the period ending November 30, 2020 (Fiscal Impact: None) – RECEIVED AND FILED
Rhoades-Melendez: All Ayes
- 21) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) – ALAN AVERY, CHIEF OPERATING OFFICER, PRESENTED THE 2020 4TH QUARTER GRIEVANCE REPORT TO THE BOARD. GRIEVANCES OVERALL FOR THE 4TH QUARTER REMAINED FAIRLY SIMILAR WITH THE 3RD QUARTER GRIEVANCE LEVEL. ACCESS TO CARE AND MEDICAL NECESSITY GRIEVANCES HAD SLIGHT INCREASES BUT NO SIGNIFICANT ISSUES OR TRENDS WERE FOUND. THE ONE AREA THAT EXPERIENCED A SIZEABLE DECREASE WAS POTENTIAL INAPPROPRIATE CARE. MR. AVERY REVIEWED WITH THE BOARD HOW GRIEVANCES ARE PROCESSED AND A DISPOSITION DECISION IS REACHED. EACH GRIEVANCE COMES TO MEMBER SERVICES FROM EITHER A MEMBER OR A PROVIDER. THE GRIEVANCE COORDINATOR RESEARCHES THE FACTS OF THE GRIEVANCE, REQUESTS MEDICAL RECORDS IF NEED OR INPUT FROM THE PROVIDER, REQUESTS A MEDICAL DIRECTOR OR PHARMACIST REVIEWS THE CLINICAL RECORDS TO DETERMINE IF NEW INFORMATION WAS RECEIVED TO CHANGE THE DECISION. A RECOMMENDATION IS THEN MADE TO THE WEEKLY GRIEVANCE COMMITTEE FOR DISCUSSION AND APPROVAL. THIS COMMITTEE IS COMPRISED OF A MEDICAL DIRECTOR, AND REPRESENTATIVES FROM UM, QUALITY, CASE MANAGEMENT, PROVIDER NETWORK MANAGEMENT, COMPLIANCE AND THE COO. THE COMMITTEE REVIEWS THE FACTS OF THE CASE PRIOR TO THE MEETING, REVIEWS THE RECOMMENDATION AND COMES TO A DECISION. IN REVIEWING THE DISPOSITION OF THE 610 FORMAL GRIEVANCES FOR THE QUARTER, MR. AVERY REPORTED THE MEDICAL NECESSITY GRIEVANCES ARE THE CATEGORY WITH THE MOST GRIEVANCES. A QUESTION WAS RAISED BY BOARD MEMBER DR. MELENDEZ WHAT IS THE PRIMARY REASON FOR A MEDICAL NECESSITY GRIEVANCE? THE MAJORITY OF THOSE GRIEVANCES ARE PRIMARILY RADIOLOGY REFERRALS AND PAIN MANAGEMENT REFERRALS. OF THE TOTAL MEDICAL NECESSITY GRIEVANCES 58% OF THE ORIGINAL DECISIONS WERE UPHeld BY THE GRIEVANCE COMMITTEE AND 42% WERE REVERSED AND RULED IN FAVOR OF THE MEMBER. THE PRIMARY REASON WE UPHOLD THE MAJORITY OF THE DECISIONS IS WE ARE UNABLE TO FIND SUPPORTING DOCUMENTATION FROM THE PROVIDER OR THE MEMBER TO CONFIRM THE REQUEST MEETS APPROPRIATE MEDICAL CRITERIA. THE OTHER NOTEWORTHY MAJOR CATEGORY OF GRIEVANCES IS POTENTIAL INAPPROPRIATE CARE ISSUES. ONCE THESE GRIEVANCES ARE RECEIVED, WE ACKNOWLEDGE RECEIPT TO THE MEMBER AND THEN FORWARD ALL OF THEM TO THE QUALITY DEPARTMENT FOR FURTHER REVIEW, INVESTIGATION AND RESOLUTION. RECEIVED AND FILED
Patel-Garcia: 14 Ayes; 1 Absent - Rhoades

- 22) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
RECEIVED AND FILED
Nilon-Patel: 14 Ayes; 1 Absent - Rhoades

- 23) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
RECEIVED AND FILED
Patel-Garcia: 14 Ayes; 1 Absent - Rhoades

- CA-24) Miscellaneous Documents –
RECEIVE AND FILE
Rhoades-Melendez: All Ayes
 - A) Minutes for KHS Finance Committee meeting on December 4, 2020

ADJOURNED TO THURSDAY, APRIL 15, 2021 AT 8:00 A.M.
Jones

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



To: KHS Board of Directors

From: Tim McGlew, Chairman

Date: April 15, 2021

Re: New Member to Kern Health Systems Board of Directors

Background

On March 23rd, 2021, the Kern County Board of Supervisors appointed Michael Bowers as First District Community Representative Member to the Kern Health Systems Board of Directors. Mr. Bowers replaces Phillip Peters following Supervisor Peters taking office in January as Kern County's newest elected member of the Board of Supervisors.

Current members of the Kern Health Systems Board of Directors would like to welcome our newest member, Mr. Michael Bowers to the Board.

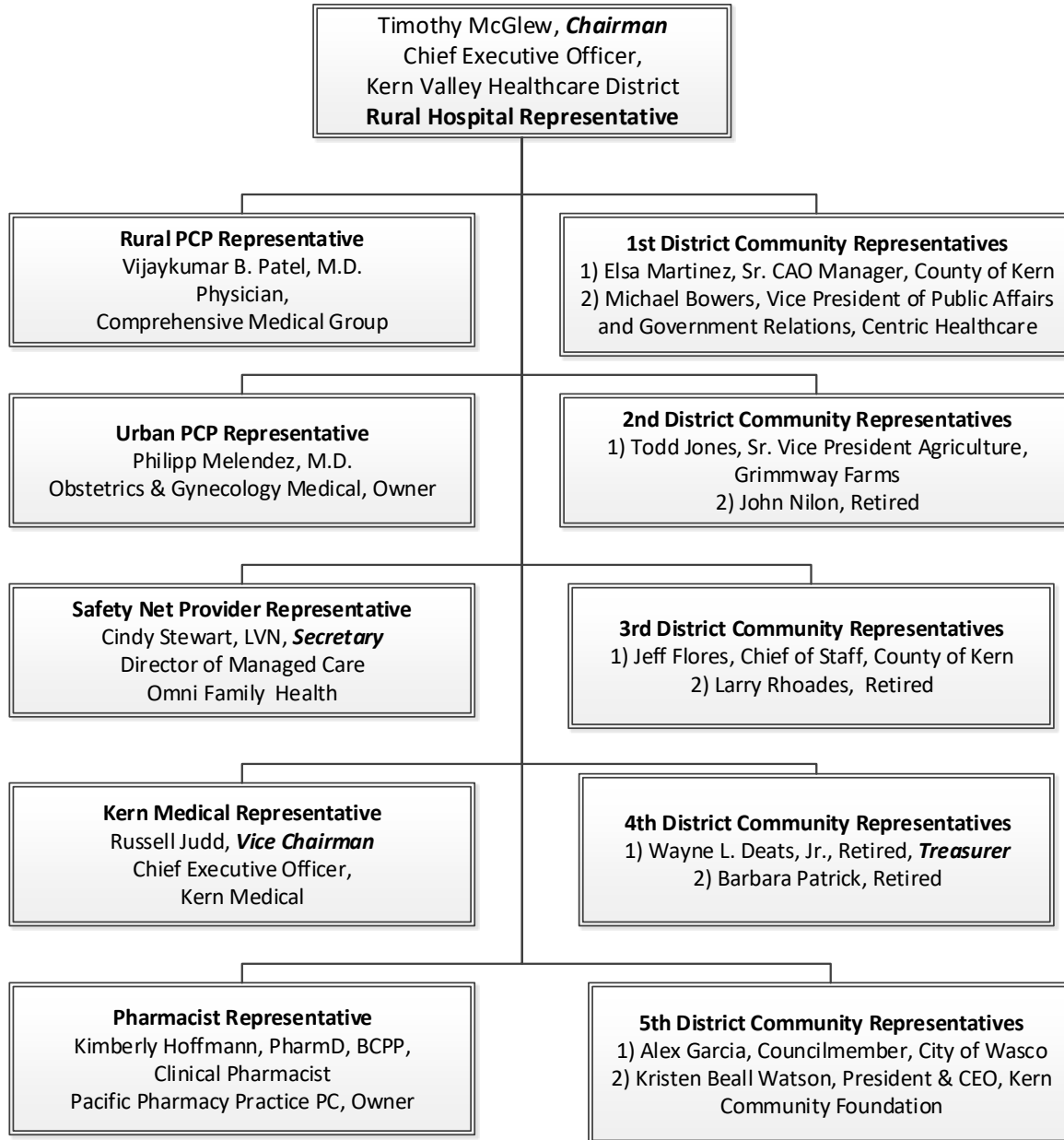
The complete list of Kern Health Systems Board members is shown on the attached organization chart.

Requested Action

Receive and file.



BOARD OF DIRECTORS



Rev. 4.7.21
By: S.Woods



To: KHS Board of Directors

From: Jeremy McGuire, Senior Director of Government Relations & Strategic Development

Date: April 15, 2021

Re: ACAP Presentation on Federal Policy and Legislative Landscape

Background

The outcome of the 2020 general election has resulted in a new Presidential administration and a shift in congressional control. These changes impact the potential regulatory, policy, and legislative direction being taken at the federal level. Given these changes, we have invited representatives from the Association for Community Affiliated Plans (ACAP) to provide the Board of Directors with an overview of the federal landscape.

ACAP is the national trade association representing not-for-profit Medicaid health plans, of which KHS is a member. The presentation will be provided by ACAP's CEO Meg Murray, and Jennifer McGuigan Babcock, Senior Vice President of Medicaid Policy.

Speaker Bios

Margaret A. Murray is the founding CEO of the Association for Community Affiliated Plans (ACAP). She has led the organization since its inception in 2001, steering it through tremendous growth from its origins as an Association of 14 community health center-owned plans to 79 Safety Net Health Plans across the nation, covering more than 20 million people through Medicaid, Medicare and Marketplaces.

Ms. Murray is a national expert on health care policy for people with low incomes and is a frequent speaker on these issues at national conferences and in the media. She has published several articles on the German health care system as a result of an Alexander von Humboldt fellowship in Berlin in 1992 and more recently in the Summer of 2018. Ms. Murray received her M.P.A. from the Woodrow Wilson School of Princeton University and her B.A. *cum laude* in Economics and

Classical Civilization from Wellesley College. Prior to leading ACAP, Ms. Murray was the Medicaid Director for the State of New Jersey under the administration of Governor Christine Todd Whitman, where she oversaw the expansion of the FamilyCare program to cover all children under 350% of poverty. She was also a senior budget analyst for the U.S. Office of Management and Budget, with responsibility for negotiating the budget neutrality agreements for Medicaid managed care waivers. Ms. Murray is a member of the National Academy of Social Insurance and serves on the Board of Directors of the Alliance for Health Policy. Meg also serves on the Medicaid Policy Center Advisory Committee of the New Jersey Quality Institute. She has previously served on the Institute of Medicine's Committee on the Public Financing and Delivery of HIV Care, the Maryland Community Health Resources Commission and on the board of a Community Health Center in southern Maryland.

Jennifer McGuigan Babcock is ACAP's Senior Vice President for Medicaid Policy and Director of Strategic Operations. She also spent over four years as ACAP's Vice President for Exchanges. In 2010, she served the Eligibility and Enrollment team within the Office of Health Insurance Exchanges in the Department of Health and Human Service's Office of Consumer Information and Insurance Oversight (OCIIO, now known as CCIIO), focusing primarily on the interplay between Medicaid and Exchange coverage. Before joining OCIIO, Jennifer served as ACAP's Director of Policy, working primarily on Medicaid and CHIP health plan issues. Previously, she worked on policy related to Medicaid, CHIP, the uninsured, and private health insurance in the Office of Health Policy for the Assistant Secretary for Planning and Evaluation (ASPE) at the Department of Health and Human Services.

She has also held positions with CHIP at the Centers for Medicare & Medicaid Services as special assistant to the Deputy Secretary of Health Care Financing at the Maryland Department of Health and Mental Hygiene, and as an associate consultant with The Lewin Group in Falls Church. Jennifer also served as an MPH Fellow at the Consumer Health Foundation in Washington, D.C., and as Executive Director of the Lovelight Foundation, an anti-poverty organization in Detroit. She has a Masters of Public Health from the University of Michigan, Department of Health Management and Policy, and a Bachelor of Arts in English from Kalamazoo College in Michigan. Jenny was recently given an award for Excellence in a Federal Issue Campaign by the Professional Women in Advocacy for her work to require states to report on pediatric quality measures in CHIP and Medicaid.

Requested Action

Receive and file.



Association for Community Affiliated Plans

Presentation to the Board of Kern Family Health Care

- **Meg Murray**, Chief Executive Officer
- **Jennifer McGuigan Babcock**, Senior Vice President,
Medicaid Policy

Association for Community Affiliated Plans
Strengthening the Safety Net Since 2000

About ACAP



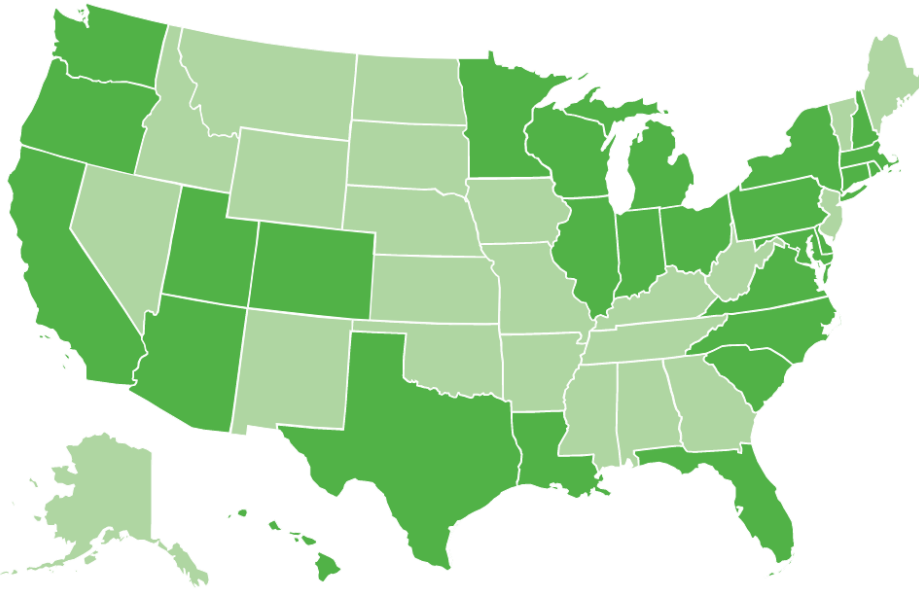
- **Our mission** is to strengthen not-for-profit Safety Net Health Plans in their work to improve the health and well-being of lower-income people and/or people with significant health needs.
- **Our vision** is a country with accessible, affordable, high-quality care, regardless of income, provided through coordinated care entities.

Goals: 2020-2022



- **Trusted Authority.** Be the expert on publicly-sponsored coverage programs.
- **Advocate for People with Low Incomes or Significant Health Needs.** Lead public policy to support continuation and improvement of publicly-sponsored health coverage programs and Safety Net Health Plans.
- **Center for Best Practices.** Strengthen ACAP members strategically and operationally.

ACAP's 78 Member Safety Net Health Plans Cover More than 20 Million People

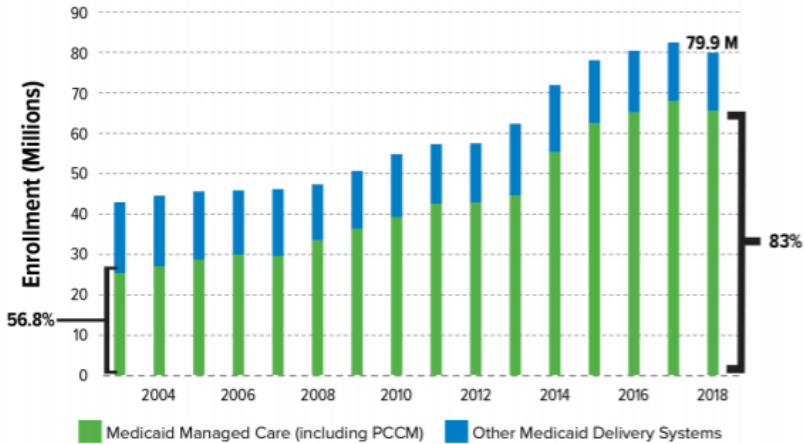


Our plans cover more than **20 million people** in Medicaid, Medicare, Marketplaces and other publicly-supported programs.

Medicaid Managed Care by the Numbers

Enrollment in Managed Care Programs (2003-2018)

Medicaid Enrollment as of July 1 of Each Year



Source: CMS MMC Enrollment Reports, 2003-2018

Safety Net Health Plans Have the Largest Proportion of Medicaid Managed Care Enrollment



- Safety Net Health Plans - 42%
- For-Profit Medicaid Focused - 25%
- For-Profit Commercially Focused - 25%
- Not-For-Profit Commercially Focused - 8%

Source: HMA Enrollment Data, 2020 and ACAP Plan Survey Results, 2020

Recap: The Last Four Years



■ Congress

- Efforts in 2017 to repeal/replace the ACA – including the Medicaid expansion – and enact Medicaid block grants or per capita allotments failed.
 - **3.7 million Californians** have coverage through the Medicaid expansion.
- Key legislation passed in 2018, including a **10-year CHIP funding extension** and the landmark **SUPPORT Act**, addressing the opioid epidemic.
- The COVID-19 pandemic in 2020 dominated all health policymaking, leading to a **Medicaid funding (FMAP) increase to states, continuous eligibility for all Medicaid enrollees**, and **alignment of SUD treatment privacy rules** with HIPAA.

■ The Administration

- Medicaid policy was characterized by waiver approvals for state reforms including **community engagement (work) requirements, per capita allotments, and waivers of managed care rules**, plus regulations to **alter Medicaid funding**.

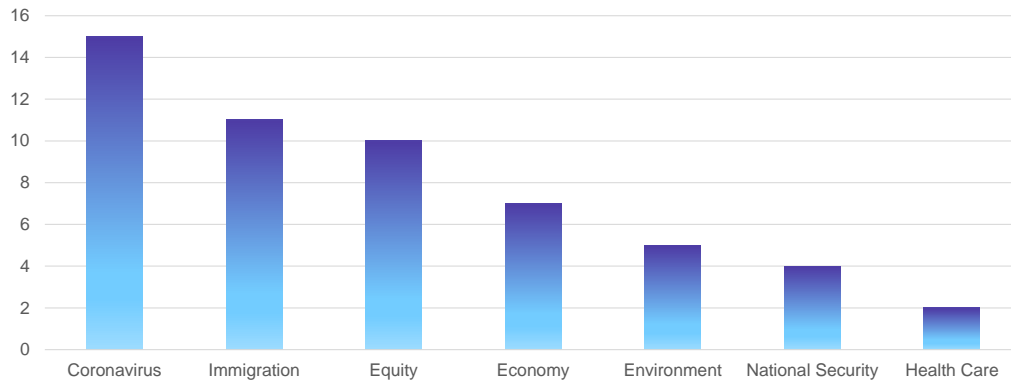
2021: The First 100 Days



2021: The First 100 Days



59 Executive Actions taken to date (Executive Orders, Directives, Memos, Proclamations)



2021: Biden-Harris Administration

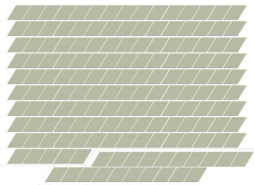


- Key leadership positions
 - **Xavier Becerra** confirmed as HHS Secretary March 18.
 - **Chiquita Brooks-LaSure** nominated as CMS Administrator; not yet confirmed.
- [ACAP December 22, 2020 letter to transition team](#) outlined requests for regulatory and subregulatory changes.
- Any new administration can use the Administration Procedures Act to freeze or slow rules from a prior administration.
 - [On January 20](#), the new Administration temporarily halted all pending regulations until incoming leadership could review and approve them.
 - So far, Administration has taken significant additional regulatory action.
- Congress can also employ the Congressional Review Act to overturn recent (post August 21) Trump Administration rules.

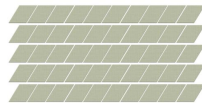
American Recovery Plan Act – Key Provisions



 \$160 billion
vaccine development
and distribution



Including \$20B for community vaccination centers



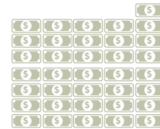

Paycheck
protection
\$50 billion




Rental
assistance
\$25 billion




Home energy
and water costs.
\$5 billion

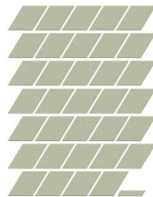
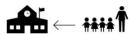
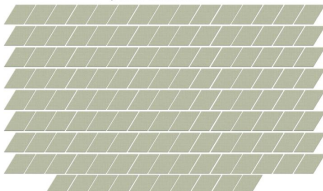


\$3,600
per child
under age 6

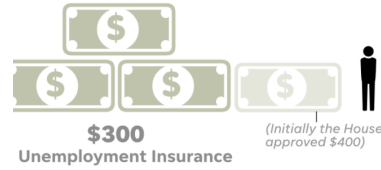


\$3,000
per child
up to age 17


Return to in-person teaching at schools.
\$130 billion



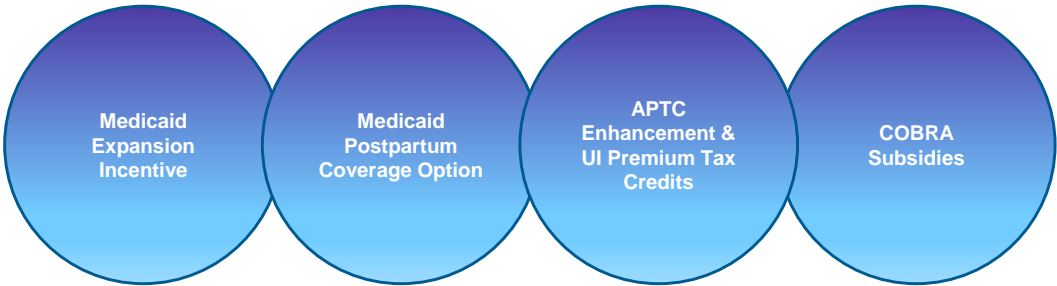

Expansion of
the Affordable
Care Act
\$34.2 billion



\$300
Unemployment Insurance


(Initially the House
approved \$400)

American Recovery Plan Act – Key Provisions



What's Next?



- Infrastructure: The Biden-Harris American Jobs Plan
 - \$7 billion in investments for core public health infrastructure for state, local, Tribal, and territorial health departments and the Centers for Disease Control and Prevention
 - \$10 billion in funding to reestablish the Hill-Burton hospital infrastructure program for construction and modernization of hospitals and medical facilities.
 - \$10 billion in funding for community health center capital project grants
 - \$4.5 billion to improve laboratory infrastructure
 - \$500 million for community-based care centers that address COVID-19 and other public health crises

What's Next?



- Health Care Reforms
 - Additional ACA Reforms/Coverage Expansions (Medicaid/CHIP coverage, STDLI)
 - Drug Pricing Reforms (Medicare Part D Negotiated Prices, Inflationary Rebates, PBM reforms)
 - Telehealth
 - Opioid Epidemic/Behavioral Health/Substance Use Disorders

- Other Big Questions
 - Lowering age of eligibility for Medicare
 - Medicare for All
 - Public Option

ACAP Top Policy Priorities



■ Medicaid

- Build Back Better: Strengthen and Stabilize Medicaid Financing
- Cut Red Tape: Improve Eligibility and Enrollment in Medicaid and CHIP
- Whole-Person, Whole-Community Care: Address Social Determinants of Health for People Covered by Medicaid

■ Medicare/MLTSS

- Account for social determinants of health in Medicare Advantage Star Ratings
- Evaluate Adding Indicators of SDOH Need to the Medicare Advantage Risk Adjustment Model
- Create New Flexibilities for Plans to Offer SDOH Services Through SSBCI
- Improve Medicare and Medicaid integration

■ Marketplaces

- Keep Coverage Affordable
- Keep Coverage Comprehensive
- Keep Coverage Markets Competitive and Efficient



Questions or comments?

Thank you very much!



To: KHS Board of Directors

From: Robert Landis, CFO

Date: April 15, 2021

Re: Report by Daniells Phillips Vaughan & Bock Regarding the 2020 Audit

Representatives from the accounting firm Daniells Phillips Vaughan & Bock will be providing a report on the 2020 audit. Attached for your review are the December 31, 2020 audited financial statements for Kern Health Systems.

Requested Action

Approve.



FINANCIAL REPORT

DECEMBER 31, 2020

KERN HEALTH SYSTEMS

FINANCIAL REPORT

DECEMBER 31, 2020

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-11

FINANCIAL STATEMENTS	
Statements of net position	12
Statements of revenues, expenses and changes in net position	13
Statements of cash flows	14
Notes to financial statements	15-37

REQUIRED SUPPLEMENTARY INFORMATION	
Schedules of proportionate share of the net pension liability	38
Schedules of pension contributions	39-40

OTHER INDEPENDENT AUDITOR'S REPORT	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41-42



An independently owned member RSM US Alliance

Member of AICPA Division for Firms
Private Companies Practice Section

NANCY C. BELTON

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kern Health Systems
Bakersfield, California

Report on the Financial Statements

We have audited the accompanying financial statements of **Kern Health Systems**, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

-1-

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Kern Health Systems**, as of December 31, 2020 and 2019, and the changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of proportionate share of the net pension liability and the schedules of pension contributions on pages 3-11 and 38-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021 on our consideration of **Kern Health Systems'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **Kern Health Systems'** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Kern Health Systems'** internal control over financial reporting and compliance.

Daniells Phillips Vaughan & Bock

Bakersfield, California
March 30, 2021

KERN HEALTH SYSTEMS

Management's Discussion and Analysis

Our discussion and analysis of Kern Health Systems' ("KHS", "We", "Us", "Our") financial performance provides an overview of KHS' financial activities for the calendar years ended December 31, 2020 and 2019. Presentation of balances in the financial tables may differ from prior periods. Account balances have been reclassified to better present financial categories. Please read the discussion and analysis in conjunction with the KHS financial statements, which begin on page 12.

Overview:

KHS is a County health authority established for the purpose of providing health care services to meet the health care needs of low-income families and individuals in Kern County, California. As a managed care health plan, KHS manages health care services for an enrolled population that qualifies for Medi-Cal, which is California's Medicaid health care program. Medicaid was established in 1965 under the U.S. Social Security Act to provide health care and long-term care services and support to low-income Americans. Although jointly funded by federal and state governments, Medicaid is a state-operated and state-implemented program. Subject to federal laws and regulations, states have significant flexibility to structure their own programs in terms of eligibility, benefits, delivery of services, and provider payments. The Department of Health Care Services ("DHCS") is the single state agency responsible for administering Medi-Cal. In 2020 and 2019, KHS received over 99% of its operating revenue from the State of California. KHS is committed to continually improving the quality of care and service to its members, and to help them access the right care at the right time in the appropriate setting.

Members can select the Medi-Cal health plan of their choice. In Kern County there is one additional Medi-Cal health plan to choose from besides KHS. The opportunity to select a health plan is at the time of initial enrollment and at a minimum, annually thereafter. If a member does not select a plan, the member will be auto-assigned to one of the two Medi-Cal health plans located in Kern County.

In general, KHS members are required to use the KHS provider network to receive care. KHS contracts with various health care providers for the provision of medical care services to its members. The provider network consists of primary and specialty care physicians, hospitals, ancillary providers and pharmacies. Primary Care Physicians (PCPs) play an integral role in coordinating and managing the care of KHS members by delivering preventive services as well as referring members to other providers for medically necessary services. PCPs are typically trained in internal medicine, pediatrics, family practice and general practice. KHS compensates most of its providers on a fee for services basis. Under fee for service arrangements, KHS retains the financial responsibility for medical care provided and incurs costs based on the actual utilization of services. Additionally, KHS works with the provider network to operate efficiently by providing financial and utilization information, physician and patient educational programs, and disease and medical management programs. In 2020 and 2019, KHS paid approximately 92% and 93%, respectively, of its revenue to providers.

KHS seeks to improve the quality of care delivered by its network providers by continual focus on:

- Provider access
- Preventive health and wellness
- Care and disease management
- Provider credentialing
- Provider education and incentives for closing care gaps
- Member education and outreach
- Information technology initiatives related to the above activities
- Advocacy and community-based programs

KHS' mission is dedicated to improving the health status of its members through an integrated managed health care delivery system. KHS is focused on preventive health, wellness and a population health management model that coordinates medical, behavioral, social, and pharmacy programs to provide quality care.

Financial Highlights:

- ❖ Our net position increased in 2020 by \$12,393,808 or approximately 5.8% while in 2019 our net position increased by \$13,061,405 or 6.5%.
- ❖ Our Medi-Cal enrollment growth showed an average monthly increase of approximately 13,300 members or 5.3% in 2020 compared to 2019. This compared to an average monthly increase of approximately 3,400 members or 1.4% in 2019 compared to 2018. The increase in average monthly membership was due largely to the State not performing redeterminations as a result of the COVID-19 Public Health Emergency (PHE) and increased eligibility as a result of the PHE.
- ❖ We have a capitated arrangement required by the California Department of Health Care Services (DHCS) with another health plan which allows for that plan to provide health care services for assigned members. Assigned membership to this other health plan was 10,909 members at the end of 2020 compared to 9,007 members at the end of 2019. The premium revenue earned for this population was \$25.6 million and \$22.0 million for the years ended December 31, 2020 and 2019, respectively. As we have no obligation to provide care for this population, the Premiums earned amount reported for the years ended December 31, 2020 and 2019 is net of the \$25.0 million and \$21.6 million, respectively, of associated capitated expense and the member months shown have been adjusted to remove capitated member months.
- ❖ We reported an operating income of \$14,204,450 or \$4.51 PMPM in 2020 and operating income of \$8,335,611 or \$2.80 PMPM in 2019. The operating income in 2020 is largely due to increased membership experienced in 2020 and a lower Medical Loss ratio (Medical and Hospital Services expense as a percentage of Total Operating Revenue excluding MCO tax revenue and Hospital directed payments earned).
- ❖ Managed Care Organization (MCO) Tax Revenues of \$98,918,724 or \$31.42 PMPM are included in premiums earned in 2020 and \$48,486,437 or \$16.22 PMPM in 2019. Beginning July 1, 2016, under Senate Bill X2-2, the MCO tax methodology changed from a 3.9375% of premium revenue to a fixed PMPM rate. The rate was \$30.33 PMPM for the period January 1, 2020 to December 31, 2020 and \$31.50 PMPM for the period July 1, 2018 to June 30, 2019. Due to a delay in federal approval by CMS of the extension of the MCO tax program, there was no MCO tax assessment for the period July 1, 2019 through December 31, 2019. The tax amounts are based on projected membership and MCO expense is payable quarterly. MCO Tax Expense is reported as an operating expense and was \$100,919,574 or \$32.05 PMPM in 2020 and \$48,401,624 or \$16.19 PMPM in 2019.
- ❖ The decrease in nonoperating income of \$6,536,436 between 2020 and 2019 is primarily attributable to the decrease in investment and other income due to higher interest rates and better market performance experienced in 2019 compared to 2020. We reported investment and other income of \$2,508,382 for 2020 or \$0.80 PMPM and \$6,725,511 or \$2.25 PMPM in 2019. We reported no sale of assets in 2020, while in 2019 a gain of \$2,225,369 was recognized from the sale of office building property.
- ❖ We continued with provider quality incentive programs and reported expenses of approximately \$5.7 million in 2020 to reward providers who demonstrate improved Healthcare Effectiveness Data and Information (HEDIS) outcomes.

Operational Highlights:

As part of fulfilling our mission while maintaining current operations, KHS engaged in the following activities during 2020:

- ❖ Transitioned most of our employees to working from home, while maintaining or improving operating metrics. Addressed employee hardships and did not reduce the workforce.
- ❖ Continued to improve our Health Homes Programs in collaboration with our Safety Net Providers. In 2020, seven (7) health homes were in operation. We expanded the program with a distributive model location that focuses on high-risk pediatric members. The overall Health Homes focus is to develop an integrated care management model incorporating medical, behavioral, social and pharmacy programs.
- ❖ Expanded the Transitional Care Program to reduce preventable hospital readmissions, coordinate care, and address any unidentified needs during the post-acute discharge planning.
- ❖ Expanded Telehealth Specialty Care services to be available for all appropriate services that can be coordinated and completed virtually versus face-to-face interactions.
- ❖ Participated with a community-based organization network to coordinate resources to address social determinants of health.
- ❖ Created a Population Health Management (PHM) program that addresses individuals' health needs across the continuum of care using tailored health solutions.
- ❖ Implemented a Diabetes Prevention Program (DPP) focused on lifestyle change to prevent members from developing diabetes. To successfully graduate from the program, members are required to attend 26 classes over the year, remain diabetes free, lose at least 5 percent of their weight, and achieve at least 150 minutes of physical activity each week. Due to the pandemic, the program was offered only virtually to a second cohort of eligible members.
- ❖ Offered virtual asthma and nutrition classes.
- ❖ Established a Chronic Obstructive Pulmonary Disease ("COPD") management program which includes interventions to assess and monitor disease, reduce risk factors, manage stable COPD, and manage exacerbations. KHS created a multi-disciplinary team which includes respiratory therapists, specialty/primary care providers, registered nurses, nutritionists, palliative support and home health agencies to provide services in the home and coordinate care for early diagnosis and treatment interventions to reduce Emergency Room, Urgent Care, and Inpatient admissions.
- ❖ Implemented various strategies to increase utilization of preventative care to achieve the revised HEDIS External Accountability Set (EAS) targeted goals for the new Managed Care Accountability Set (MCAS) measures. Such strategies include ongoing member and provider education, member outreach and use of provider and member incentives to encourage utilization of qualified preventative services under the Program.
- ❖ Provided funding for Housing Case Management to afford KHS members an opportunity to exit homelessness and receive safe, and affordable housing. The Housing Case Management services will be matched with a housing resource that already exists in the community, such as, short term rental assistance, housing choice vouchers, and low-income public housing.

- ❖ Continued grant funds to public school sites in Kern County to Implement School Wellness Programs during the 2020-2021 academic year. The School Wellness Programs target student nutrition, physical activity, water consumption, outdoor safety, and social and emotional learning.
- ❖ Administered several Alternative Payment Methodologies (“APM”) within provider contracts that focus on quality care coordination and cost reduction strategies. Also, developed APM’s for providers to encourage patients to return to their doctor from volume fall off caused by the State’s stay as home order during the height of the pandemic.
- ❖ Purchased an Interoperability system to ensure compliance with the CMS Interoperability Rule to allow members to retrieve from their health plan’s their medical information, claims information, pharmacy and laboratory information. As adoption of this real-time data exchange increases and evolves, providers and members will have a sound method of obtaining historical clinical information to ensure better health outcomes.
- ❖ Enhanced business continuity and disaster recovery systems and protocols after executing the Program due to COVID-19 which resulted in successfully shifting 95% of employees to a home-based work environment within a week’s time. The company’s operations continued without interruption.
- ❖ Created a technical solution to continuously without interruption, stream data to the company’s large data processing systems, business reporting systems, third party vendors (e.g. Vision, Pharmacy, etc.), and contracted providers. This system will assist the IT department to proactively monitor the hundreds of data delivery and transformation jobs.
- ❖ Continued to make significant improvements to our thirteen-year-old Enterprise Data Warehouse (EDW). This centralized data repository houses data representing several administrative areas including case management, health education, quality improvement measures, claims, pharmacy, lab results, vision, 24-hour nurse hotline, transportation, telephonic communication, and more. KHS uses this EDW to manage employees, provide predictive analytics and utilization anomalies on member’s health, show internal operation’s reporting and analytics, and forecast plan financials.
- ❖ Contributed over \$140,000 to support 4 COVID-19 testing sites in Kern County.
- ❖ Donated \$100,000 to the Kern Community Foundation’s “Kern County COVID-19 Relief Fund” to support local nonprofits serving vulnerable populations with basic needs. Nine local organizations benefitted from this funding.
- ❖ Donated approximately \$186,000 to 68 different community-based organizations. Since these organizations serve many of the same constituents, many of our members will receive assistance from these community partners.
- ❖ Adapted our hiring processes to interview, hire and bring onboard employees virtually to meet the organization’s staffing needs. Additionally, we were able to convert our classroom training programs to virtual training programs while meeting all compliance training requirements.
- ❖ Corporate facility was successfully certified as a Leadership in Energy and Environmental Design (LEED) Silver building.

- ❖ Project Management Department at KHS was recognized by the Project Management Institute as one of the top 3 organizations for bringing added value through the support of successful strategic initiatives and demonstrating superior organizational project management capabilities.

Using this Annual Report

Our financial statements consist of three statements: the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows. These financial statements and related notes provide information about the activities of KHS.

The Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position

One of the most important questions asked about our finances is, “Is KHS as a whole better or worse off as a result of the year’s activities?” The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about our resources and activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report our net position and changes in it. Our net position, the difference between the assets and liabilities, is one way to measure our financial health. Over time, increases or decreases in net position indicate whether our financial health is improving or deteriorating. Non-financial factors, however, such as changes in member base and measures of the quality of service to members should be considered in evaluating the overall health of KHS.

The Statements of Cash Flows

The final required statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It provides answers to such questions as “Where did cash come from?” “What was cash used for?” and “What was the change in cash balance during the reporting period?”

Condensed Financial Information

Statements of Net Position

KHS' net position is the difference between its assets and deferred outflows of resources, and liabilities and deferred inflows of resources, as reported in the Statement of Net Position. Our net position increased in 2020 and 2019 by \$12,393,808 and \$13,061,405, respectively. Our Statements of Net Position as of December 31, 2020, 2019, and 2018 are as follows:

	2020	2019	2018
Assets			
Hospital directed payments receivable	\$ 195,667,272	\$ 237,559,106	\$ -
Other current assets	346,708,391	319,732,289	327,383,667
Capital assets, net	68,655,076	69,786,809	55,937,228
Other assets	5,527,956	1,043,644	1,004,750
Total Assets	\$ 616,558,695	\$ 628,121,848	\$ 384,325,645
Deferred Outflows of Resources	\$ 3,018,341	\$ 2,889,179	\$ 2,657,573
Liabilities			
Accrued medical expenses payable	\$ 153,291,888	\$ 161,392,611	\$ 142,516,255
Hospital directed payments payable	195,667,272	237,317,695	-
Accrued expenses	35,012,634	10,149,451	36,606,228
Net pension liability	8,432,377	7,038,233	5,865,463
Total Liabilities	\$ 392,404,171	\$ 415,897,990	\$ 184,987,946
Deferred Inflows of Resources	\$ 86,684	\$ 420,664	\$ 364,304
Net Position			
Net investment in capital assets	\$ 68,655,076	\$ 69,786,809	\$ 55,937,228
Restricted	300,000	300,000	300,000
Unrestricted	158,131,105	144,605,564	145,393,740
Total Net Position	\$ 227,086,181	\$ 214,692,373	\$ 201,630,968

KHS' net position for 2020, 2019, and 2018 exceeded all regulatory requirements for Tangible Net Equity (TNE).

Statements of Revenues, Expenses and Changes in Net Position

Operating results and changes in our net position show an increase in net position of \$12,393,808 and \$13,061,405 for the years ended December 31, 2020 and 2019, respectively. The increases are made up of various components as outlined below:

	2020	2019	2018	2020	2019	2018
Enrollment						
Total member months				3,266,674	3,093,144	3,047,435
Less non-risk capitated member months				(118,205)	(103,876)	(99,006)
Net member months				<u>3,148,469</u>	<u>2,989,268</u>	<u>2,948,429</u>
Average monthly members				262,372	249,106	245,702
Per Member Per Month in Dollars						
Operating Revenue						
Premiums earned	\$ 934,262,033	\$ 819,211,480	\$ 790,046,475	\$ 296.74	\$ 274.05	\$ 267.96
Hospital directed payments earned	56,137,431	300,291,112	-	17.83	100.46	-
Other operating revenue	261,987	289,296	1,859,982	0.08	0.10	0.63
Total operating revenue	<u>990,661,451</u>	<u>1,119,791,888</u>	<u>791,906,457</u>	<u>314.65</u>	<u>374.61</u>	<u>268.59</u>
Operating Expenses						
Medical and hospital	768,324,559	717,600,716	652,587,721	244.03	240.06	221.33
MCO premium tax	100,919,574	48,401,624	94,216,985	32.06	16.19	31.95
Hospital directed payments	55,897,946	299,923,121	-	17.75	100.33	-
Administrative	46,280,714	43,026,853	35,094,430	14.70	14.39	11.90
Depreciation	5,034,208	2,503,963	1,530,726	1.60	0.84	0.52
Total operating expenses	<u>976,457,001</u>	<u>1,111,456,277</u>	<u>783,429,862</u>	<u>310.14</u>	<u>371.81</u>	<u>265.70</u>
Operating income	<u>14,204,450</u>	<u>8,335,611</u>	<u>8,476,595</u>	<u>4.51</u>	<u>2.80</u>	<u>2.89</u>
Nonoperating Revenue (Expenses)						
Investment and other income	2,508,382	6,725,511	4,979,510	0.80	2.25	1.69
Gain on sale of assets	-	2,225,369	-	-	0.74	-
Community grants	(4,319,024)	(4,225,086)	(2,366,956)	(1.37)	(1.41)	(0.80)
Total nonoperating revenue (expenses)	<u>(1,810,642)</u>	<u>4,725,794</u>	<u>2,612,554</u>	<u>(0.57)</u>	<u>1.58</u>	<u>0.89</u>
Changes in net position	12,393,808	13,061,405	11,089,149	3.94	4.38	3.78
Net position, beginning	214,692,373	201,630,968	190,541,819	68.19	67.45	64.62
Net position, ending	<u>\$ 227,086,181</u>	<u>\$ 214,692,373</u>	<u>\$ 201,630,968</u>	<u>\$ 72.12</u>	<u>\$ 71.83</u>	<u>\$ 68.40</u>

Operating Income

The first component of the overall change in net position is our operating income. This is the difference between the premiums earned and the cost of medical services. We earned operating income for the years ended December 31, 2020 and 2019 of \$14,204,450 and \$8,335,611, respectively.

The primary components of the operating income for 2020 are:

- ❖ Premiums earned increased \$115,050,553 or \$22.68 PMPM in 2020 from 2019. Approximately \$55.3 million or \$6.12 PMPM is attributed to an increase in premium capitation due primarily to membership increases in 2020 from 2019. Approximately \$50.4 million or \$15.20 PMPM is due to increased MCO premiums received due to a full year of MCO tax premiums received in 2020 versus 6 months of MCO tax premiums received in 2019. Approximately \$15.4 million or \$4.11 PMPM is attributed to an increase in Proposition 56 rates and the introduction of new Proposition 56 programs between 2020 and 2019.
- ❖ The Medi-Cal average monthly membership increased by approximately 13,300 members or 5.3% over 2019.
- ❖ The medical and hospital services costs increased by \$50,723,843 and \$3.97 PMPM between 2020 and 2019. This increase is attributed to increased supplemental provider payments payable under Proposition 56, increased utilization of medical services such as inpatient hospital services, provider contract rate increases, and new programs aimed at assisting members and providers in response to the pandemic. The Medical Loss ratio was 92.0% in 2020 and 93.1% in 2019.
- ❖ Administrative expenses increased by \$3,253,861 or \$0.31 PMPM over 2019 which is attributed to the increase in salaries and benefits for additional staff needed to meet the needs of the organization and regulatory requirements in 2020 and retirement contribution expense adjustments recognized under GASB 68 reporting requirements. Administrative expense as a percentage of total Operating Revenue (excluding MCO tax revenue and Hospital directed payments earned) was 5.53% in 2020 compared to 5.58% in 2019.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses consisted primarily of investment income, proceeds from the sale of assets and community grants. In 2020, Investment and Other Income earned was \$2,508,382 or \$0.80 PMPM which helped offset Community Grant Expense of \$4,319,024 or \$1.37 PMPM.

KHS' Cash Flow

Changes in KHS' cash flows are consistent with changes in operating income and nonoperating revenues and expenses and are reflective of timing differences pertaining to payment of accrued medical services and paid rates.

General Economic and Political Environment Factors

Our continued growth may be affected by a variety of factors, including macro-economic conditions and enacted health care reforms that could affect our results of operations. Our operations depend primarily on the continuation of our contract with and funding by the State for the Two-Plan Model of the Medi-Cal Managed Care Program. We believe that the State and Federal Governments are committed to keeping these programs in place, but they will continue to look for budgetary savings through reductions in health care costs.

Contacting KHS' Financial Management

This financial report is designed to provide our members, providers, suppliers, regulatory agencies, taxpayers, and creditors with a general overview of KHS' finances and show KHS' accountability for the money it receives. If you have questions about this report or need additional financial information please contact Robert Landis, CFO, Kern Health Systems, at 2900 Buck Owen Blvd, Bakersfield, California 93308.

KERN HEALTH SYSTEMS

**STATEMENTS OF NET POSITION
December 31, 2020 and 2019**

	2020	2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 74,866,934	\$ 92,405,797
Investments (Notes 2 and 3)	169,078,187	111,853,223
Premiums receivable	97,593,440	111,563,581
Hospital directed payments receivable (Note 4)	195,667,272	237,559,106
Other receivables (Note 5)	1,111,072	1,218,611
Prepaid expenses	2,223,252	2,691,077
Current portion of provider advances (Note 6)	1,835,506	-
Total current assets	542,375,663	557,291,395
Capital Assets (Note 7)		
Land	4,090,706	4,090,706
Buildings and improvements	36,482,174	36,471,386
Furniture and equipment	32,109,350	31,706,810
Capital projects in process	12,183,359	8,743,952
	84,865,589	81,012,854
Less accumulated depreciation	16,210,513	11,226,045
	68,655,076	69,786,809
Other Assets		
Restricted investments (Notes 2, 3 and 11)	300,000	300,000
Provider advances, less current portion (Note 6)	3,671,012	-
Split dollar life insurance (Note 8)	1,556,944	743,644
	5,527,956	1,043,644
Total assets	616,558,695	628,121,848
Deferred Outflows of Resources (Note 12)	3,018,341	2,889,179
Total assets and deferred outflows of resources	\$ 619,577,036	\$ 631,011,027

See Notes to Financial Statements.

	2020	2019
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities		
Accrued medical expenses payable (Note 9)	\$ 153,291,888	\$ 161,392,611
Hospital directed payments payable (Note 4)	195,667,272	237,317,695
Accrued expenses (Note 10)	35,012,634	10,149,451
Total current liabilities	383,971,794	408,859,757
Noncurrent Liabilities		
Net pension liability (Note 12)	8,432,377	7,038,233
Commitments and Contingencies (Note 14)		
Deferred Inflows of Resources (Note 12)	86,684	420,664
Net Position		
Net investment in capital assets	68,655,076	69,786,809
Restricted (Note 11)	300,000	300,000
Unrestricted	158,131,105	144,605,564
Total net position	227,086,181	214,692,373
Total liabilities, deferred inflows of resources and net position	\$ 619,577,036	\$ 631,011,027

KERN HEALTH SYSTEMS**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION****Years Ended December 31, 2020 and 2019**

	2020	2019
Operating Revenue		
Premiums earned	\$ 934,262,033	\$ 819,211,480
Hospital directed payments earned (Note 4)	56,137,431	300,291,112
Stop-loss insurance recoveries (Note 13)	261,987	289,296
Total operating revenue	990,661,451	1,119,791,888
Operating Expenses		
Medical and hospital	768,324,559	717,600,716
MCO premium tax	100,919,574	48,401,624
Hospital directed payments (Note 4)	55,897,946	299,923,121
Administrative	46,280,714	43,026,853
Depreciation	5,034,208	2,503,963
Total operating expenses	976,457,001	1,111,456,277
Operating income	14,204,450	8,335,611
Nonoperating Revenue (Expenses)		
Investment and other income	2,508,382	6,725,511
Gain on sale of office building property	-	2,225,369
Community grants	(4,319,024)	(4,225,086)
Total nonoperating revenue (expenses)	(1,810,642)	4,725,794
Change in net position	12,393,808	13,061,405
Net position, beginning	214,692,373	201,630,968
Net position, ending	\$ 227,086,181	\$ 214,692,373

See Notes to Financial Statements.

KERN HEALTH SYSTEMS**STATEMENTS OF CASH FLOWS**
Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows From Operating Activities		
Premiums received	\$ 948,203,837	\$ 800,639,919
Hospital directed payments earned	98,029,265	62,732,006
Stop-loss insurance recoveries	261,987	557,269
Medical and hospital payments	(776,425,282)	(700,904,511)
Hospital directed payments paid	(97,548,369)	(62,605,426)
Administrative expenses paid	(46,855,627)	(44,826,477)
MCO premium tax expense paid	(74,205,406)	(72,791,260)
Net cash provided by (used in) operating activities	51,460,405	(17,198,480)
Cash Flows From Noncapital Financing Activities		
Community grants	(4,319,024)	(4,225,086)
Nonoperating income	249,340	2,469,639
Net cash (used in) noncapital financing activities	(4,069,684)	(1,755,447)
Cash Flows From Capital And Related Financing Activities		
Acquisition of capital assets	(3,902,475)	(23,325,925)
Proceeds from sale of assets	-	9,197,750
Net cash (used in) capital and related financing activities	(3,902,475)	(14,128,175)
Cash Flows From Investing Activities		
Net purchases of investments	(1,918,586,630)	(1,864,329,645)
Proceeds from maturities of investments	1,863,879,339	1,899,061,241
Disbursements made on provider advances	(5,746,518)	-
Payments received on provider advances	240,000	-
Payment for split dollar life insurance	(813,300)	(38,894)
Net cash provided by (used in) investing activities	(61,027,109)	34,692,702
Net increase (decrease) in cash and cash equivalents	(17,538,863)	1,610,600
Cash and cash equivalents:		
Beginning	92,405,797	90,795,197
Ending	\$ 74,866,934	\$ 92,405,797

See Notes to Financial Statements.

	2020	2019
Reconciliation of operating activities to net cash provided by (used in) operating activities		
Operating income	\$ 14,204,450	\$ 8,335,611
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	5,034,208	2,503,963
(Gain) loss on sale of assets	-	(2,225,369)
Changes in:		
Deferred outflows of resources	(129,162)	(231,606)
Net pension liability	1,394,144	1,172,770
Deferred inflows of resources	(333,980)	56,360
Changes in working capital components:		
(Increase) decrease in:		
Premiums receivable and other receivables	13,819,049	(17,989,161)
Hospital directed payments receivable	41,891,834	(237,559,106)
Prepaid expenses	467,825	(999,216)
Increase (decrease) in:		
Accrued medical services payable	(8,100,723)	18,876,356
Hospital directed payments payable	(41,650,423)	237,317,695
Accrued expenses	24,863,183	(26,456,777)
Net cash provided by (used in) operating activities	\$ 51,460,405	\$ (17,198,480)

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of activities: Kern Health Systems (KHS) was originally formed on August 17, 1993, as a non-profit public benefit corporation. It was later dissolved and converted into a County health authority for the purpose of establishing and operating a comprehensive managed care system to provide health care services; to meet the health care needs of low-income families and individuals in the County of Kern; to demonstrate ways of promoting quality care and cost efficiency; to negotiate and enter into contracts authorized by Welfare and Institutions Code Section 14087.3; to arrange for the provision of health care services provided pursuant to Chapter 7, of Part 3, of Division 9 (commencing with Section 14000) of the Welfare and Institutions Code; and to do all things reasonably related or incidental to those purposes. On December 6, 1994, the County of Kern Board of Supervisors enacted Chapter 2.94 of the Ordinance Code, creating KHS as the County health authority.

Global pandemic: On January 30, 2020 the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and by March 10, 2020 declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus (aka COVID-19) include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which KHS operates.

As COVID-19 is unprecedented, it is difficult to determine its impact to operations, its demand on health care and how it may ultimately affect KHS’ bottom line. Government decisions to shelter in place have reduced demand for routine care, while at the same time, demand has increased for other medical services, such as telehealth services and COVID-19 related hospital admissions.

Although utilization for routine care was curtailed during 2020, 2021 could bring a rebound in medical services from pent up demand from patients staying away from their doctor for fear of contracting the virus in their offices. This increased demand for medical services could result in a significant increase in medical care costs and by extension, related provider claims payments.

KHS continues to assess the financial impact of the pandemic. Despite the challenges it brings to forecasting, KHS believes that KHS’ financial resources and particularly KHS’ cash flow position will be sufficient to withstand the financial effects of the pandemic for the foreseeable future.

A summary of KHS’ significant accounting policies follows:

Accounting policies: KHS uses the accrual basis of accounting. The accompanying financial statements have been prepared in accordance with the standards of the Governmental Accounting Standards Board (GASB). In addition, KHS follows the provisions of the American Institute of Certified Public Accountants *Audit and Accounting Guide, Health Care Organizations*.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates with respect to KHS’ financial statements include the various components of accrued medical services payable, the deferred outflows and inflows of resources, and the net pension liability.

Cash and cash equivalents: Cash and cash equivalents include highly liquid instruments with an original maturity of three months or less when purchased.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Investment valuation and income recognition: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of net position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for further discussion of fair value measurements.

Capital assets: Capital assets are stated at cost. Depreciation is computed by the straight-line method over the estimated service lives of the related assets, which are as follows:

	<u>Years</u>
Buildings and improvements	10-40
Furniture and equipment	3-5

KHS' capitalization policy is to capitalize all items with a unit cost greater than \$1,000 with the exception of computer software which has a per unit capitalization of \$5,000 and an expected useful life of greater than one year. Items that do not meet KHS' capitalization policy and that do not have a useful life of greater than one year are expensed in the period acquired.

Accrued compensated absences: KHS employees earn personal time off (PTO) on a bi-weekly or semi-monthly basis at various rates based on continuous years of service. Employees are allowed to accumulate up to three times their annual benefit rate before accruals cease. Unused PTO is carried forward into subsequent years. Any unused accumulated balance will be paid to the employee upon separation of service. Compensated balances are accrued and recorded in accordance with GASB Codification Section C60.

Net position: The basic financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- ❖ *Net investment in capital assets* consists of capital assets net of accumulated depreciation, reduced by the current balance of any outstanding borrowings used to finance the purchase or construction of those assets.
- ❖ *Restricted* net position is non-capital net position that must be used for a particular purpose, as specified by regulators, creditors, grantors, or contributors external to KHS.
- ❖ *Unrestricted* net position is the remaining net position that does not meet the definition of *net investment in capital assets* or *restricted*.

Operating revenues and expenses: KHS distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering services in connection with KHS' principal ongoing operations. The principal operating revenues of KHS are premium revenue received from the California Department of Health Care Services (DHCS). Operating expenses include the cost of medical and hospital services provided to members and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

In 2013, KHS entered into a capitated agreement required by the DHCS with another Health Plan which allows for that plan to provide health care services for their assigned members. As KHS had no obligation to provide care for this population, the Premiums earned amount included as part of operating revenue is reported net of the capitated expense associated with assigned members. Capitated expense was \$25 million for 10,909 members assigned for the year ended December 31, 2020 and was \$21.6 million for 9,007 members assigned for the year ended December 31, 2019.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Premiums revenue: Premiums are due monthly from DHCS and are recognized as revenues during the period in which KHS is obligated to arrange payments for managed health care services provided to KHS members. CMS requires that the rates used in KHS' premiums are to be actuarially sound. Premium revenue is fixed in advance of the periods covered on a per member per month (PMPM) basis and are generally not subject to significant accounting estimates. Premium payments received from DHCS are based on an eligibility list produced by DHCS. Premium payments are required to be returned if DHCS later discovers that the eligibility list contains individuals who were not eligible. KHS' PMPM rates are typically adjusted annually. KHS receives additional premium revenue in the form of a "maternity kick payment" which is a one-time payment for the delivery of a child. For the years ended December 31, 2020 and 2019 maternity kick payments in the amount of \$31.8 million or 3.4% and \$32 million or 3.9%, respectively, of total premium revenue were recognized. KHS also receives premium revenue in the form of a "Hepatitis C kick payment" based on the utilization of certain classes of Hepatitis C drugs prescribed. For the years ended December 31, 2020 and 2019 Hepatitis C payments in the amount of \$4.9 million or 0.5% and \$6.9 million or 0.8%, respectively, of total premium revenue were recognized. KHS also receives premium revenue in the form of a "Behavioral Health Treatment kick payment" based on the utilization by its members diagnosed with specific Autism criteria. For the years ended December 31, 2020 and 2019 Behavioral Health Treatment payments in the amount of \$11.7 million or 1.3% and \$11.3 million or 1.4%, respectively, of total premium revenue were recognized. On July 1, 2019, DHCS added as a covered benefit services provided under the Health Homes Program. The Health Homes Program is a program designed to provide enhanced care management and coordination of services for eligible Medi-Cal beneficiaries with complex medical needs and chronic conditions. KHS also receives premium revenue in the form of a "Health Homes Program kick payment" based on utilization of qualifying services by members enrolled in the Health Homes Program. For the years ended December 31, 2020 and 2019, Health Homes Program payments in the amount of \$10.6 million or 1.1% and \$5.7 million or 0.7%, respectively, of total premium revenue were recognized.

KHS receives supplemental revenue funded by the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) for the purpose of paying additional amounts for qualifying physician services based on certain specified eligible CPT procedure codes. For the years ended December 31, 2020 and 2019 Proposition 56 payments in the amount of \$64.0 million or 6.9% and \$45.9 million or 5.6%, respectively, of total premium revenue were recognized. KHS also receives supplemental Ground Emergency Medical Transportation (GEMT) revenue provided to for the purpose of paying additional amounts to qualifying GEMT providers based on certain specified eligible CPT procedure codes. For the years ended December 31, 2020 and 2019 GEMT payments in the amount of \$5.7 million or 0.6% and \$8 million or 1.0% respectively, of total premium revenue were recognized.

Premiums are also subject to prior year retroactive rate adjustments based on actual and expected health care costs and are recognized when known in the current year. For the years ended December 31, 2020 and 2019 KHS recognized a net reduction of \$2.2 million or 0.24% and \$4.2 million or 0.5%, respectively, of premium revenue as a result of retroactive rate adjustments.

KHS' premiums may be periodically amended to include or exclude certain health benefits such as pharmacy and behavioral health services or introduce new programs such as the services provided under the Health Home Program. Premium rates can also be amended to include supplemental payments for providers, such as those paid under Proposition 56 or GEMT, or to cover a new population of members such as seniors and persons with disabilities (SPD) or expansion members.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Health care service cost recognition: KHS contracts with various health care providers for the provision of certain medical care services to its members. The provider network consists of primary and specialty care physicians, hospitals, ancillary providers and pharmacies. KHS compensates most of these providers on a fee for services basis. Under fee for service arrangements, KHS retains the financial responsibility for medical care provided along with the costs incurred based on the actual utilization of services. The cost of health care services provided but unpaid is accrued in the period in which it is provided to a member based in part on estimates, including an accrual for medical services provided but not reported to KHS. KHS also includes certain medically-related administrative costs such as preventative health and wellness, care management, and other quality improvement costs under medical care services. KHS funds a provider performance quality incentive pool on a per member per month basis (PMPM). Provider participation is based on the similar Healthcare Effectiveness Data and Information Set (HEDIS) scores that DHCS uses to measure KHS in determining member assignment. KHS determines the level of provider participation based on HEDIS scores, with any remaining funds in the pool allocated to the following year incentive pool, community grants, or other quality improvement projects. Additionally, for the years ended December 31, 2020 and 2019, KHS recognized \$1.4 million and \$2.0 million, respectively, in pharmacy rebates from its pharmacy benefit manager that were received from pharmaceutical manufacturers which have been subtracted from pharmacy expense amounts.

Income taxes: KHS is exempt from Federal and State income taxes pursuant to Internal Revenue Code (IRC) Section 115 and similar provisions of the California Franchise Tax Code and is also exempt from Federal and State income tax filing requirements.

Managed Care Organization Premium taxes: In 2009 California enacted the Managed Care Organization (MCO) tax under Senate Bill 78 (SB 78). Effective July 1, 2013, under Assembly Bill 1422 (AB 1422), the MCO tax rate was increased to 3.9375% and payable to the California State Board of Equalization. Premium taxes were assessed based on the premium revenue collected. Beginning July 1, 2016, under Senate Bill X2-2, the MCO tax rate is payable to DHCS on a quarterly basis based on projected annual membership. MCO Tax Revenue is received from DHCS monthly based on actual membership on a per member per month fixed dollar amount. This change in MCO tax methodology puts KHS at risk if the assumed membership used in the calculated tax expense is different than the actual membership KHS experiences during the rate year. The premium revenues received include the premium tax assessment. These amounts are reported on a gross basis and are included in total operating revenues with the MCO tax expense presented separate from all other medical and administrative expense. Due to a delayed effective date in federal approval by CMS of the extension of the MCO tax program, there was no MCO tax assessment for the period July 1, 2019 through December 31, 2019. The MCO tax program resumed January 1, 2020.

Risk management: KHS is exposed to various risks of loss from Health Insurance Portability and Accountability Act (HIPAA) violations; data breaches from cyber-attacks; torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters.

Pass-through funding from DHCS: During the years ended December 31, 2020 and 2019, KHS received \$77.8 million and \$119.6 million, respectively, of supplemental fee revenue from DHCS. KHS passes these funds through to the designated hospitals and providers. This amount is not reflected in the statements of revenues, expenses and changes in net position for the years ended December 31, 2020 and 2019, as this pass-through amount does not meet the requirements for revenue recognition under Government Accounting Standards.

Advertising: KHS expenses advertising costs as they are incurred. Advertising expense totaled \$563,045 and \$602,591 for the years ended December 31, 2020 and 2019, respectively.

Subsequent events: KHS has evaluated subsequent events through March 30, 2021, the date on which the financial statements were available to be issued. There were no material subsequent events identified by management which would require disclosure in the financial statements.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Authoritative pronouncements not yet adopted: The following statements issued by the Governmental Accounting Standards Board (GASB) are effective for years ending after December 31, 2020 and management is evaluating the impact of the implementation of these statements on their financial statements.

- In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Early application is encouraged

- In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments at December 31, 2020 are classified in the accompanying financial statements as follows:

<hr/>		
Cash and cash equivalents:		
Deposits		\$ 2,742,282
LAIF and money market funds		72,124,452
Cash on hand		200
Total cash and cash equivalents		<u>\$ 74,866,934</u>
	<hr/>	
	Cost	Fair Value
Investments:		
Unrestricted:		
Certificates of deposit	\$ 199,800	\$ 200,277
Corporate bonds and notes	43,710,165	44,062,458
Municipal bonds and notes	2,447,923	2,502,459
Government agency bonds and notes	122,292,012	122,312,993
Total unrestricted	<u>168,649,900</u>	<u>169,078,187</u>
Restricted:		
Certificates of deposit	300,000	300,000
Total investments	<u>\$ 168,949,900</u>	<u>\$ 169,378,187</u>

Cash, cash equivalents and investments at December 31, 2019 are classified in the accompanying financial statements as follows:

<hr/>		
Cash and cash equivalents:		
Deposits		\$ 2,190,589
LAIF and money market funds		90,215,008
Cash on hand		200
Total cash and cash equivalents		<u>\$ 92,405,797</u>
	<hr/>	
	Cost	Fair Value
Investments:		
Unrestricted:		
Certificates of deposit	\$ 2,413,034	\$ 2,431,405
Corporate bonds and notes	34,145,239	34,524,090
Municipal bonds and notes	2,452,248	2,486,915
Government agency bonds and notes	72,290,162	72,410,813
Total unrestricted	<u>111,300,683</u>	<u>111,853,223</u>
Restricted:		
Certificates of deposit	300,000	300,000
Total investments	<u>\$ 111,600,683</u>	<u>\$ 112,153,223</u>

KERN HEALTH SYSTEMS**NOTES TO FINANCIAL STATEMENTS**

Investments are principally held in debt securities and are classified as current assets without regard to the securities' contractual dates because they may be readily liquidated. The securities are recorded at fair value with unrealized gains and losses, if any, recorded on a quarterly basis.

Deposits are carried at cost plus accrued interest. The bank balances are protected by a combination of FDIC insurance and the bank's collateral pool, in accordance with California Government Code.

Investments Authorized by KHS' Investment Policy

The investment portfolio is managed by KHS' Chief Financial Officer (CFO) to meet the short and long-term obligations of the business while maintaining liquidity and financial flexibility. Investments managed by the CFO are invested in accordance with KHS' investment policy and are reviewed by the KHS Board of Directors and the KHS Finance Committee quarterly. The investment policy stipulates the following order of investment objectives:

- Preservation of principal
- Liquidity
- Yield

Permitted investments are subject to a maximum maturity of five years. The investment portfolio is designed to attain a market-average rate of return through economic cycles given an acceptable level of risk. Additionally, under the supervision of the CFO, a portion of the investment portfolio is managed by an investment manager that adheres to the KHS investment policy.

The table below identifies the *cash equivalent and investment types* that are authorized by the KHS investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment of Portfolio of One Issuer	Allowed or Maximum Ratings
U.S. Treasury Obligations	5 years	100%	None	Not Rated
Federal Agencies and U.S. Government Enterprises	5 years	100%	35%	Not Rated
State of California and Local Agency Obligations	5 years	100%	5%	A-1
State and Local Agency Obligations outside of California	5 years	20%	5%	A-1
Banker's Acceptances	180 days	40%	(1)	A-1
Commercial Paper	270 days	25%	(2)	A-1
Negotiable Certificates of Deposit	5 years	30%	5% (7)	A-1
Government Repurchase Agreements	1 year	100%	(3)	A-1
Corporate Debt Securities	5 years	40%	(5)	A
Money Market Funds	5 years	40%	(4)	AAA
Mortgage or Asset-Backed Securities	5 years	20%	(6)	AAA
Variable and Floating Rate Securities	5 years	30%	5%	AAA
Local Agency Investment Fund (LAIF)	5 years	50%	5%	Not Rated

(1) May not exceed the 5% limit of any one commercial bank and may not exceed the 5% limit for any security on any bank.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

- (2) May not exceed more than 10% of the outstanding commercial paper of the issuing corporation.
- (3) May not exceed 50% if maturity is less than or equal to 7 days; 25% if maturity is greater than 7 days.
- (4) May not exceed more than 5% of the money market fund's assets.
- (5) Medium-term notes or other corporate security of any one corporate issuer must not exceed more than 5% of the portfolio or 5% of the issue size of the corporate security.
- (6) Rated AAA by a nationally recognized rating service and issued by an issuer having an A or better rating for its long-term debt.
- (7) Maturities greater than one year and less than five years may not exceed the FDIC Insurance maximum at the time of purchase.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. Generally, investments will decrease in value if interest rates increase.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. KHS is required to disclose the rating for all investments. Cash invested in the Local Agency Investment Fund (LAIF) is considered "exempt from disclosure" under GASB Codification Section 150.

GASB Codification Section 150 requires disclosure of any investments of any single issuer in excess of 5% of its total investments, excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments. There were no investments of any single issuer that exceeded 5% of its total investments as of December 31, 2020 or 2019.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, KHS will not be able to recover its deposits or not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, KHS will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and KHS' investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Cash Equivalents in State Investment Pool

KHS is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to be the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 3. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that KHS has the ability to access.

- Level 2 Inputs to the valuation methodology include:
 - ❖ Quoted prices for similar assets or liabilities in active markets;
 - ❖ Quoted prices for identical or similar assets or liabilities in inactive markets;
 - ❖ Inputs other than quoted prices that are observable for the asset or liability;
 - ❖ Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Certificates of deposit: Valued based on amortized cost or original cost-plus accrued interest.

Corporate, Municipal and Government agency bonds and notes: Valued at the closing price reported on the active market on which the individual securities are traded.

All investments held by KHS at December 31, 2020 and 2019 are level 1 assets.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Note 4. Hospital Directed Payments

Beginning with the July 1, 2017, rating period, the Department of Health Care Services (DHCS) implemented two statewide directed payment programs for designated public hospitals (DPH), the Enhanced Payment Program (EPP) and the Quality Incentive Program (QIP), and one statewide directed payment program for private hospitals (PHDP). EPP provides supplemental reimbursement to Network Provider DPHs through uniform dollar increases for select inpatient and non-inpatient services, based on the actual utilization of qualifying services as reflected in encounter data reported to DHCS. QIP provides quality incentive payments to participating Network Provider DPHs that meet quality metrics designated in the program. PHDP provides supplemental reimbursement to participating Network Provider hospitals through uniform dollar increases for select inpatient and outpatient services based on actual utilization of qualifying services as reflected in encounter data reported to DHCS. The Hospital Directed Payment programs were created to maintain access and improve the quality of care for Medi-Cal beneficiaries. These programs direct Managed Care Plans (MCP), like KHS, to pay specified contracted Network Providers in accordance with terms approved by the Centers for Medicare & Medicaid Services (CMS) and directed by DHCS.

The projected value of the program payment obligations to designated hospitals are accounted for as medical expenses and paid through additional capitation revenue. Due to the timing of the program acceptance by CMS and delays in funding to MCPs, KHS retroactively accrued Hospital Directed Payments receivable of approximately \$237.6 million and Hospital Directed payments payable of approximately \$237.3 million reported as of December 31, 2019. For the year ended December 31, 2020 KHS has accrued Hospital Directed Payments receivable of approximately \$195.7 million and Hospital Directed Payments payable of approximately \$195.7 million. The amount of additional premium revenue for Hospital Directed Payment programs recognized for the years ended December 31, 2020 and 2019 were approximately \$56.1 million and \$300.3 million, respectively, and are reported as part of operating revenues. Hospital Directed Payment expense obligations recognized for the years ended December 31, 2020 and 2019 were approximately \$55.9 million and \$299.9 million, respectively, and are reported as part of operating expenses.

Note 5. Other Receivables

Other receivables consist of the following at December 31, 2020 and 2019:

	2020	2019
Pharmacy rebates	\$ 510,000	\$ 505,976
Other	489,272	342,204
Interest	111,800	370,431
	<u>\$ 1,111,072</u>	<u>\$ 1,218,611</u>

Note 6. Provider Advances

In April 2020 as part of the response to the COVID-19 pandemic and in an effort to support its network of providers of care for the more than 258,000 members served, KHS advanced \$5.7 million under a COVID-19 Provider Financial Relief Program. Under the Program, provider advance payments were offered to select local network providers of up to 50% of their average 2019 monthly claim payments multiplied by three months. The no interest payment advances were aimed at providing financial assistance to those network providers experiencing financial hardships due to lower utilization of medical services as the result of the Governor’s shelter in place order. Monthly repayments of provider advances are due to begin in September 2021. In the event of a program payment default, KHS has the right to offset amounts owed by providers against any future monies owed to the provider. As of December 31, 2020, provider advances due to KHS totaled \$5,506,518.

KERN HEALTH SYSTEMS**NOTES TO FINANCIAL STATEMENTS****Note 7. Capital Assets**

Capital asset activity for the years ended December 31, 2020 and 2019 is as follows:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Capital Assets Not Being Depreciated:				
Land	\$ 4,090,706	\$ -	\$ -	\$ 4,090,706
Capital Projects in Progress	8,743,952	3,439,407	-	12,183,359
Subtotal	12,834,658	3,439,407	-	16,274,065
Capital Assets Being Depreciated:				
Buildings and Improvements	36,471,386	10,788	-	36,482,174
Furniture and Equipment	31,706,810	452,280	(49,740)	32,109,350
Subtotal	68,178,196	463,068	(49,740)	68,591,524
Accumulated Depreciation:				
Buildings and Improvements	226,602	907,292	-	1,133,894
Furniture and Equipment	10,999,443	4,126,916	(49,740)	15,076,619
Subtotal	11,226,045	5,034,208	(49,740)	16,210,513
Net Depreciable				
Capital Assets	56,952,151	(4,571,140)	-	52,381,011
Total Capital Assets	\$ 69,786,809	\$ (1,131,733)	\$ -	\$ 68,655,076

	Balance January 1, 2019	Additions	Deletions	Transfers	Balance December 31, 2019
Capital Assets Not Being Depreciated:					
Land	\$ 4,876,562	\$ -	\$ (785,856)	\$ -	\$ 4,090,706
Capital Projects in Progress	34,609,177	21,429,480	-	(47,294,705)	8,743,952
Subtotal	39,485,739	21,429,480	(785,856)	(47,294,705)	12,834,658
Capital Assets Being Depreciated:					
Buildings and Improvements	10,323,166	215,063	(10,323,166)	36,256,323	36,471,386
Furniture and Equipment	20,218,585	1,681,382	(1,231,539)	11,038,382	31,706,810
Subtotal	30,541,751	1,896,445	(11,554,705)	47,294,705	68,178,196
Accumulated Depreciation:					
Buildings and Improvements	3,999,467	393,735	(4,166,600)	-	226,602
Furniture and Equipment	10,090,795	2,110,228	(1,201,580)	-	10,999,443
Subtotal	14,090,262	2,503,963	(5,368,180)	-	11,226,045
Net Depreciable					
Capital Assets	16,451,489	(607,518)	(6,186,525)	47,294,705	56,952,151
Total Capital Assets	\$ 55,937,228	\$ 20,821,962	\$ (6,972,381)	\$ -	\$ 69,786,809

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Note 8. Split Dollar Life Insurance

In October 2017, KHS entered into a split-dollar life insurance agreement with a key employee and his beneficiary, whereby the employee is eligible to receive distributions, and KHS will receive \$774,526 upon the death of the employee and his beneficiary or termination of the agreement. The policy had a cash surrender value of \$795,851 and \$743,644 at December 31, 2020 and 2019, respectively.

In June 2020, KHS entered into a second split-dollar life insurance agreement with the same employee and his beneficiary as the 2017 agreement, whereby the employee is eligible to receive distributions, and KHS will receive \$847,832 upon the death of the employee and his beneficiary or termination of the agreement. The policy had a cash surrender value of \$761,093 at December 31, 2020.

Note 9. Accrued Medical Expenses Payable

KHS accrues a liability of unpaid claims for medical services, including estimates of costs related to incurred but not yet reported (IBNR) claims using standard actuarial development methodologies based upon historical data including the period between the dates services are rendered and the dates claims are received and paid, expected medical cost inflation, utilization trends, seasonality patterns, prior authorization of medical services, provider contract changes and/or changes in Medi-Cal fee schedules and changes in membership. A key component of KHS' IBNR estimation process is the completion factor, which is a measure of how complete the claims paid to date are relative to the estimate of the claims for services rendered in a given period. The completion factors are more reliable for claims incurred that are older than three months and are more volatile and less reliable for more recent periods, since a large portion of health care claims are not submitted to KHS until several months after services have been rendered. Accordingly, for the most recent months, the incurred claims are estimated from a trend analysis based on per member per month claims trends developed from the experience in preceding months.

The majority of the IBNR reserve balance held at year-end is associated with the most recent months' incurred services as these are the services for which the fewest claims have been paid. As mentioned in the preceding paragraph, the degree of uncertainty in the estimates of incurred claims is greater for the most recent months' incurred services.

Additionally, KHS contracts with an independent actuary to review the IBNR estimates. The independent actuary provides KHS with a review letter that includes the results of their analysis of the IBNR reserve. Actuarial Standards of Practice generally require that the medical claims liability be adequate to cover obligations under moderately adverse conditions. Moderately adverse conditions are situations in which the actual claims are expected to be higher than the otherwise estimated value of such claims at the time of estimate. This analysis is used as additional information, together with management's judgment, to determine the assumptions used in the calculation of the IBNR reserve.

KHS consistently applies the IBNR estimation from period to period. Any adjustments from the prior year are included in the current period as a change in accounting estimate. As more complete additional information becomes known, KHS will adjust assumptions accordingly to change the IBNR estimate. KHS recognized \$12.1 million and \$4.7 million of favorable prior year IBNR adjustments for the years ended December 31, 2020 and 2019, respectively, due to lower-than-expected utilization.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

The contract covering Expansion members requires KHS to expend a minimum percentage of 85% of premiums and a maximum of 95% on eligible medical benefits expense. To the extent that KHS expends less than the minimum percentage of the premiums on eligible medical benefits, KHS is required to refund to the state all or some portion of the difference between the minimum and its actual allowable medical benefits expense. To the extent KHS expends more than the maximum percentage, KHS is entitled to receive additional reimbursement from the state. At December 31, 2020 and 2019, KHS has accrued \$8 million and \$30.7 million, respectively, to the state for the period July 1, 2016 to December 31, 2020.

Bridge Risk Corridor: Due to the unprecedented circumstances of the COVID-19 pandemic, DHCS and its contracted actuary determined that a two-sided, symmetrical risk corridor (“Bridge Corridor”) would appropriately provide protection for both the State and Medi-Cal managed care plans (MCPs) like KHS. The purpose of the risk corridor is to mitigate potentially significant upward or downward risk associated with COVID-19 that was not determinable at the time of rate development. The Bridge Corridor was retroactive to July 1, 2019. At December 31, 2020 KHS has accrued \$6.9 million owed to the state for the period July 1, 2019 to December 31, 2020.

Accrued medical services and related claims adjustment expenses payable consist of the following at December 31, 2020 and 2019:

	2020	2019
Estimated incurred but not reported claims	\$ 73,596,630	\$ 74,225,223
Supplemental Proposition 56 provider payments	31,609,126	33,153,442
Claims payable	25,988,208	17,289,154
Expansion risk corridor	8,013,191	30,671,015
Bridge risk corridor	6,853,666	-
Provider performance quality incentive	5,005,163	3,775,315
Allowance for claims processing expense	2,225,904	2,278,462
	<u>\$ 153,291,888</u>	<u>\$ 161,392,611</u>

Note 10. Accrued Expenses

Accrued expenses consist of the following at December 31, 2020 and 2019:

	2020	2019
MCO tax expense	\$ 26,536,275	\$ -
Salaries and employee benefits	3,474,673	2,786,847
Community grants payable	2,113,300	2,346,125
Other administrative expenses	1,612,215	2,402,147
Non-operating passthrough liability	833,451	710,696
CalPERS employee and employer contributions	442,720	384,929
New building and construction	-	1,518,707
	<u>\$ 35,012,634</u>	<u>\$ 10,149,451</u>

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Note 11. Restricted Investments and Tangible Net Equity

As required by the State of California's Department of Managed Health Care, Section 1300.76.1, KHS has acquired certificates of deposit with three financial institutions totaling \$300,000. These certificates of deposit have been assigned to the Director of the Department of Managed Health Care as part of the process of obtaining and maintaining its Knox-Keene license, and are legally restricted for this purpose. These certificates of deposit mature in amounts of \$100,000 each on June 5, 2022, June 8, 2022 and July 30, 2022.

KHS is a fully licensed health-care service plan under the Knox-Keene Health Care Services Plan Act of 1975 (the "Act"). Under the Act, KHS is required to maintain a minimum level of tangible net equity. The required equity level was approximately \$38.9 million and \$46.5 million at December 31, 2020 and 2019, respectively. KHS' tangible net equity was approximately \$227.1 million and \$214.7 million at December 31, 2020 and 2019, respectively.

Note 12. Employee Pension Plans

CalPERS

Plan description: All qualified permanent and probationary employees are eligible to participate in KHS' Miscellaneous Employee Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at <http://www.calpers.ca.gov>.

Benefits provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to eligible employees. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 or 52 (classic miscellaneous members or PEPRA miscellaneous members, respectively) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

KERN HEALTH SYSTEMS**NOTES TO FINANCIAL STATEMENTS**

The Plans' provisions and benefits in effect at December 31, 2020 and 2019 are summarized as follows:

	2020			2019	
	Classic	PEPRA	Classic	Classic	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013	On or after January 1, 2013	On or after January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 60 5 years of service	2% @ 60 5 years of service	2% @ 62 5 years of service	2% @ 60 5 years of service	2% @ 62 5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	52	50	52
Monthly benefits, as a % of eligible compensation	2%	2%	2%	2%	2%
Retirement employee contribution rates	7%	7%	6.75%	7%	6.75%
Required employer contribution rates	6.709% to 7.159%	8.081% to 8.794%	6.985% to 7.732%	7.634% to 8.081%	6.842% to 6.985%

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on the actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. KHS is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended December 31, 2020 and 2019, the contributions recognized as part of pension expense were as follows:

	2020	2019
Contributions - employer	\$ 2,536,160	\$ 2,074,974
Contributions - employee (paid by employer)	\$ -	\$ -

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of December 31, 2020, and 2019, KHS reported net pension liability for its proportionate share of the net pension liability of \$8,432,377 and \$7,038,233, respectively.

KHS' net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. KHS' proportion of the net pension liability was based on a projection of KHS' long-term share of contributions to the plan relative to the projected contributions of all participating employers, actuarially determined. KHS' proportionate share of the net pension liability as of June 30, 2019 and 2020 was as follows:

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Proportion - June 30, 2019	0.2642%
Proportion - June 30, 2020	0.2881%
Change - Increase	0.0239%

KHS' net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. KHS' proportion of the net pension liability was based on a projection of KHS' long-term share of contributions to the plan relative to the projected contributions of all participating employers, actuarially determined. KHS' proportionate share of the net pension liability as of June 30, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.2358%
Proportion - June 30, 2019	0.2642%
Change - Increase	0.0284%

For the years ended December 31, 2020 and 2019, KHS recognized pension expense of \$4,017,997 and \$3,464,074, respectively. At December 31, 2020 and 2019, KHS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 2,030,993	\$ -	\$ 1,650,097	\$ -
Changes in assumptions	-	86,684	504,403	178,807
Differences between expected and actual experiences	626,308	-	734,679	56,923
Net differences between projected and actual earnings on pension plan investments	361,040	-	-	184,934
Total	\$ 3,018,341	\$ 86,684	\$ 2,889,179	\$ 420,664

\$2,030,993 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended December 31,	
2021	\$ 139,265
2022	327,370
2023	260,865
2024	173,164
	<u>\$ 900,664</u>

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Actuarial Methods and Assumptions: The total pension liabilities in the June 30, 2019 and 2018 actuarial valuations were determined using the following actuarial assumptions:

	2020	2019
Valuation date	June 30, 2019	June 30, 2018
Measurement date	June 30, 2020	June 30, 2019
Actuarial cost method	Entry-Age Normal Cost Method	
Actuarial assumptions:		
Discount rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll growth	2.75%	2.75%
Projected salary increase	Varies by Entry Age and Service	
Investment rate of return	7.25% (a)	7.38% (a)
Mortality	Derived using CalPERS' Membership Data for all Funds (b)	

- (a) Net of pension plan investment and administrative expenses; includes inflation
- (b) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

Discount Rate: The discount rate used to measure the total pension liability was 7.15% as of June 30, 2019 and June 30, 2018. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates of 7.15% as of June 30, 2019 and 2018 are adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website at <http://www.calpers.ca.gov>.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15% as of June 30, 2019 and June 30, 2018, investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.30% as of June 30, 2019 and 2018. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Long-Term Expected Rate of Return
Public Equity	53.1%	9.7%
Private Equity	6.3%	10.4%
Income	28.2%	5.9%
Real Assets	11.3%	8.8%
Liquidity	0.9%	1.3%
Trust level (a)	0.2%	8.5%
Total	100%	

(a) Includes multi-asset class, completion overlay, risk mitigation, absolute return strategies, plan level transition, and other plan level transition and other total fund level portfolios. These assets do not have targets because they are not components of the Total Fund Policy benchmark.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents KHS' proportionate share of the net pension liability, calculated using the discount rate, as well as what KHS' proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2020	2019
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 13,465,820	\$ 11,289,694
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 8,432,377	\$ 7,038,233
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 4,273,401	\$ 3,528,952

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Retirement Plan

Plan description and funding policy: KHS has a 401(a)-retirement plan, which was approved by the IRS on August 15, 1996. All full-time employees are eligible to participate in the Plan. KHS matches 100% of contributions made by KHS employees to their 457(b) plan up to a maximum of 6% of the employee's salary. KHS contributions do not vest until the employee has been employed for three years when at such time the employee becomes 100% vested. Participants are not allowed to make contributions to the Plan; only employer contributions are allowable. Expense determined in accordance with the plan formula was \$1,614,047 and \$1,339,433 for the years ended December 31, 2020 and 2019, respectively.

Note 13. Stop-Loss Insurance

KHS purchases stop-loss insurance to reduce the risk associated with large losses on individual hospital claims. The premium costs are based on a deductible for each member in addition to a deductible layer for the plan referred to as an Aggregate Specific Retention amount.

For the years ended December 31, 2020 and 2019 coverage provides reimbursement of approximately 95 percent of the cost of each member's acute care hospital admission(s) in excess of the deductibles, up to a maximum payable of \$2,000,000 per member per contract year.

For the years ended December 31, 2020 and 2019 the premium coverage is \$0.29 and \$0.51, respectively, per member per month with no minimum annual premium requirement.

The deductible for each individual member was \$300,000 and the Aggregate Specific Retention deductible was \$0.27 per member per month (PMPM) for the year ended December 31, 2020. The deductible for each individual member was \$275,000 and the Aggregate Specific Retention deductible was \$0.26 per member per month (PMPM) for the year ended December 31, 2019.

Stop-loss insurance premiums of \$904,111 and \$1,522,366 are included in medical and hospital expense for the years ended December 31, 2020 and 2019, respectively. Stop-loss insurance recoveries of \$261,987 and \$289,296 are included in operating revenue for the years ended December 31, 2020 and 2019, respectively.

Note 14. Commitments and Contingencies

Litigation

KHS is subject to litigation claims that arise in the normal course of business. A provision for a legal liability is made when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions, if any, are reviewed and adjusted to reflect the impacts of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a matter. It is the opinion of management that there is no known existing litigation that would have a material adverse effect on the financial position, results of operations or cash flows of KHS.

Professional Liability Insurance

KHS maintains Managed Care Errors and Omissions Liability Insurance for an act, error, or omission in the performance of any health care or managed care services rendered by KHS. In addition, KHS maintains general liability insurance.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Cyber Insurance

KHS maintains Cyber Insurance to reduce the financial risk associated from a cyber-attack and/or a data breach involving sensitive member or employee information. The policy also assists with notification costs and data restoration expenses.

Pharmacy

KHS currently manages the pharmacy benefit for its members by contracting with a Pharmacy Benefit Manger (“PBM”) to assist with claims processing and pharmacy rebate services. KHS has been notified by DHCS that they intend to transition all Medi-Cal pharmacy benefits from managed care plans like KHS to fee-for-service (“FFS”). DHCS believes that this is required to combat rising prices for prescription drugs by increasing the State’s bargaining power in negotiating prescription drug prices with pharmaceutical companies. The date of transition has been pushed back from April 1, 2021 to an undetermined future date, so currently no pharmacy managed care benefits have been impacted. For the year ended December 31, 2020, KHS recognized \$117,750,322 in Pharmacy revenue and \$4,867,111 in Hepatitis C supplemental kick revenue as part of its premium capitation which in total accounted for approximately 13.1% of reported Premiums earned. For the year ended December 31, 2020, KHS reported \$99,509,583 in Pharmacy expense and \$3,776,146 in Hepatitis C expense, and received \$1,378,251 from Pharmacy Rebates, which in total accounted for approximately 13.3% of reported Medical and hospital expenses.

Regulatory Matters

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties. KHS is subject to periodic financial and information reporting and comprehensive quality assurance evaluations from state regulators. KHS regularly submits periodic financial, encounters, utilization and operational reports. Management believes that KHS is in compliance with fraud, waste and abuse laws, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretations as well as regulatory actions unknown or unasserted at this time.

Changes in the regulatory environment and applicable laws and rules also may occur periodically in connection with political and administrative initiatives at the local, state, or national level. Much of the federal and state focus in 2020 was related to the COVID-19 response. This included federal and state efforts to expand access to COVID testing and treatment services. The State budget also put forth retro-active and prospective rate reductions for Medi-Cal Managed Care Plans. Additionally, in 2020 there were numerous temporary changes in regulatory requirements related to the COVID-19 Public Health Emergency (PHE). While most conversations were on hold during the COVID PHE, the Governor’s administration and the legislature also continue to consider a single-payer healthcare system for California.

California Advancing and Innovating Medi-Cal (CalAIM) is a multi-year initiative by DHCS to implement policy changes with the objective of:

- 1) Reducing variation and complexity across the delivery system;
- 2) Identifying and managing member risk and need through population health management strategies; and
- 3) Improving quality outcomes and drive delivery system transformation through value-based initiatives and payment reform.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

This initiative will have significant operational impact to Medi-Cal Managed Care Plans (MCPs) like KHS. Some examples include, a proposal to transition the DHCS Health Homes Program and Whole Person Care Program to an Enhanced Care Management and In-Lieu Of Services structure, a proposal to carve-in Long Term Care and Transplant services to MCPs, a proposal requiring all MCPs operate a Duals Special Needs Plan (D-SNP), and a proposal requiring all MCPs become NCQA accredited. Originally expected to begin on January 1, 2021, DHCS postponed CalAIM for one year as a result of the COVID PHE. Recently the State has restarted discussions with Stakeholders.

Information Technology

KHS is dependent on effective and secure enterprise commercial information systems that assist in the operational processing and management of eligibility, benefits, payments, providers, clinical quality, benefit utilization, and clinical population oversight. These third-party systems, vendor relationships, and support models/contracts are critical in managing data that is essential for internal and external (regulators) oversight and required KHS to monitor data security measures to adhere to CMS and HIPAA regulations. This makes our operations vulnerable to adverse effects if such third parties fail to perform adequately. The MIS Group is constantly engaged in the third-party contracts that govern these systems while reviewing technical architectures, third-party operational models, and the business continuity and disaster recovery solutions using private and public cloud systems. In 2020, KHS was impacted by COVID-19 and displaced its workforce to a telecommuting model. KHS had planned for a pandemic as part of the Disaster Recovery Plan and is leveraging third-party solutions to continue its operations for this new telecommuting work model. The KHS information systems require an ongoing commitment of significant resources to maintain, protect, and enhance existing systems while developing new systems to keep pace with continuing changes in information processing technology, evolving systems and regulatory standards, changing customer preferences, acquisitions, and increased security risks.

Encounter Data

KHS is required to submit complete and correct encounter data to DHCS. The accurate and timely reporting of encounter data is becoming increasingly important to determine compliance with performance standards and in setting KHS' premium rates. Inaccurate encounter reporting could result in penalties and fines being assessed by DHCS.

The Health Insurance Portability and Accountability Act

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the regulations adopted under HIPAA are intended to improve the portability and continuity of health insurance coverage and simplify the administration of health insurance claims and related transactions. All health plans are considered covered entities subject to HIPAA. HIPAA generally requires health plans, as well as their providers and vendors, to:

- protect patient privacy and safeguard individually identifiable health information; and
- establish the capability to receive and transmit electronically certain administrative health care transactions, such as claims payments, in a standardized format.

Specifically, the HIPAA Privacy Rule regulates use and disclosure of individually identifiable health information, known as "protected health information" ("PHI"). The HIPAA Security Rule requires covered entities to implement administrative, physical and technical safeguards to protect the security of electronic PHI. Certain provisions of the security and privacy regulations apply to business associates (entities that handle PHI on behalf of covered entities), and business associates are subject to direct liability for violation of these provisions. Furthermore, a covered entity may be subject to penalties as a result of a business associate violating HIPAA, if the business associate is found to be an agent of the covered entity. HIPAA violations by covered entities may also result in civil and criminal penalties.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Premium and Eligibility Reconciliations

Premium payments received by KHS from DHCS are based on eligibility lists generated between DHCS and by county agencies that are responsible for determining Medi-Cal eligibility. In a report issued on October 30, 2018 by the California State Auditor, the report indicated “questionable payments” for many counties throughout California, including Kern County. During the period January 1, 2014 through December 31, 2017 amounts of \$10,421,757 relating to Managed Care Premiums and \$2,854,656 relating to Fee For Service Payments for a total of \$13,276,413 of payments by DHCS were identified for Kern County primarily due to beneficiaries being eligible on the DHCS eligibility system and not being eligible on the county agency eligibility system. During the first quarter of 2020, DHCS recouped approximately \$563,000 relating to payments previously received by KHS for members that were determined to be deceased by DHCS. This amount was subtracted from KHS’ 2019 revenues. It is unclear if any additional amounts will be recouped by DHCS from KHS. Accordingly, premium revenues could remain subject to reconciliation and recoupment for many years. The refund of a premium overpayment could be significant and would reduce the premium revenue in the year that the repayment obligation is identified.

Expansion Risk Corridor Liability Adjustment

The Risk Corridor Liability is based on management’s best estimate of a medical loss ratio estimate for KHS Expansion members that have medical expenses below 85% of premiums. KHS is required to refund to the State amounts below 85%. The calculation of the 85% medical loss ratio is subject to the following adjustments:

- Revenue rate adjustments by DHCS
- The inclusion and/or exclusion of certain medical expenses
- Eligibility adjustments
- DHCS and CMS audit adjustments

Bridge Corridor Liability Adjustment

Due to the unprecedented circumstances of the COVID-19 pandemic, DHCS and its contracted actuary determined that a two-sided, symmetrical risk corridor (“Bridge Corridor”) would appropriately provide protection for both the State and Medi-Cal managed care plans (MCPs) like KHS. The purpose of the risk corridor is to mitigate potentially significant upward or downward risk associated with COVID-19 that was not determinable at the time of rate development. The Bridge Corridor was retroactive to July 1, 2019. The Bridge Corridor calculation is subject to the following adjustments:

- Revenue rate adjustments by DHCS
- The inclusion and/or exclusion of certain medical expenses
- Eligibility adjustments
- DHCS and CMS audit adjustments

Any adjustments to the Expansion or Bridge Risk Corridor Liability amounts could be significant and would increase or decrease reported medical expenses in the year the adjustment is required.

KERN HEALTH SYSTEMS

NOTES TO FINANCIAL STATEMENTS

Patient Protection and Affordable Care Act

In March 2010, the President signed into law the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively referred to as the Healthcare Reform Legislation), which considerably transformed the U.S. health-care system and increased regulations within the U.S. health insurance industry. This legislation expanded the availability of health insurance coverage to millions of Americans. The Healthcare Reform Legislation contains provisions that took effect from 2010 through 2020, with most measures effective in 2014. Under the Healthcare Reform Legislation, Medi-Cal coverage expanded as of January 2014 to nearly all low-income people under age 65 with income at or below 138% of the federal poverty line. The federal government paid 100% of the entire cost for Medicaid Expansion coverage for newly eligible beneficiaries from 2014 through 2016, 95% in 2017, 94% in 2018, 93% in 2019, and 90% in 2020. For the years ended December 31, 2020 and 2019, KHS served an average of 64,929 and 60,347 Medi-Cal Expansion members per month, respectively, which generated revenues of approximately \$320.6 million and \$290.2 million, respectively.

Contract Commitment

In September 2014 KHS entered into a ten-year contract with a vendor to supply software, licensing, support and maintenance, including a migration process from the existing software. Expenses are paid annually and are subject to change based on changes to the Consumer Price Index and changes in membership. At December 31, 2020 the total future contract commitments are as follows:

Years ending December 31,	
2021	\$ 658,210
2022	386,142
2023	386,142
2024	386,142
	<u>\$ 1,816,636</u>

Note 15. Concentration of Revenue

KHS' operating revenue is primarily derived from the California Department of Health Care Services (DHCS). KHS' current contract term with DHCS is to provide health care services through December 31, 2021, and is subject to cancellation upon giving at least six months written notice. For the years ended December 31, 2020 and 2019 over 99% of KHS' total revenues were received from DHCS. Future levels of funding and premium rates received by KHS could be impacted by state and federal budgetary constraints.

REQUIRED SUPPLEMENTARY INFORMATION

KERN HEALTH SYSTEMS

**SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
As of December 31, 2020**

	2020	2019	2018	2017	2016	2015
CalPERS - Miscellaneous Classic Plan- Last 10 Years*						
Proportion of the net pension liability	0.28810%	0.26415%	0.23579%	0.21146%	0.19046%	0.17122%
Proportionate share of the net pension liability	\$ 8,432,377	\$ 7,038,233	\$ 5,865,463	\$ 6,082,752	\$ 4,769,187	\$ 3,104,717
Covered - employee payroll	\$ 19,428,164	\$ 19,020,118	\$ 17,733,290	\$ 17,150,840	\$ 17,364,146	\$ 9,949,051
Proportionate share of the net pension liability as a percentage of covered-employee payroll	43.40%	37.00%	33.08%	35.47%	27.47%	31.21%
Plan's fiduciary net position	\$14,702,361,183	\$13,979,687,268	\$13,122,440,092	\$12,074,499,781	\$10,923,476,287	\$10,896,036,068
Plan fiduciary net position as a percentage of the total pension liability	77.71%	77.73%	77.69%	75.39%	75.87%	79.89%

* Fiscal year 2015 was the first year of implementation, therefore only six years are shown. For the fiscal year ended December 31, 2016 CALPERS combined the Classic and Pepra Plans into one plan. Therefore, the information presented for 2020, 2019, 2018, 2017 and 2016 for the miscellaneous Classic Plan includes the Pepra Plan.

CalPERS - Miscellaneous PEPPA Plan - Last 10 Years**

Proportion of the net pension liability						0.00362%
Proportionate share of the net pension liability					\$ (30,922)	
Covered - employee payroll					\$ 6,909,343	
Proportionate share of the net pension liability as a percentage of covered-employee payroll						-0.45%
Plan's fiduciary net position					\$10,639,461,174	
Plan fiduciary net position as a percentage of the total pension liability						79.89%

** Fiscal year 2015 was the first year of implementation, therefore only one year is shown. For the fiscal year ended December 31, 2016 CALPERS combined the Classic and Pepra Plans into one plan. Therefore, there is no information reported for the Pepra Plan subsequent to the year ended December 31, 2015.

KERN HEALTH SYSTEMS

**SCHEDULES OF PENSION CONTRIBUTIONS
Year Ended December 31, 2020**

	2020	2019	2018	2017	2016	2015
CalPERS - Miscellaneous Classic Plan - Last 10 Years*						
Contractually required contribution (actuarially determined)	\$ 2,536,160	\$ 2,074,974	\$ 1,822,052	\$ 1,625,952	\$ 1,314,297	\$ 841,252
Contributions in relation to the actuarially determined contributions	2,536,160	2,074,974	1,822,052	1,625,952	1,314,297	841,252
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 19,428,164	\$ 19,020,118	\$ 17,733,290	\$ 17,150,940	\$ 17,364,146	\$ 9,949,051
Contributions as a percentage of covered-employee payroll	13.05%	10.91%	10.27%	9.48%	7.57%	8.46%

Notes to Schedule

Valuation date: June 30, 2019 June 30, 2018 June 30, 2017 June 30, 2016 June 30, 2015 June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal Cost Method					
Amortization method	Level percentage of assumed future payrolls					
Remaining amortization period	24 years	25 years	26 years	27 years	28 years	29 years
Asset valuation method	5-year smoothed market					
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%
Salary increases	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%
Investment rate of return (a)	7.15%	7.15%	7.15%	7.15%	7.65%	7.50%
Retirement age	50 years and 5 years of service					
Mortality	The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.					

(a) Net of pension plan investment and administrative expenses; includes inflation

* Fiscal year 2015 was the first year of implementation, therefore only six years are shown. For the fiscal year ended December 31, 2016 CALPERS combined the Classic and Pepra Plans into one plan. Therefore, the information presented for 2020, 2019, 2018, 2017 and 2016 for the miscellaneous Classic Plan includes the Pepra Plan.

KERN HEALTH SYSTEMS

SCHEDULES OF PENSION CONTRIBUTIONS

Year Ended December 31, 2020

	2015
<i>CalPERS - Miscellaneous PEPRA Plan - Last 10 Years*</i>	
Contractually required contribution (actuarially determined)	\$ 367,525
Contributions in relation to the actuarially determined contributions	367,525
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 6,909,343
Contributions as a percentage of covered-employee payroll	5.32%

Notes to Schedule

Valuation date: June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal Cost Method
Amortization method	Level percentage of assumed future payrolls
Remaining amortization period	29 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.00%
Investment rate of return (a)	7.50%
Retirement age	52 years and 5 years of service
Mortality	20 years of projected on-going mortality improvement using Scale BB published by the Society of Actuaries

* For the fiscal year ended December 31, 2016 CalPERS combined the Classic and Pepra Plans into one plan. Therefore, there is no information reported for the Pepra Plan subsequent to the year ended December 31, 2015.

OTHER INDEPENDENT AUDITOR'S REPORT



An independently owned member RSM US Alliance

Member of AICPA Division for Firms
Private Companies Practice Section

NANCY C. BELTON

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Kern Health Systems
Bakersfield, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of **Kern Health Systems**, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise **Kern Health Systems'** basic financial statements, and have issued our report thereon dated March 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Kern Health Systems'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Kern Health Systems'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Kern Health Systems'** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Kern Health Systems'** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniells Phillips Vaughan & Bock

Bakersfield, California
March 30, 2021

KERN HEALTH SYSTEMS
Report to the Finance Committee

March 30, 2021



An independently owned member RSM US Alliance

Member of AICPA Division for Firms
Private Companies Practice Section

Finance Committee
Kern Health Systems

Attention: Wayne Deats Jr., Finance Committee Chair

We are pleased to present this report related to our audit of the financial statements of **Kern Health Systems** for the year ended December 31, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for **Kern Health Systems'** financial reporting process.

This report is intended solely for the information and use of the Board of Directors, Finance Committee, and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to **Kern Health Systems**.

Daniells Phillips Vaughan & Bock

March 30, 2021

Contents

Required Communications	1-2
Summary of Significant Accounting Estimates	3
Exhibit A - Representation Letter	4-8

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated November 30, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Organization. The Organization did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Significant Accounting Estimates."</p>

Area	Comments
Audit Adjustments	There were no audit adjustments, proposed by us, made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management’s judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed with or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Certain Written Communications Between Management and Our Firm	Copies of significant written communications between our firm and the management of the Organization, including the representation letter provided to us by management, are attached as Exhibit A.

Kern Health Systems

Summary of Significant Accounting Estimates Year Ended December 31, 2020

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Organization's December 31, 2020, financial statements:

Estimate	Managements Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Estimated claims payable	Estimates are based on historical information for total claims received and paid	Estimate is in accordance with accounting principles generally accepted in the United States of America
Provider performance quality incentive liabilities	Estimates are based on historical information for total claims received and paid	Estimate is in accordance with accounting principles generally accepted in the United States of America
Incurred but not reported claims	Estimates are based on historical information for total claims received and paid	Estimate is in accordance with accounting principles generally accepted in the United States of America
Net pension liability	Estimate is based on actuarial reports provided by CalPERS	Estimate is in accordance with accounting principles generally accepted in the United States of America
Expansion and bridge risk corridor liabilities	Estimates are based on management's best estimate of medical loss ration	Estimate is in accordance with accounting principles generally accepted in the United States of America

Exhibit A
Representation Letter



March 30, 2021

Daniells Phillips Vaughan & Bock
300 New Stine Road
Bakersfield, California 93309

This representation letter is provided in connection with your audits of the basic financial statements of **Kern Health Systems** as of December 31, 2020 and 2019, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of March 30, 2021:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated November 30, 2020, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders, that is not disclosed in the financial statements.
9. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.

4

661-664-5000
661-664-5151

kernfamilyhealthcare.com
2900 Buck Owens Boulevard, Bakersfield, CA 93308-6316

10. We have no knowledge of any uncorrected misstatements in the financial statements.
11. With respect to the service of drafting the financial statements performed in the course of the audit:
 - a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
12. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Compliance with bond indentures or other debt instruments;
 - b. Disclosures related to third-party payer agreements and settlements;
 - c. Disclosures related to professional liability coverages;
 - d. Disclosures related to self-insured risks.
13. Management is responsible for making the accounting estimates included in the financial statements. Those estimates reflect management's judgment based on knowledge and experience about past and current events and assumptions about conditions management expects to exist and course of action they expect to take. These include:
 - a. Estimated adjustments to revenue, such as retroactive adjustments by the Department of Health Care Services;
 - b. Obligations related to third-party payer contracts, including risk sharing and contractual settlements;
 - c. Audit and other adjustments by the Department of Health Care Services;
 - d. Obligations related to providing future services under prepaid health care service contracts;
 - e. Medical malpractice obligations expected to be incurred with respect to services provided through December 31, 2020.
14. Data submitted to the Department of Health Care Services complies in all respects with applicable coding principles and laws and regulations (including those dealing with Medicare antifraud and abuse), and only reflect charges for services that were medically necessary, properly approved by regulatory bodies and properly rendered.
15. Recorded receivable valuation allowances are necessary, appropriate, and properly supported.
16. With respect to reports submitted to the Department of Health Care Services:
 - a. All required Medi-Care and similar reports have been filed;
 - b. Management is responsible for the accuracy and propriety of all reports filed;
 - c. All costs reflected on such reports are appropriate, allowable under applicable reimbursement rules and regulations, patient-related, and properly allocated;
 - d. The reimbursement methodologies and principles employed are in accordance with applicable rules and regulations;

- e. Adequate consideration has been given to, and appropriate provision made for, audit adjustments by intermediaries, third-party payors, or other regulatory agencies.
 - f. All items required to be disclosed, including disputed costs that are being claimed to establish a basis for a subsequent appeal, have been fully disclosed in the report;
 - g. Recorded settlements include differences between filed (and to be filed) reports and calculated settlements, which are necessary based upon historical experience or new or ambiguous regulations that may be subject to differing interpretations. While management believes the entity is entitled to all amounts claimed on the cost reports, management also believes the amounts of these differences are appropriate;
 - h. The specialist used by management in preparing medical services payable estimates and reserves had a sufficient level of competence and experience in cost reporting. Management recognizes responsibility for estimated settlement amounts and balances and, that all such amounts are fairly presented.
17. In addition, we believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining the IBNR accrual are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the Organization's actuary.

Information Provided

18. We have provided you with:
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
 - b. Additional information that you have requested from us for the purpose of the audits.
 - c. Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the directors and committees of directors and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
19. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
20. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.
21. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
22. We have no knowledge of allegations of fraud or suspected fraud affecting the Organization's basic financial statements involving:
- a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.

23. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
24. We have no knowledge of noncompliance with laws or regulations, such as those related to Medicare and Medicaid antifraud and abuse statutes, in any jurisdiction, whose effects are considered for disclosure in the financial statements or as a basis for recording a loss contingency other than those disclosed or accrued in the financial statements. This is including, but not limited to, the anti-kickback statute of the Medicare and Medicaid Patient and Program Protection Act of 1987, limitations on certain physician referrals (the Stark law), and the False Claims Act.
25. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
26. We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.
27. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Organization's ability to record, process, summarize and report financial data.
28. We are aware of no communications from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, including those related to Medicare and Medicaid antifraud and abuse statutes; deficiencies in financial reporting practices; or other matters that could have a material adverse effect on the financial statements.
29. The following have been made available to you:
 - a. Contracts with all significant third-party party payers or other providers;
 - b. Reports of regulatory examinations that are currently in process. Management is not aware of any allegations of noncompliance that should be considered for disclosure or as a basis for recording a loss contingency.
30. There are no:
 - a. Violations or possible violations of laws or regulations, such as those related to the Medi-Care and Medi-Caid antifraud and abuse statutes, including but not limited to the Medi-Care and Medi-Caid Anti-Kickback Statute, Limitations on Certain Physician Referrals (the Stark law), and the False Claims Act, in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Communications, whether oral or written, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, including those related to the Medi-Care and Medicaid antifraud and abuse statutes, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
31. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

32. With respect to management's discussion and analysis, the schedules of proportionate share of the net pension liability and the schedules of pension contributions presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP, regulatory or contractual requirements, management's criteria, or other requirements.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.

Kern Health Systems



Douglas A. Hayward
Chief Executive Officer



Robert Landis
Chief Financial Officer



To: KHS Board of Directors

From: Douglas Hayward, CEO

Date: April 15, 2021

Re: Update on DHCS' CalAIM initiatives

Background

California Advancing and Innovating Medi-Cal (CalAIM) is a series of initiatives proposed by the Department of Health Care Services (DHCS) to advance broad-based delivery system, program, and payment reform across the Medi-Cal program. Originally scheduled to begin in January 2021, the proposal was delayed due to the impact of COVID-19. CalAIM was re-announced in January with DHCS' release of updated policy materials and with the inclusion of CalAIM funding in the draft State budget.

Given the resumed focus on CalAIM, staff will provide an update to the Board of Directors. The presentation includes an overview of the major initiatives with an emphasis on items scheduled for implementation in 2022. Additionally, staff will review the internal and external processes involved as we prepare for implementation.

Requested Action

Receive and file.

CalAIM Status Update

April 15, 2021



Background

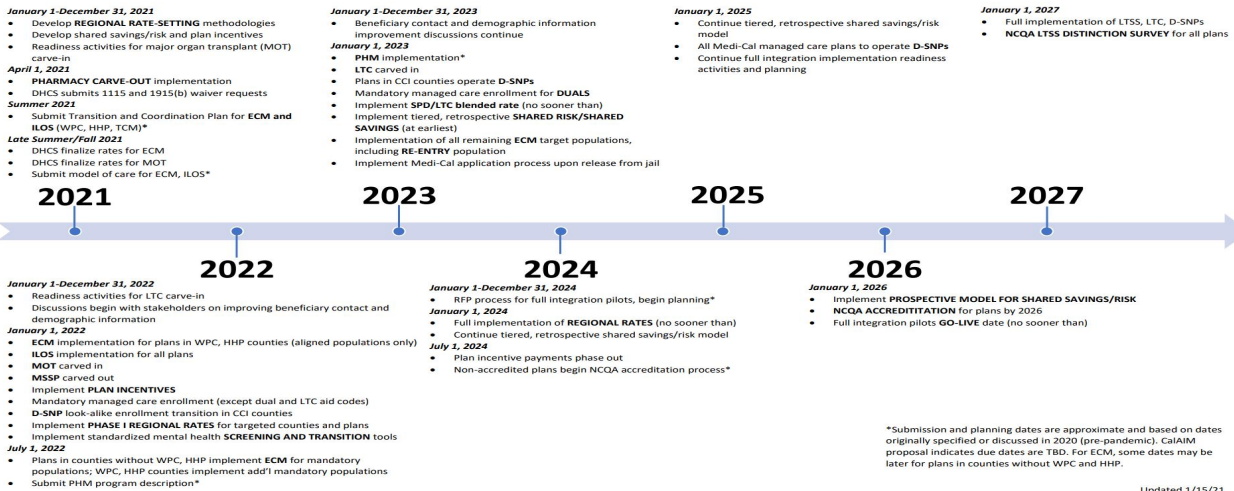
- California Advancing and Innovating Medi-Cal (CalAIM) is the Department of Health Care Services (DHCS) framework for changes to the Medi-Cal program that encompasses broad-based delivery system, program, and payment reform.
- Goal is to further address social determinants of health, streamline the statewide Medi-Cal delivery system, improve quality, and drive innovation.
- Includes dozens of policy changes impacting a variety of delivery systems in California.
- CalAIM had an original initial implementation date of January 1, 2021, but due to the COVID-19 Public Health Emergency's (PHE) impact on the state's budget and health care delivery system, CalAIM was put on hold for the duration of 2020.
- As part of the January 2021 draft budget release, CalAIM was re-introduced with an initial implementation date of 1/1/22 (for certain initiatives).



CalAIM Timeline



Timeline of Managed Care CalAIM Proposals



1/1/22 Major Initiatives

In-Lieu Of Services (ILOS)

Services provided as a substitute to, or to avoid, other more costly covered services, such as a hospital or skilled nursing facility admission or a discharge delay.

- **Examples of ILOS:**

- Housing Transition Navigation Services
- Housing Deposits
- Housing Tenancy and Sustaining Services
- Short –Term Post-Hospitalization Housing
- Recuperative Care (Medical Respite)
- Respite Services
- Day Habilitation Programs
- Nursing Facility Transition/Diversion to Assisted Living Facilities, such as Residential Care Facilities for Elderly (RCFE) and Adult Residential Facilities (ARF)
- Community Transition Services/Nursing Facility Transition to a Home Personal Care and Homemaker Services
- Environmental Accessibility Adaptations (Home Modifications)
- Meals/Medically Tailored Meals
- Sobering Centers
- Asthma Remediation



KHS In-Lieu Of Services (ILOS) Implementation Plan

Major Deliverable	Target Completion Date
ILOS Benefit Analysis <ul style="list-style-type: none"> Evaluation of ILOS Member demographics Evaluate local options for ILOS identified Population stratification for ILOS segments Evaluation of ILOS CBOs in Kern 	Q1 2021
DHCS ILOS menu of services request for approval	Q2 2021
Community Based Organization System <ul style="list-style-type: none"> System RFP and Vendor selection System implementation plan and development System installation and integration 	Q2-Q3 2021
Build Network <ul style="list-style-type: none"> Develop ILOS Provider Network Develop system of payment for ILOS providers Automated member outreach for ILOS 	Q3-Q4 2021
CBO Network and System Configuration CBO education and onboarding KHS Member notifications and education of benefit	Q3-Q4 2021
ILOS Benefit Effective Date	January 1, 2022



1/1/22 Major Initiatives

Enhanced Care Management (ECM)

“comprehensive approach to address the clinical and non-clinical needs of high-need, high-cost members through coordination of services and comprehensive care management. As part of a broader population health system design within CalAIM, KHS will risk stratify the populations and offer a menu of care management interventions at different levels of intensity, with ECM at the highest intensity level.”

- **Background**

- Builds on the design from Whole Person Care (WPC) and Health Homes Program (HHP)
- Part of CalAIM Population Health Management delivery systems shift
- Seven (7) mandatory ECM “target populations”-*Predictive analytics* to stratify membership
- Coordinate and provide In Lieu of Services (ILOS) as supplemental nonmedical/clinical support

- **Project Status** (July deliverable)

- Create Model of Care and Transition Plan for WPC + HHP, including ILOS
- Policy and Procedures
- Configuration of JIVA and data integration



KHS ECM Implementation Plan

Major Deliverable	Target Completion Date
ECM Population Analysis <ul style="list-style-type: none"> Population stratification for ECM eligibility WPC/HHP alignment under ECM Align with Population Health Management (PHM) project 	Q1 2021
Model of Care DRAFT –submission to DHCS 7/1/2021 <ul style="list-style-type: none"> ECM program design Transition plan for current WPC/HHP Policy and Procedures ILOS benefit design 	Q2 2021
Network/System Design <ul style="list-style-type: none"> Develop Provider Network System configuration and integration Testing strategy for technical components 	Q3-Q4 2021
Operationalize/Monitoring/Reporting <ul style="list-style-type: none"> Communication plan-member/providers/internal Training plan Data exchange Reporting (DHCS/internal) 	Q3-Q4 2021
ECM Benefit Effective Date	January 1, 2022



1/1/22 Major Initiatives

Major Organ Transplants

- **Background**
 - Historically, KHS was only financially responsible for one solid organ transplant-**Kidney**.
 - Heart, lung, liver, pancreas approved transplants after preparatory workup by KHS were disenrolled to Medi-Cal (MCAL) Fee for Service (FFS) management with member eligible to re-enroll into Managed MCAL (MCO) in 1-2 years post transplant.
 - Care coordination and management of “carved out” transplants under FFS MCAL was ineffective and costly.
 - MCO demonstrated efficiency/cost savings/coordination w/ other benefit-i.e., Mild to moderate Mental health, Autism.
- Effective 1/1/22 DHCS intends to provide coverage for all major-organ transplants via Managed Care.
- **Project Status**
 - Exploring external vendor for Case management services versus internal staff.
 - State data pending for potential exposure.
 - Network development for Transplant Centers of Excellence.



2023 and Beyond

Population Health Management (PHM) – scheduled for 1/1/23

- *“Patient-centered population health strategy addressing member needs across the continuum of care based on data driven risk stratification, predictive analytics, and standardized assessment processes”.*
- Bifurcated assessment/management of member between provider, community-based organizations, public health.
- Program development to meet needs of the individual based on risk and conditions specific factors.

Long Term Care (LTC) Carve-In – scheduled for 1/1/23

- Currently members receiving LTC/custodial care are disenrolled after 60 days.
- As of 1/1/23, these members will remain in Managed Care.
- Transitions to community/home with support services.

Medicare/Medicaid Dual-Eligible Special Needs Plan (D-SNP) – scheduled for 1/1/25

- By 1/1/25 all Managed Care Plans are expected to operate a Medicare D-SNP product.
- Improve continuity of care under integrated model with Medicare eligible members to include Long Term Support Services i.e., Home and community-based services, In home supportive services, and other waiver programs.
- Extensive Medicare requirements and oversight by CMS.

NCQA Accreditation – scheduled for 1/1/26

- Achieve National Committee for Quality Assurance (NCQA) accreditation **ONLY** by 2026. DHCS plans to use NCQA findings to certify or deem that Medi-Cal managed care plans meet certain state and federal Medicaid requirements



Process Steps

- DHCS has scheduled ongoing regular discussions with stakeholders including MCPs. They are also intermittently releasing additional guidance.
- KHS participating in various trade association discussions regarding draft CalAIM materials and other CalAIM policy items.
- Internal Executive Workgroup meeting regularly to evaluate requirements, define strategy, and determine next steps.
 - Prioritizing initiatives that begin 1/1/22 and incorporating that work into 2021 calendar.
 - Anticipate adding unbudgeted projects to the Corporate Portfolio, resource impact under review.
- Legislative and budget process being monitored and will continue to play out over the Summer.
- Ongoing discussions with Kern Medical on the forthcoming transition of Whole Person Care and Health Homes Program into ECM and ILOS.
- Upcoming discussions with existing Health Homes Program sites about the transition to ECM.
- Upcoming release of draft All Plan Letters from DHCS.



Next Steps

- Continue working with relevant internal and external stakeholders to implement the various 1/1/22 initiatives.
- 2022 budgets/goals/projects will incorporate CalAIM requirements.
- Strategic Planning process will incorporate CalAIM items in 2022 and beyond.
 - Scheduled to provide a Strategic Planning process update to the Board in June.





To: KHS Board of Directors

From: Robin Dow-Morales, Director of Claims

Date: April 15, 2021

Re: Office Ally, Inc., Electronic Claims Process

Background

In 2009 Kern Health Systems engaged multiple claims clearinghouses to provide various alternatives for the community to submit electronically. Office Ally provides KHS with the 837i and 837p claims transactions. Electronic data transactions increase the accuracy of the data and eliminate the need for paper processes and storage.

Discussion

KHS currently uses four different clearinghouse vendors: The SSI Group, Cognizant, Change Healthcare (consisting of Emdeon and Relay Health) and Office Ally. Office Ally provides KHS with approximately 30% of the claims that are submitted electronically to the health plan. Office Ally does not charge the submitting provider for the transaction rather KHS. The fees are based on a per transaction basis, and the rate will be constant for a three-year period. The current price per claims is \$0.25 with the new negotiated rate of \$0.23 per claim. Based on last year's claims volume, this would net a savings of about \$16,000.00.

Financial Impact

Not to exceed \$0.23 per claim.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.



Office Ally Contract Extension

April 15, 2021

Robin Dow-Morales

Director of Claims

Agenda

- Background
- Scope of services
- Provider Advantages
- RFP /Contract Extension
- Recommendation
- Questions

Background

- We receive over 3 million claims a year, and 97% of those claims are submitted electronically.
- Kern Health Systems offers four different clearinghouses from which providers can choose to utilize.
- One of the most popular, is Office Ally, making up almost 30% of the electronic submissions.
- Our 3-year contract is up for renewal.
- Cost per claim has remained stagnant at \$.25 per transaction for the last 12 years.

Scope of Services

- Clearinghouses accept claims direct from Providers or 3rd party Clearinghouses and converts to appropriate format and submits to Kern Health Systems.
- Adheres to legislated timeliness guidelines.
- Notifies provider of acceptance or rejection of the claim submission and if rejected, the reason as to why the submission is rejected.
- This allows the provider to correct errors and resubmit at a much faster pace than awaiting a denial from Kern Health Systems for a corrected billing.

Provider Advantages

- Claims submitted through KHS Clearinghouses are at no cost to the provider.
- No mailing/paper/form costs.
- Many billing errors are identified immediately and returned to the provider for correction – no waiting for KHS action.
- Easier tracking and receipt of acknowledgement of claims.
- Faster submission = faster payment = better cash flow for the provider!

Request for Contract Extension

- RFP is not necessary as multiple vendors are used for this service.
- This contract extension is at the reduced rate of \$.23 per transaction.
- Estimated annual number of claims ~ 805,000
- Estimated annual cost \$185,000
- Estimated savings from prior years ~\$16,000.00.
- Puts in line with other vendors ranging \$.22-\$.25 per transaction.

Recommendation

- Request the Board of Directors to authorize the CEO to approve a three-year contract with Office Ally in the amount not to exceed \$0.23 per claims transaction.

Questions

For additional information, please contact:

Robin Dow-Morales
Director of Claims
661-617-2598

Proposed Administrative Contract over \$100,000, April 15, 2021

1. Operational Expenditure with Office Ally, Inc.
 - a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign
 - b. Contact

Robin Dow-Morales; Director of Claims
 - c. Background

In 2009 Kern Health Systems engaged multiple claims clearinghouses to provide various alternatives for the community to submit electronically. Office Ally provides KHS with the 837i and 837p claims transactions. Electronic data transactions increase the accuracy of the data and eliminate the need for paper processes and storage.
 - d. Discussion

Office Ally provides KHS with approximately 30% of the claims that are submitted electronically to the health plan. Office Ally does not charge the submitting provider for the transaction rather KHS. The fees are based on a per transaction basis, and the rate will be constant for a three-year period. The current price per claims is \$0.25 but will decrease with this contract to \$0.23 per claim.
 - e. Fiscal Impact

Not to exceed \$0.23 per claim.
 - f. Risk Assessment

The potential risk of not receiving electronic claims would result in a backlog in claims and an increase in staffing budget. Without

electronic submission we would need staff to open, prepare and scan the claims, as well as support staff to verify and validate that claims were read correctly in the OCR process. Electronic submission ensures that accurate data was received which helps in the auto adjudication process. Also, if auto adjudication decreased, there would be a need for more claims examiners to process the claims.

g. Attachments

Agreement at a Glance form is attached.

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

This contract has been approval by KHS legal counsel per PSA.



KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: Claims

Department Head: Robin Dow-Morales

Vendor Name: Office Ally, Inc.

Contact name & e-mail: Daniel Wojta, daniel.wojta@officeally.com

What services will this vendor provide to KHS? Office Ally, Inc. will process and submit electronic medical claims from providers and institutions directly to KHS.

Description of Contract	
Type of Agreement: <u>Professional Services</u> <input checked="" type="checkbox"/> Contract <input type="checkbox"/> Purchase <input checked="" type="checkbox"/> New agreement <input type="checkbox"/> Continuation of Agreement <input type="checkbox"/> Addendum <input type="checkbox"/> Amendment No. ____ <input type="checkbox"/> Retroactive Agreement	Background: <u>Office Ally, Inc. provides clearinghouse functions for providers and hospitals to submit electronic medical claims. The clearinghouse works with providers, typically free of charge, and will charge KHS \$0.23 per transaction fee to process and deliver the electronic claims.</u> Brief Explanation: <u>Office Ally, Inc. will process and submit electronic medical claims from providers and institutions directly to KHS.</u>
<input type="checkbox"/> Summary of Quotes and/or Bids attached. <i>Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars (\$50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.)</i>	
Brief vendor selection justification: _____ <input checked="" type="checkbox"/> Sole source – no competitive process can be performed.	
Brief reason for sole source: <u>KHS currently uses four different clearinghouse vendors (The SSI Group, LLC., Office Ally, Cognizant, Change Healthcare).</u>	
<input type="checkbox"/> Conflict of Interest Form is required for this Contract	
<input checked="" type="checkbox"/> HIPAA Business Associate Agreement is required for this Contract	
Fiscal Impact	
KHS Governing Board previously approved this expense in KHS' FY 2021 Administrative Budget <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	
Will this require additional funds? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	
Capital project <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	
Project type: _____	
Budgeted Cost Center <u>230</u> GL# <u>5642</u>	

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
April 15, 2021**

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date
PAC 03/03/2021				
Adelante Behavioral Health ABA LLC	BH ABA	2005 Eye Street Ste 8 Bakersfield CA 93301		4/1/2021
Heart Wellness Clinic Inc.	PCP	1701 Westwind Dr Ste. 215 Bakersfield CA 93301		4/1/2021
James Holland Jr Licensed Clinical Social Worker Inc	Clinical Social Worker	4646 Wilson Rd Ste. 200 Bakersfield CA 93309	Existing Provider w/ New TIN	4/1/2021
Pacific Medical Inc	DME	1909 16th Street Ste 1 Bakersfield CA 93301		4/1/2021
PAC 04/07/2021				
Kern Hospice Care, Inc. dba: Aasta Hospice	Hospice & Palliative Care	2920 F Street Bakersfield CA 93306		5/1/2021
Bakersfield Community Health Center, Inc.	Comm. Based Adult Services (CBAS)	1801 Oak Street Bakersfield CA 93301		5/1/2021
Bruce C Stone dba: Bruce C Stone DO	Urology	9500 Stockdale Hwy Ste. 109 Bakersfield CA 93311		5/1/2021
CTON Corporation dba: C-Ton Laboratory	Lab - Torrance CA Draw Station - Local	(Lab) 3870 Del Amo Blvd Ste 504 Torrance CA C-TON Laboratory (Draw Station) 2920 H Street Ste. 129 Bakersfield CA		5/1/2021
Central Valley Surgical Center, LLC	Ambulatory Surgery Center	2120 19th Street Bakersfield CA 93301		5/1/2021
Danny L. Huynh dba: Complete Urology Inc	Urology	2120 Truxtun Avenue Bakersfield CA 93301	TIN Change Existing Providers: Danny Huynh	5/1/2021
Emerald Family Medical Group Inc dba: Accelerated Family Medicine	Primary Care (PCP)	212 Coffee Road Bakersfield CA 93309	Existing Providers: S. Homayoun, A. Massihi, M. Shafik, R. Rodriguez, S. Washington	5/1/2021
Gevorgyan Medical Center, Inc	Primary Care (PCP)	3535 San Dimas Street Ste. 14 Bakersfield CA 93301	TIN Change Existing Providers: G. Gevorgyan	5/1/2021
Good Samaritan Hospital, LP dba: Good Samaritan Health Center Wasco	Primary Care (PCP) / RHC	1217 7th Street Wasco CA 93280	Ownership Change Existing Providers: H. Brar, B. Barraza & R. Sharma *Contingent on FSR	Retro-Eff 4/1/2021

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
April 15, 2021**

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date
Ingram's Pharmacy, LLC	Pharmacy	1703 27th Street Bakersfield CA 93301	TIN Change Existing Pharmacy	Retro-Eff 4/1/2021
Karan Srivastava, M.D.	Orthopedic Surgery	432 Lexington Street, Ste. C Delano CA 93215		5/1/2021
Rhema Marriage, Family, & Child Therapy Inc	Clinical Social Worker	1039 17th Street Bakersfield CA 93301		5/1/2021
Sandeep S. Walia MD A Professional Corporation dba: West Coast Eye Institute	Ophthalmology	215 China Grade Loop Bakersfield CA 93308	Ownership Change Existing Providers: S. Walia	5/1/2021

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
April 15, 2021**

Legal Name DBA	Specialty	Address	Comments	Term Effective Date
GGNSC Shafter LP dba: Golden Living Center - Shafter	SNF	140 E. Tulare Avenue Shafter CA	Change of Ownership	1/29/2021
Neurosurgical Associates of LA	Neurosurgery	8307 Brimhall Rd Ste. 1706 Bakersfield CA	Satellite office and not enough coverage	2/15/2021
Anil Mehta, MD Inc.	Gastroenterology	3941 San Dimas St Ste. 104 Bakersfield CA	Retired	2/25/2021
Arce Medical Care, P.C.	Pediatrics	1402 Jefferson Street Delano CA	Moved out of Area	2/26/2021
Wilbur Suesberry, MD	Otolaryngology	1205 Garces Hwy Ste. 207 Delano CA	Site Closed	3/29/2021



To: KHS Board of Directors

From: Robert Landis, CFO

Date: April 15, 2021

Re: December 2020 Financial Results

The December results reflect a \$836,353 Net Increase in Net Position which is a \$1,715,848 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$6.3 million favorable variance primarily due to:
 - A) \$6.4 million favorable variance primarily due to higher than expected budgeted membership.
 - B) \$2.8 million favorable variance in Proposition 56 Supplemental Revenue due to an unbudgeted rate increase in tobacco tax revenue funds in fiscal year 19/20 for additional CPT procedure codes along with unbudgeted new Prop 56 programs that became effective January 1, 2020 offset against amounts included in 2D below.
 - C) \$1.3 million unfavorable variance in Premium MCO Tax due to a revised reduction in our MCO tax liability rates that occurred with an agreement between CMS and DHCS which is offset against MCO Tax Expense included in Item 4 below.
 - D) \$1.4 million unfavorable variance in Premium-Hospital Directed Payments primarily due to receiving revised 18/19 HDP rates. This amount is offset against amounts included in 2E below.

- 2) Total Medical Costs reflect a \$6.3 million unfavorable variance primarily due to:
 - A) \$1.8 million favorable variance in Physician Services primarily due to lower than expected utilization of Referral Specialty Services.
 - B) \$2.0 million favorable variance in Emergency Room primarily due to lower than expected utilization.
 - C) \$5.6 million unfavorable variance in Inpatient primarily due to higher than expected utilization.

D) \$6.0 million unfavorable variance in Other Medical primarily due to accruing for estimated Proposition 56 expenses relating to unbudgeted additional CPT procedure codes along with increases in supplemental allowable payable amounts that became effective January 1, 2020 offset against revenue included in 1B above (\$2.3 million) and Covid-19 provider relief expenses (\$3.8 million).

E) \$1.4 million favorable variance in Hospital Directed Payments primarily due to receiving revised 18/19 HDP rates. This amount is offset against amounts included in 1D above.

3) Total Administrative Expenses reflect a \$1.8 million unfavorable variance primarily due to a \$1.4 million unfavorable variance in Administrative Expense Adjustment relating to a CalPERS net pension liability expense for the period July 1, 2019 to June 30, 2020 required under GASB 68.

4) \$1.3 million favorable variance in MCO Tax due to a revised reduction in our MCO tax liability rates that occurred with an agreement between CMS and DHCS which is partially offset against MCO Tax Premium included in Item 1C above.

The December Medical Loss Ratio is 92.5% which is favorable to the 93.5% budgeted amount. The December Administrative Expense Ratio is 8.2% which is unfavorable to the 6.5% budgeted amount due to the GASB 68 adjustment mention in item 3 above. Excluding this adjustment, the administrative ratio would have been 6.3%.

The results for the 12 months ended December 31, 2020 reflect a Net Increase in Net Position of \$12,393,805. This is a \$21,223,577 favorable variance to budget and includes approximately \$11.5 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 91.7% which is favorable to the 93.3% budgeted amount. The year-to-date Administrative Expense Ratio is 6.1% which is favorable to the 6.6% budgeted amount.

**Kern Health Systems
Financial Packet
December 2020**

KHS – Medi-Cal Line of Business

Comparative Statement of Net Position	Page 1
Statement of Revenue, Expenses, and Changes in Net Position	Page 2
Statement of Revenue, Expenses, and Changes in Net Position - PMPM	Page 3
Statement of Revenue, Expenses, and Changes in Net Position by Month	Page 4
Statement of Revenue, Expenses, and Changes in Net Position by Month - PMPM	Page 5
Schedule of Revenues	Page 6
Schedule of Medical Costs	Page 7
Schedule of Medical Costs - PMPM	Page 8
Schedule of Medical Costs by Month	Page 9
Schedule of Medical Costs by Month – PMPM	Page 10
Schedule of Administrative Expenses by Department	Page 11
Schedule of Administrative Expenses by Department by Month	Page 12

KHS Group Health Plan – Healthy Families Line of Business

Comparative Statement of Net Position	Page 13
Statement of Revenue, Expenses, and Changes in Net Position	Page 14

KHS Administrative Analysis and Other Reporting

Monthly Member Count	Page 15
----------------------	---------

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF DECEMBER 31, 2020			
ASSETS	DECEMBER 2020	NOVEMBER 2020	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 74,866,934	\$ 77,825,996	\$ (2,959,062)
Short-Term Investments	169,078,187	154,301,299	14,776,888
Premiums Receivable - Net	97,593,440	93,226,885	4,366,555
Premiums Receivable - Hospital Direct Payments	195,667,272	185,930,497	9,736,775
Interest Receivable	111,800	381,917	(270,117)
Provider Advance Payment	5,506,518	5,746,518	(240,000)
Other Receivables	999,272	1,230,780	(231,508)
Prepaid Expenses & Other Current Assets	2,223,252	1,159,952	1,063,300
Total Current Assets	\$ 546,046,675	\$ 519,803,844	\$ 26,242,831
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	2,121,548	2,167,198	(45,650)
Computer Hardware and Software - Net	14,911,184	15,157,865	(246,681)
Building and Building Improvements - Net	35,348,281	35,423,975	(75,694)
Capital Projects in Progress	12,183,359	11,563,748	619,611
Total Capital Assets	\$ 68,655,078	\$ 68,403,492	\$ 251,586
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,556,944	1,503,894	53,050
Total Long Term Assets	\$ 1,856,944	\$ 1,803,894	\$ 53,050
DEFERRED OUTFLOWS OF RESOURCES	\$ 3,018,341	\$ 2,889,179	\$ 129,162
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 619,577,038	\$ 592,900,409	\$ 26,676,629
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	\$ 3,474,673	\$ 4,015,907	(541,234)
Accrued Other Operating Expenses	2,054,935	1,547,512	507,423
Accrued Taxes and Licenses	26,536,275	17,631,626	8,904,649
Claims Payable (Reported)	25,988,208	23,081,047	2,907,161
IBNR - Inpatient Claims	33,478,470	29,387,438	4,091,032
IBNR - Physician Claims	15,114,732	16,238,253	(1,123,521)
IBNR - Accrued Other Medical	25,003,428	25,041,289	(37,861)
Risk Pool and Withholds Payable	5,005,162	5,005,162	-
Statutory Allowance for Claims Processing Expense	2,225,904	2,066,234	159,670
Other Liabilities	49,422,734	49,720,472	(297,738)
Accrued Hospital Directed Payments	195,667,272	185,930,497	9,736,775
Total Current Liabilities	\$ 383,971,793	\$ 359,665,437	\$ 24,306,356
NONCURRENT LIABILITIES:			
Net Pension Liability	8,432,377	6,564,477	1,867,900
TOTAL NONCURRENT LIABILITIES	\$ 8,432,377	\$ 6,564,477	\$ 1,867,900
DEFERRED INFLOWS OF RESOURCES	\$ 86,684	\$ 420,664	\$ (333,980)
NET POSITION:			
Net Position - Beg. of Year	214,692,379	214,692,379	-
Increase (Decrease) in Net Position - Current Year	12,393,805	11,557,452	836,353
Total Net Position	\$ 227,086,184	\$ 226,249,831	\$ 836,353
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 619,577,038	\$ 592,900,409	\$ 26,676,629

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED DECEMBER 31, 2020			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
183,143	171,900	11,243	Family Members	2,090,898	2,036,400	54,498		
70,741	61,090	9,651	Expansion Members	779,144	733,080	46,064		
15,677	14,730	947	SPD Members	188,095	176,760	11,335		
7,891	6,205	1,686	Other Members	90,332	74,460	15,872		
10,909	8,660	2,249	Kaiser Members	118,205	103,920	14,285		
288,361	262,585	25,776	Total Members - MCAL	3,266,674	3,124,620	142,054		
REVENUES								
32,216,002	27,737,504	4,478,498	Title XIX - Family and Other	358,586,218	330,503,421	28,082,797		
27,197,954	23,145,509	4,052,445	Title XIX - Medicaid - Expansion Members	295,668,076	277,746,111	17,921,965		
15,504,966	14,884,621	620,345	Title XIX - Medicaid - SPD Members	182,444,049	178,615,454	3,828,595		
8,830,398	10,157,000	(1,326,602)	Premium - MCO Tax	98,918,724	120,828,000	(21,909,276)		
9,738,038	11,113,880	(1,375,842)	Premium - Hospital Directed Payments	107,913,519	133,083,820	(25,170,301)		
147,197	403,496	(256,299)	Investment Earnings And Other Income	2,508,382	4,800,000	(2,291,618)		
	73,638	(73,638)	Reinsurance Recoveries	-	876,003	(876,003)		
(2,692)	-	(2,692)	Rate Adjustments - Hospital Directed Payments	(51,776,089)	-	(51,776,089)		
226,726	-	226,726	Rate/Income Adjustments	(1,093,042)	-	(1,093,042)		
93,858,589	87,515,649	6,342,940	TOTAL REVENUES	993,169,837	1,046,452,808	(53,282,971)		
EXPENSES								
Medical Costs:								
12,660,363	14,491,234	1,830,871	Physician Services	161,329,321	172,781,008	11,451,687		
4,935,401	4,658,089	(277,312)	Other Professional Services	50,123,357	55,618,439	5,495,082		
3,194,257	5,202,479	2,008,222	Emergency Room	53,283,940	61,951,060	8,667,120		
19,183,080	13,592,759	(5,590,321)	Inpatient	196,200,624	162,271,155	(33,929,469)		
77,390	73,638	(3,752)	Reinsurance Expense	904,111	876,003	(28,108)		
6,565,195	6,587,593	22,398	Outpatient Hospital	76,997,217	78,700,252	1,703,035		
13,070,247	7,076,003	(5,994,244)	Other Medical	126,766,744	84,351,333	(42,415,411)		
9,651,881	9,762,500	110,619	Pharmacy	110,545,817	116,680,328	6,134,511		
-	507,850	507,850	Pay for Performance Quality Incentive	5,721,372	6,041,400	320,028		
-	-	-	Risk Corridor Expense	-	-	-		
9,738,038	11,113,880	1,375,842	Hospital Directed Payments	107,913,519	133,083,820	25,170,301		
(1,263)	-	1,263	Hospital Directed Payment Adjustment	(52,015,573)	-	(52,015,573)		
1,598	-	(1,598)	Non-Claims Expense Adjustment	(2,453,956)	-	(2,453,956)		
316,193	-	(316,193)	IBNR, Incentive, Paid Claims Adjustment	(11,093,983)	-	(11,093,983)		
79,392,380	73,066,026	(6,326,354)	Total Medical Costs	824,222,510	872,354,797	48,132,287		
14,466,209	14,449,623	16,586	GROSS MARGIN	168,947,327	174,098,011	(5,150,684)		
Administrative:								
2,766,869	2,662,765	(104,104)	Compensation	31,125,056	32,037,320	912,264		
1,172,530	863,602	(308,928)	Purchased Services	9,801,258	10,334,292	533,034		
39,305	119,220	79,915	Supplies	820,862	1,430,519	609,657		
421,301	337,375	(83,926)	Depreciation	5,034,206	4,002,500	(1,031,706)		
351,189	348,062	(3,127)	Other Administrative Expenses	3,338,727	4,202,042	863,315		
1,407,045	-	(1,407,045)	Administrative Expense Adjustment	1,194,816	-	(1,194,816)		
6,158,239	4,331,024	(1,827,215)	Total Administrative Expenses	51,314,925	52,006,674	691,749		
85,550,619	77,397,050	(8,153,569)	TOTAL EXPENSES	875,537,435	924,361,471	48,824,036		
8,307,970	10,118,599	(1,810,629)	OPERATING INCOME (LOSS) BEFORE TAX	117,632,402	122,091,338	(4,458,935)		
8,904,649	10,157,000	1,252,351	MCO TAX	100,919,574	120,828,000	19,908,426		
(596,679)	(38,401)	(558,278)	OPERATING INCOME (LOSS) NET OF TAX	16,712,828	1,263,338	15,449,491		
NONOPERATING REVENUE (EXPENSE)								
-	-	-	Gain on Sale of Assets	-	-	-		
903,360	(333,334)	1,236,694	Provider Recruitment and Retention Grants	(3,180,388)	(4,000,000)	819,612		
529,672	(507,760)	1,037,432	Health Home	(1,138,635)	(6,093,109)	4,954,474		
1,433,032	(841,094)	2,274,126	TOTAL NONOPERATING REVENUE (EXPENSE)	(4,319,023)	(10,093,109)	5,774,086		
836,353	(879,495)	1,715,848	NET INCREASE (DECREASE) IN NET POSITION	12,393,805	(8,829,771)	21,223,577		
92.5%	93.5%	1.0%	MEDICAL LOSS RATIO	91.7%	93.3%	1.6%		
8.2%	6.5%	-1.6%	ADMINISTRATIVE EXPENSE RATIO	6.1%	6.6%	0.4%		

KHS3/29/2021
Management Use Only

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED DECEMBER 31, 2020			YEAR-TO-DATE		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
183,143	171,900	11,243	Family Members	2,090,898	2,036,400	54,498		
70,741	61,090	9,651	Expansion Members	779,144	733,080	46,064		
15,677	14,730	947	SPD Members	188,095	176,760	11,335		
7,891	6,205	1,686	Other Members	90,332	74,460	15,872		
10,909	8,660	2,249	Kaiser Members	118,205	103,920	14,285		
288,361	262,585	25,776	Total Members - MCAL	3,266,674	3,124,620	142,054		
REVENUES								
168.64	155.74	12.90	Title XIX - Medicaid - Family and Other	164.40	156.57	7.82		
384.47	378.88	5.60	Title XIX - Medicaid - Expansion Members	379.48	378.88	0.60		
989.03	1,010.50	(21.47)	Title XIX - Medicaid - SPD Members	969.96	1,010.50	(40.54)		
31.83	40.00	(8.17)	Premium - MCO Tax	31.42	40.00	(8.58)		
35.10	43.77	(8.67)	Premium - Hospital Directed Payments	34.27	44.06	(9.78)		
0.53	1.59	(1.06)	Investment Earnings And Other Income	0.80	1.59	(0.79)		
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)		
(0.01)	0.00	(0.01)	Rate Adjustments - Hospital Directed Payments	(16.44)	0.00	(16.44)		
0.82	0.00	0.82	Rate/Income Adjustments	(0.35)	0.00	(0.35)		
338.29	344.65	(6.36)	TOTAL REVENUES	315.45	346.43	(30.98)		
EXPENSES								
Medical Costs:								
45.63	57.07	11.44	Physician Services	51.24	57.20	5.96		
17.79	18.34	0.56	Other Professional Services	15.92	18.41	2.49		
11.51	20.49	8.98	Emergency Room	16.92	20.51	3.59		
69.14	53.53	(15.61)	Inpatient	62.32	53.72	(8.60)		
0.28	0.29	0.01	Reinsurance Expense	0.29	0.29	0.00		
23.66	25.94	2.28	Outpatient Hospital	24.46	26.05	1.60		
47.11	27.87	(19.24)	Other Medical	40.26	27.92	(12.34)		
34.79	38.45	3.66	Pharmacy	35.11	38.63	3.52		
0.00	2.00	2.00	Pay for Performance Quality Incentive	1.82	2.00	0.18		
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00		
35.10	43.77	8.67	Hospital Directed Payments	34.27	44.06	9.78		
(0.00)	0.00	0.00	Hospital Directed Payment Adjustment	(16.52)	0.00	16.52		
0.01	0.00	(0.01)	Non-Claims Expense Adjustment	(0.78)	0.00	0.78		
1.14	0.00	(1.14)	IBNR, Incentive, Paid Claims Adjustment	(3.52)	0.00	3.52		
286.15	287.75	1.60	Total Medical Costs	261.79	288.79	27.01		
52.14	56.91	(4.77)	GROSS MARGIN	53.66	57.63	(3.97)		
Administrative:								
9.97	10.49	0.51	Compensation	9.89	10.61	0.72		
4.23	3.40	(0.83)	Purchased Services	3.11	3.42	0.31		
0.14	0.47	0.33	Supplies	0.26	0.47	0.21		
1.52	1.33	(0.19)	Depreciation	1.60	1.33	(0.27)		
1.27	1.37	0.10	Other Administrative Expenses	1.06	1.39	0.33		
5.07	0.00	(5.07)	Administrative Expense Adjustment	0.38	0.00	(0.38)		
22.20	17.06	(5.14)	Total Administrative Expenses	16.30	17.22	0.92		
308.34	304.80	(3.54)	TOTAL EXPENSES	278.08	306.01	27.93		
29.94	39.85	(9.90)	OPERATING INCOME (LOSS) BEFORE TAX	37.36	40.42	(3.06)		
32.09	40.00	7.91	MCO TAX	32.05	40.00	7.95		
(2.15)	(0.15)	(2.00)	OPERATING INCOME (LOSS) NET OF TAX	5.31	0.42	4.89		
NONOPERATING REVENUE (EXPENSE)								
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00		
3.26	(1.31)	4.57	Reserve Fund Projects/Community Grants	(1.01)	(1.32)	0.31		
1.91	(2.00)	3.91	Health Home	(0.36)	(2.02)	1.66		
5.16	(3.31)	8.48	TOTAL NONOPERATING REVENUE (EXPENSE)	(1.37)	(3.34)	1.97		
3.01	(3.46)	6.48	NET INCREASE (DECREASE) IN NET POSITION	3.94	(2.92)	6.86		
92.5%	93.5%	1.0%	MEDICAL LOSS RATIO	91.7%	93.3%	1.6%		
8.2%	6.5%	-1.6%	ADMINISTRATIVE EXPENSE RATIO	6.1%	6.6%	0.4%		

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH DECEMBER 31, 2020														
	DECEMBER 2019	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	249,381	248,640	250,007	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	3,397,850
REVENUES														
Title XIX - Medicaid - Family and Other	28,289,680	28,111,536	28,136,428	28,589,738	27,567,358	28,170,470	30,522,053	29,997,411	30,548,160	30,419,692	33,387,274	30,920,096	32,216,002	386,875,898
Title XIX - Medicaid - Expansion Members	24,658,622	23,135,804	23,419,130	23,548,401	22,679,789	23,386,527	24,776,875	24,533,357	24,848,094	25,069,155	27,568,938	25,504,052	27,197,954	320,326,698
Title XIX - Medicaid - SPD Members	15,294,321	15,020,731	15,113,713	15,275,980	14,884,891	14,967,019	15,603,750	15,224,387	15,192,022	15,191,965	14,457,143	16,007,482	15,504,966	197,738,370
Premium - MCO Tax	(52,290,862)	-	16,158,895	7,586,709	7,915,338	7,915,091	8,023,287	8,236,232	8,333,151	8,332,682	9,166,454	8,420,487	8,830,398	46,627,862
Premium - Hospital Directed Payments	136,163,466	11,276,584	11,391,396	11,495,457	11,614,664	11,614,664	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	244,076,985
Investment Earnings And Other Income	731,395	190,131	301,265	424,094	266,256	323,827	62,534	315,583	173,465	(14,474)	151,948	166,556	147,197	3,239,777
Reinsurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Rate Adjustments - Hospital Directed Payments	101,394,310	118,333	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	49,618,221
Rate/Income Adjustments	(391,644)	819,618	809,261	616,798	(4,529,302)	444,891	476,588	135,705	291,820	70,321	(582,499)	127,031	226,726	(1,484,686)
TOTAL REVENUES	253,849,288	78,672,737	95,391,047	87,579,613	80,435,517	86,859,012	91,604,031	17,506,553	88,503,816	88,185,134	94,104,369	90,469,419	93,858,589	1,247,019,125
EXPENSES														
Medical Costs:														
Physician Services	15,556,899	14,757,546	13,873,238	14,351,280	12,418,888	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	13,867,872	12,660,363	176,886,220
Other Professional Services	4,371,702	4,334,953	3,966,515	4,024,762	3,908,759	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	4,389,484	4,935,401	54,495,059
Emergency Room	4,729,725	5,226,947	5,258,084	5,370,795	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	4,814,428	4,638,713	3,194,257	58,013,665
Inpatient	14,449,035	14,911,677	13,893,706	14,743,904	15,995,368	14,410,696	17,115,732	17,082,368	16,635,497	17,879,275	17,137,251	17,212,070	19,183,080	210,649,665
Reinsurance Expense	128,012	72,320	144,425	(213)	77,341	69,310	73,356	75,202	76,284	76,523	77,652	84,521	77,390	1,032,123
Outpatient Hospital	4,767,801	6,734,395	6,204,610	6,566,090	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	6,653,372	6,209,999	6,565,195	81,765,018
Other Medical	6,649,662	5,661,784	10,021,013	10,653,430	8,832,073	10,860,308	9,199,742	11,504,806	9,055,443	14,033,235	12,916,278	10,958,385	13,070,247	133,416,406
Pharmacy	9,267,277	9,971,687	9,246,208	10,311,873	8,667,925	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	8,717,167	9,651,881	119,813,094
Pay for Performance Quality Incentive	498,762	497,280	500,014	503,104	509,814	508,354	519,184	523,464	529,498	529,498	556,200	544,962	-	6,220,134
Risk Corridor Expense	-	-	-	-	-	-	4,700,000	(2,000,000)	-	(2,700,000)	-	-	-	-
Hospital Directed Payments	136,163,466	11,276,584	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	244,076,985
Hospital Directed Payment Adjustment	101,154,229	118,333	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	(233,958)	4,234	77	6,596	(1,263)	49,138,636
Non-Claims Expense Adjustment	4,624	57,172	232,393	(1,583,770)	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	5,124	(209,309)	1,598	(2,449,332)
IBNR, Incentive, Paid Claims Adjustment	(259,737)	816	(8,559)	(2,649,204)	(4,444,586)	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(5,474)	205,986	316,193	(11,121,703,967)
Total Medical Costs	297,481,457	73,621,494	74,784,002	73,829,944	67,702,880	71,626,453	76,311,140	3,228,909	73,696,401	74,755,703	79,333,670	75,939,534	79,392,380	1,121,703,967
GROSS MARGIN	(43,632,169)	5,051,243	20,607,045	13,749,669	12,732,637	15,232,559	15,292,891	14,277,644	14,807,415	13,429,431	14,770,699	14,529,885	14,466,209	125,315,158
Administrative:														
Compensation	2,589,213	2,577,348	2,407,112	2,447,667	2,678,816	2,375,693	2,835,739	2,732,099	2,597,575	2,636,509	2,613,272	2,456,357	2,766,869	33,714,269
Purchased Services	1,358,494	805,903	728,049	867,391	644,717	903,379	1,142,683	859,845	819,771	421,612	689,841	745,537	1,172,530	11,159,752
Supplies	(7,208)	35,806	149,042	99,552	60,138	59,208	29,774	71,551	63,919	71,111	34,967	106,489	39,305	813,654
Depreciation	304,894	287,390	287,536	300,318	300,318	300,318	324,253	418,836	417,768	418,389	419,251	419,796	419,850	5,339,100
Other Administrative Expenses	344,959	353,414	181,493	269,559	441,804	223,548	345,337	240,778	254,091	296,858	137,960	242,696	351,189	3,683,886
Administrative Expense Adjustment	1,325,136	-	-	-	-	-	(212,229)	-	-	-	-	-	-	1,407,045
Total Administrative Expenses	5,915,488	4,059,861	3,753,232	3,984,487	4,125,793	4,486,081	4,559,340	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	57,230,413
TOTAL EXPENSES	303,396,945	77,681,355	78,537,234	77,814,431	71,828,673	76,112,534	80,870,480	7,550,950	77,850,146	78,601,044	83,229,506	79,910,463	85,550,619	1,178,934,380
OPERATING INCOME (LOSS) BEFORE TAX	(49,547,657)	991,382	16,853,813	9,765,182	8,606,844	10,746,478	10,733,551	9,955,603	10,653,670	9,584,090	10,874,863	10,558,956	8,307,970	68,084,745
MCO TAX	(52,962,035)	-	16,159,021	7,586,709	7,915,243	7,914,997	7,915,244	8,904,648	8,905,117	8,904,649	8,904,648	8,904,649	8,904,649	47,957,539
OPERATING INCOME (LOSS) NET OF TAX	3,414,378	991,382	694,792	2,178,473	691,601	2,831,481	2,818,307	1,050,955	1,748,553	679,441	1,970,215	1,654,307	(896,679)	20,127,206
TOTAL NONOPERATING REVENUE (EXPENSE)	(425,785)	(942,282)	(569,882)	(1,076,457)	424,682	(587,120)	(479,019)	462,756	(687,453)	(176,843)	(1,188,755)	(931,682)	1,433,032	(4,744,808)
NET INCREASE (DECREASE) IN NET POSITION	2,988,593	49,100	124,910	1,102,016	1,116,283	2,244,361	2,339,288	1,513,711	1,061,100	502,598	781,460	722,625	836,353	15,382,398
MEDICAL LOSS RATIO	87.7%	92.5%	93.4%	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	91.4%
ADMINISTRATIVE EXPENSE RATIO	8.6%	6.0%	5.5%	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	6.3%

KHS Board of Directors Meeting, April 15, 2021

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH DECEMBER 31, 2020														
	DECEMBER 2019	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	249,381	248,640	250,007	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	3,397,850
REVENUES														
Title XIX - Medicaid - Family and Other	162.50	162.42	161.68	163.16	157.08	158.57	169.56	165.45	166.87	166.16	173.40	164.62	168.64	164.26
Title XIX - Medicaid - Expansion Members	410.96	386.25	387.18	388.37	369.04	373.98	388.48	377.98	376.19	379.54	393.46	371.41	384.47	381.73
Title XIX - Medicaid - SPD Members	1,000.74	958.75	975.52	973.74	930.77	938.61	987.39	981.08	972.23	972.22	945.03	1,012.68	989.03	972.27
Premium - MCO Tax	(209.68)	0.00	64.63	30.16	31.29	30.90	30.91	31.47	31.48	29.96	33.64	30.61	31.83	13.72
Premium - Hospital Directed Payments	546.01	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	71.83
Investment Earnings And Other Income	2.93	0.76	1.21	1.69	1.05	1.26	0.24	1.21	0.66	(0.05)	0.56	0.61	0.53	0.95
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	406.58	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	0.02	0.01	0.00	0.04	(0.01)	14.60
Rate/Income Adjustments	(1.57)	3.30	3.24	2.45	(17.91)	1.74	1.84	0.52	1.10	0.25	(2.14)	0.46	0.82	(0.44)
TOTAL REVENUES	1,017.92	316.41	381.55	348.16	317.99	339.12	352.88	66.89	334.29	317.10	345.36	328.88	338.29	367.00
EXPENSES														
Medical Costs:														
Physician Services	62.38	59.35	55.49	57.05	49.10	48.53	45.48	51.04	49.61	52.19	51.96	50.41	45.63	52.06
Other Professional Services	17.53	17.43	15.87	16.00	15.45	13.62	13.04	16.89	17.45	17.41	13.97	15.96	17.79	16.04
Emergency Room	18.97	21.02	21.03	21.35	15.08	16.45	12.96	13.95	18.18	17.71	17.67	16.86	11.51	17.07
Inpatient	57.94	59.97	55.57	58.61	63.24	56.26	65.93	65.27	62.83	64.29	62.89	62.57	69.14	61.99
Reinsurance Expense	0.51	0.29	0.58	(0.00)	0.31	0.27	0.28	0.29	0.29	0.28	0.28	0.31	0.28	0.30
Outpatient Hospital	19.12	27.08	24.82	26.10	24.79	20.30	24.84	24.63	26.04	24.47	24.42	22.58	23.66	24.06
Other Hospital	26.66	22.77	40.08	42.35	34.92	42.40	35.44	43.96	34.20	50.46	47.40	39.84	47.11	39.26
Pharmacy	37.16	40.10	36.98	40.99	34.27	33.64	32.03	33.55	34.68	35.34	33.98	31.69	34.79	35.26
Pay for Performance Quality Incentive	2.00	2.00	2.00	2.00	2.02	1.98	2.00	2.00	2.00	1.90	2.04	1.98	0.00	1.83
Risk Corridor Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00
Hospital Directed Payments	546.01	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	71.83
Hospital Directed Payment Adjustment	405.62	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	0.02	(0.00)	14.46
Non-Claims Expense Adjustment	0.02	0.23	0.93	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	0.01	(0.72)
IBNR, Incentive, Paid Claims Adjustment	(1.04)	0.00	(0.03)	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	1.14	(3.34)
Total Medical Costs	1,192.88	296.10	299.13	293.50	267.65	279.64	293.97	12.34	278.36	268.81	291.15	276.06	286.15	330.12
GROSS MARGIN	(174.96)	20.32	82.43	54.66	50.34	59.47	58.91	54.55	55.93	48.29	54.21	52.82	52.14	36.88
Administrative:														
Compensation	10.38	10.37	9.63	9.73	10.59	9.28	10.92	10.44	9.81	9.48	9.59	8.93	9.97	9.92
Purchased Services	5.45	3.24	2.91	3.45	2.55	3.53	4.40	3.29	3.10	1.52	2.53	2.71	4.23	3.28
Supplies	(0.03)	0.14	0.60	0.40	0.24	0.23	0.11	0.27	0.24	0.26	0.13	0.39	0.14	0.24
Depreciation	1.22	1.16	1.15	1.19	1.19	3.61	1.61	1.60	1.58	1.51	1.54	1.53	1.52	1.57
Other Administrative Expenses	1.38	1.42	0.73	1.07	1.75	0.87	1.33	0.92	0.96	1.07	0.51	0.88	1.27	1.08
Administrative Expense Adjustment	5.31	0.00	0.00	0.00	0.00	0.00	(0.82)	0.00	0.00	0.00	0.00	0.00	5.07	0.74
Total Administrative Expenses	23.72	16.33	15.01	15.84	16.31	17.51	17.56	16.51	15.69	13.83	14.30	14.44	22.20	16.84
TOTAL EXPENSES	1,216.60	312.43	314.14	309.34	283.96	297.16	311.53	28.85	294.05	282.64	305.45	290.50	308.34	346.96
OPERATING INCOME (LOSS) BEFORE TAX	(198.68)	3.99	67.41	38.82	34.03	41.96	41.35	38.04	40.24	34.46	39.91	38.39	29.94	20.04
MCO TAX	(212.37)	0.00	64.63	30.16	31.29	30.90	30.49	34.02	33.64	32.02	32.68	32.37	32.09	14.11
OPERATING INCOME (LOSS) NET OF TAX	13.69	3.99	2.78	8.66	2.73	11.05	10.86	4.02	6.60	2.44	7.23	6.01	(2.15)	5.92
TOTAL NONOPERATING REVENUE (EXPENSE)	(1.71)	(3.79)	(2.28)	(4.28)	1.68	(2.29)	(1.85)	1.77	(2.60)	(0.64)	(4.36)	(3.39)	5.16	(1.40)
NET INCREASE (DECREASE) IN NET POSITION	11.98	0.20	0.50	4.38	4.41	8.76	9.01	5.78	4.01	1.81	2.87	2.63	3.01	4.53
MEDICAL LOSS RATIO	87.7%	92.5%	93.4%	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	91.4%
ADMINISTRATIVE EXPENSE RATIO	8.6%	6.0%	5.5%	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	6.3%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED DECEMBER 31, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			REVENUES			
			Title XIX - Medicaid - Family & Other			
25,208,935	22,380,311	2,828,624	Premium - Medi-Cal	278,680,092	266,640,300	12,039,792
2,162,393	2,375,503	(213,110)	Premium - Maternity Kick	28,345,862	28,506,036	(160,174)
83,691	74,145	9,546	Premium - Hep C Kick	724,444	878,748	(154,304)
517,514	607,441	(89,927)	Premium - BHT Kick	4,990,388	7,199,255	(2,208,867)
204,206	318,799	(114,593)	Premium - Health Home Kick	2,158,083	3,778,332	(1,620,249)
3,613,689	1,728,475	1,885,214	Premium - Provider Enhancement	40,388,365	20,484,300	19,904,065
177,982	158,519	19,463	Premium - Ground Emergency Medical Transportation	1,972,977	1,887,202	85,775
137,706	-	137,706	Premium - Behavioral Health Integration Program	137,706	-	137,706
109,886	94,311	15,575	Other	1,188,301	1,129,248	59,053
32,216,002	27,737,504	4,478,498	Total Title XIX - Medicaid - Family & Other	358,586,218	330,503,421	28,082,797
			Title XIX - Medicaid - Expansion Members			
24,593,677	21,183,611	3,410,066	Premium - Medi-Cal	267,589,247	254,203,333	13,385,914
265,443	214,189	51,254	Premium - Maternity Kick	3,004,172	2,570,269	433,903
240,609	303,377	(62,768)	Premium - Hep C Kick	2,819,315	3,640,525	(821,210)
392,566	519,998	(127,432)	Premium - Health Home Kick	4,167,547	6,239,977	(2,072,430)
1,439,612	742,244	697,369	Premium - Provider Enhancement	15,694,704	8,906,927	6,787,778
181,599	152,964	28,635	Premium - Ground Emergency Medical Transportation	1,979,203	1,835,568	143,635
50,991	-	50,991	Premium - Behavioral Health Integration Program	50,991	-	50,991
33,457	29,126	4,331	Other	362,897	349,512	13,385
27,197,954	23,145,509	4,052,445	Total Title XIX - Medicaid - Expansion Members	295,668,076	277,746,111	17,921,965
			Title XIX - Medicaid - SPD Members			
13,749,355	13,148,587	600,768	Premium - Medi-Cal	163,507,253	157,783,045	5,724,208
104,613	94,152	10,461	Premium - Hep C Kick	1,323,352	1,129,824	193,528
531,772	818,847	(287,075)	Premium - BHT Kick	6,238,606	9,826,164	(3,587,558)
504,829	416,635	88,194	Premium - Health Home Kick	4,185,688	4,999,620	(813,932)
463,574	282,521	181,053	Premium - Provider Enhancement	5,518,712	3,390,252	2,128,460
139,522	123,879	15,643	Premium - Ground Emergency Medical Transportation	1,659,137	1,486,548	172,589
11,301	-	11,301	Premium - Behavioral Health Integration Program	11,301	-	11,301
15,504,966	14,884,621	620,345	Total Title XIX - Medicaid - SPD Members	182,444,049	178,615,453	3,828,596

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED DECEMBER 31, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
PHYSICIAN SERVICES						
3,149,306	2,899,018	(250,288)	Primary Care Physician Services	33,584,705	34,497,932	913,227
8,104,692	10,141,905	2,037,213	Referral Specialty Services	111,914,003	121,039,398	9,125,395
1,397,065	1,441,011	43,946	Urgent Care & After Hours Advise	15,720,813	17,133,879	1,413,066
9,300	9,300	-	Hospital Admitting Team	109,800	109,800	-
12,660,363	14,491,234	1,830,871	TOTAL PHYSICIAN SERVICES	161,329,321	172,781,008	11,451,687
OTHER PROFESSIONAL SERVICES						
280,205	272,397	(7,808)	Vision Service Capitation	3,312,525	3,251,683	(60,842)
202,794	212,779	9,985	221 - Business Intelligence	2,484,467	2,553,348	68,881
576,533	560,329	(16,204)	310 - Health Services - Utilization Management - UM Allocation *	6,940,669	6,671,968	(268,701)
122,403	169,507	47,104	311 - Health Services - Quality Improvement - UM Allocation *	1,714,160	2,034,046	319,886
125,888	127,991	2,103	312 - Health Services - Education - UM Allocation *	1,390,735	1,535,888	145,153
87,073	94,630	7,557	313 - Health Services - Pharmacy - UM Allocation *	1,015,587	1,135,565	119,978
133,500	139,492	5,992	314 - Health Homes - UM Allocation *	1,320,504	1,629,491	308,987
266,254	258,856	(7,398)	315 - Case Management - UM Allocation *	3,167,483	3,106,275	(61,208)
59,314	61,775	2,461	616 - Disease Management - UM Allocation *	717,270	741,297	24,027
1,309,847	1,426,288	116,441	Behavior Health Treatment	11,877,951	17,025,420	5,147,469
133,466	171,520	38,054	Mental Health Services	1,431,695	2,050,521	618,826
1,638,124	1,162,525	(475,599)	Other Professional Services	14,750,311	13,882,937	(867,374)
4,935,401	4,658,089	(277,312)	TOTAL OTHER PROFESSIONAL SERVICES	50,123,357	55,618,439	5,495,082
3,194,257	5,202,479	2,008,222	EMERGENCY ROOM	53,283,940	61,951,060	8,667,120
19,183,080	13,592,759	(5,590,321)	INPATIENT HOSPITAL	196,200,624	162,271,155	(33,929,469)
77,390	73,638	(3,752)	REINSURANCE EXPENSE PREMIUM	904,111	876,003	(28,108)
6,565,195	6,587,593	22,398	OUTPATIENT HOSPITAL SERVICES	76,997,217	78,700,252	1,703,035
OTHER MEDICAL						
1,216,505	1,556,311	339,806	Ambulance and NEMT	14,928,009	18,575,529	3,647,520
546,590	391,165	(155,425)	Home Health Services & CBAS	5,469,205	4,676,179	(793,026)
429,853	511,873	82,020	Utilization and Quality Review Expenses	3,164,784	6,024,354	2,859,570
1,568,567	941,837	(626,730)	Long Term/SNF/Hospice	15,568,858	11,275,540	(4,293,318)
(42,600)	485,601	528,201	Health Home Capitation & Incentive	2,439,535	5,808,932	3,369,397
5,029,190	2,753,854	(2,275,336)	Provider Enhancement Expense - Prop. 56	58,793,786	32,781,481	(26,012,305)
480,982	435,362	(45,620)	Provider Enhancement Expense - GEMT	5,362,387	5,209,318	(153,069)
3,841,160	-	(3,841,160)	Provider COVID-19 Expenses	21,040,180	-	(21,040,180)
13,070,247	7,076,003	(5,994,244)	TOTAL OTHER MEDICAL	126,766,744	84,351,333	(42,415,411)
PHARMACY SERVICES						
8,657,426	8,743,981	86,555	RX - Drugs & OTC	99,509,583	104,500,319	4,990,736
334,193	471,673	137,480	RX - HEP-C	3,776,146	5,649,091	1,872,945
852,003	692,828	(159,175)	Rx - DME	8,697,421	8,280,917	(416,504)
(191,741)	(145,983)	45,758	RX - Pharmacy Rebates	(1,437,333)	(1,750,000)	(312,667)
9,651,881	9,762,500	110,619	TOTAL PHARMACY SERVICES	110,545,817	116,680,328	6,134,511
-	507,850	507,850	PAY FOR PERFORMANCE QUALITY INCENTIVE	5,721,372	6,041,400	320,028
-	-	-	RISK CORRIDOR EXPENSE	-	-	-
9,738,038	11,113,880	1,375,842	HOSPITAL DIRECTED PAYMENTS	107,913,519	133,083,820	25,170,301
(1,263)	-	1,263	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	(52,015,573)	-	52,015,573
1,598	-	(1,598)	NON-CLAIMS EXPENSE ADJUSTMENT	(2,453,956)	-	2,453,956
316,193	-	(316,193)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(11,093,983)	-	11,093,983
79,392,380	73,066,026	(6,326,354)	Total Medical Costs	824,222,510	872,354,797	48,132,287

* Medical costs per DMHC regulations

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED DECEMBER 31, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
PHYSICIAN SERVICES						
11.35	11.42	0.07	Primary Care Physician Services	10.67	11.42	0.75
29.21	39.94	10.73	Referral Specialty Services	35.55	40.07	4.52
5.04	5.67	0.64	Urgent Care & After Hours Advise	4.99	5.67	0.68
0.03	0.04	0.00	Hospital Admitting Team	0.03	0.04	0.00
45.63	57.07	11.44	TOTAL PHYSICIAN SERVICES	51.24	57.20	5.96
OTHER PROFESSIONAL SERVICES						
1.01	1.07	0.06	Vision Service Capitation	1.05	1.08	0.02
0.73	0.84	0.11	221 - Business Intelligence	0.79	0.85	0.06
2.08	2.21	0.13	310 - Health Services - Utilization Management - UM Allocation *	2.20	2.21	0.00
0.44	0.67	0.23	311 - Health Services - Quality Improvement - UM Allocation *	0.54	0.67	0.13
0.45	0.50	0.05	312 - Health Services - Education - UM Allocation *	0.44	0.51	0.07
0.31	0.37	0.06	313 - Health Services - Pharmacy - UM Allocation *	0.32	0.38	0.05
0.48	0.55	0.07	314 - Health Homes - UM Allocation *	0.42	0.54	0.12
0.96	1.02	0.06	315 - Case Management - UM Allocation *	1.01	1.03	0.02
0.21	0.24	0.03	616 - Disease Management - UM Allocation *	0.23	0.25	0.02
4.72	5.62	0.90	Behavior Health Treatment	3.77	5.64	1.86
0.48	0.68	0.19	Mental Health Services	0.45	0.68	0.22
5.90	4.58	(1.33)	Other Professional Services	4.68	4.60	(0.09)
17.79	18.34	0.56	TOTAL OTHER PROFESSIONAL SERVICES	15.92	18.41	2.49
11.51	20.49	8.98	EMERGENCY ROOM	16.92	20.51	3.59
69.14	53.53	(15.61)	INPATIENT HOSPITAL	62.32	53.72	(8.60)
0.28	0.29	0.01	REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.00
23.66	25.94	2.28	OUTPATIENT HOSPITAL SERVICES	24.46	26.05	1.60
OTHER MEDICAL						
4.38	6.13	1.74	Ambulance and NEMT	4.74	6.15	1.41
1.97	1.54	(0.43)	Home Health Services & CBAS	1.74	1.55	(0.19)
1.55	2.02	0.47	Utilization and Quality Review Expenses	1.01	1.99	0.99
5.65	3.71	(1.94)	Long Term/SNF/Hospice	4.94	3.73	(1.21)
(0.15)	1.91	2.07	Health Home Capitation & Incentive	0.77	1.92	1.15
18.13	10.85	(7.28)	Provider Enhancement Expense - Prop. 56	18.67	10.85	(7.82)
1.73	1.71	(0.02)	Provider Enhancement Expense - GEMT	1.70	1.72	0.02
13.84	0.00	(13.84)	Provider COVID-19 Expenses	6.68	0.00	(6.68)
47.11	27.87	(19.24)	TOTAL OTHER MEDICAL	40.26	27.92	(12.34)
PHARMACY SERVICES						
31.20	34.44	3.23	RX - Drugs & OTC	31.61	34.59	2.99
1.20	1.86	0.65	RX - HEP-C	1.20	1.87	0.67
3.07	2.73	(0.34)	Rx - DME	2.76	2.74	(0.02)
(0.69)	(0.57)	0.12	RX - Pharmacy Rebates	(0.46)	(0.58)	(0.12)
34.79	38.45	3.66	TOTAL PHARMACY SERVICES	35.11	38.63	3.52
-	2.00	2.00	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.82	2.00	0.18
0.00	0.00	0.00	RISK CORRIDOR EXPENSE	0.00	0.00	0.00
35.10	43.77	8.67	HOSPITAL DIRECTED PAYMENTS	34.27	44.06	9.78
(0.00)	0.00	0.00	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	(16.52)	0.00	16.52
0.01	0.00	(0.01)	NON-CLAIMS EXPENSE ADJUSTMENT	(0.78)	0.00	0.78
1.14	0.00	(1.14)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(3.52)	0.00	3.52
286.15	287.75	1.60	Total Medical Costs	261.79	288.79	27.01

* Medical costs per DMHC regulations

KHS Board of Directors Meeting, April 15, 2021

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH DECEMBER 31, 2020	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	YEAR TO DATE 2020
PHYSICIAN SERVICES													
Primary Care Physician Services	2,088,272	3,164,661	2,861,899	2,953,514	2,417,265	2,336,317	2,930,685	2,346,613	2,809,219	2,765,243	2,941,771	3,149,306	33,584,705
Referral Specialty Services	10,425,085	8,803,273	10,044,984	8,437,260	8,955,919	8,510,414	9,270,830	9,094,353	10,281,444	10,322,176	9,663,573	8,104,692	111,914,003
Urgent Care & After Hours Advice	1,414,889	1,896,664	1,435,097	1,019,114	1,047,424	959,870	1,146,821	1,683,928	1,414,358	1,061,055	1,253,528	1,397,665	13,970,813
Hospital Admitting Team	9,300	8,700	9,300	9,000	9,300	9,000	9,300	9,300	9,300	9,300	9,300	9,300	109,800
TOTAL PHYSICIAN SERVICES	14,257,546	13,873,238	14,351,280	12,418,888	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	13,867,872	12,660,363	161,329,321
OTHER PROFESSIONAL SERVICES													
Vision Service Capitation	299,489	261,072	261,072	263,942	267,033	265,598	272,284	276,202	278,450	281,154	306,024	280,205	3,312,525
221 - Business Intelligence	199,939	204,745	195,081	233,961	195,184	234,246	214,511	209,784	225,505	191,532	177,185	202,794	2,484,467
310 - Health Services - Utilization Management - UM Allocation *	550,905	482,617	507,782	619,537	541,633	584,998	629,823	548,977	619,543	626,261	632,460	576,533	6,940,669
311 - Health Services - Quality Improvement - UM Allocation *	130,719	131,973	135,845	172,419	144,487	144,162	159,894	142,027	154,808	159,386	116,037	122,403	1,714,160
312 - Health Services - Education - UM Allocation *	111,799	102,037	108,402	122,087	114,199	123,705	120,317	112,888	121,409	114,483	113,521	125,888	1,390,735
313 - Health Services - Pharmacy - UM Allocation *	88,153	80,696	81,505	86,248	76,014	89,969	88,996	83,460	86,476	81,501	85,496	87,073	1,015,587
314 - Health Homes - UM Allocation *	91,425	88,868	104,710	127,358	101,323	104,978	109,116	99,352	105,987	124,379	129,111	133,500	1,326,504
315 - Case Management - UM Allocation *	267,758	241,370	244,642	304,832	251,817	270,106	281,444	254,766	267,334	253,648	263,912	266,254	3,167,483
616 - Disease Management - UM Allocation *	56,335	54,217	57,384	69,526	56,199	58,667	56,395	58,838	63,644	66,587	56,164	59,314	717,270
Behavior Health Treatment	980,035	925,456	999,720	1,194,682	670,273	685,282	1,162,988	1,118,480	1,146,195	565,425	1,109,648	1,309,847	11,877,951
Mental Health Services	330,842	217,243	131,586	4,228	112,306	55,987	52,159	226,649	36,212	17,366	63,631	133,466	1,431,055
Other Professional Services	1,227,554	1,166,121	1,197,113	709,542	958,940	767,836	1,264,240	1,467,668	1,685,815	1,331,063	1,336,295	1,638,124	14,750,311
TOTAL OTHER PROFESSIONAL SERVICES	4,334,953	3,066,515	4,024,762	3,908,759	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	4,389,484	4,935,401	50,123,357
EMERGENCY ROOM													
EMERGENCY ROOM	5,226,947	5,258,084	5,370,795	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,659	4,814,428	4,638,713	3,194,257	53,283,940
INPATIENT HOSPITAL													
INPATIENT HOSPITAL	14,911,677	13,893,706	14,743,904	15,995,368	14,410,696	17,115,732	17,082,368	16,635,497	17,879,275	17,137,251	17,212,070	19,183,080	196,200,624
REINSURANCE EXPENSE PREMIUM													
REINSURANCE EXPENSE PREMIUM	72,320	144,425	(213)	77,341	69,310	73,356	75,202	76,284	76,523	77,652	84,521	77,390	904,111
OUTPATIENT HOSPITAL SERVICES													
OUTPATIENT HOSPITAL SERVICES	6,734,395	6,204,610	6,566,090	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,440	6,653,372	6,209,999	6,565,195	76,997,217
OTHER MEDICAL													
Ambulance and NEMT	1,599,375	1,498,607	1,444,299	670,262	1,090,342	366,750	1,660,648	1,632,473	1,199,057	1,324,882	1,224,809	1,216,505	14,928,009
Home Health Services & CBAS	392,407	393,491	349,594	300,546	492,779	171,601	327,117	89,406	655,484	379,453	566,737	546,590	5,469,205
Utilization and Quality Review Expenses	308,250	229,353	247,983	245,426	95,995	243,906	275,750	192,375	276,893	497,822	121,178	429,853	3,164,784
Long Term/SNF/Hospice	1,052,766	1,197,702	1,539,187	1,549,960	1,452,690	697,808	1,765,635	1,090,186	1,046,610	1,335,346	1,372,401	1,568,567	15,568,858
Health Home Capitation & Incentive	166,060	137,300	112,910	263,565	330,205	249,665	228,950	318,405	50,415	217,080	407,580	(42,600)	2,439,535
Provider Enhancement Expense - Prop. 56	1,820,309	5,971,496	6,564,136	4,841,254	4,273,154	5,297,431	5,004,018	3,659,026	5,102,697	6,361,698	4,769,377	5,029,190	58,793,786
Provider Enhancement Expense - GEMT	322,617	593,064	395,321	399,960	258,923	425,341	518,378	445,312	497,005	556,965	468,619	480,982	5,362,387
COVID-19 Expense	-	-	-	561,100	2,766,220	1,747,240	1,724,310	818,360	5,205,074	2,343,032	2,033,684	3,841,160	21,040,180
TOTAL OTHER MEDICAL	5,661,784	10,021,013	10,653,430	8,832,073	10,860,308	9,199,742	11,504,806	9,055,443	14,033,235	12,916,278	10,958,385	13,970,247	126,766,744
PHARMACY SERVICES													
RX - Drugs & OTC	9,137,997	8,470,785	9,200,496	7,803,679	7,771,494	7,983,954	8,100,996	8,168,036	8,318,159	8,267,808	7,628,753	8,657,426	99,509,583
RX - HEP-C	271,776	331,788	470,380	364,602	292,610	298,687	322,441	286,767	228,266	309,152	265,484	334,193	3,776,146
Rx - DMET	696,914	578,635	675,997	634,644	687,187	109,695	591,970	860,866	1,234,371	817,209	957,930	852,003	8,697,421
RX - Pharmacy Rebates	(135,000)	(135,000)	(35,000)	(135,000)	(135,000)	(78,879)	(235,000)	(135,000)	(135,000)	(135,000)	(135,000)	(191,741)	(1,437,333)
TOTAL PHARMACY SERVICES	9,971,687	9,246,208	10,311,873	8,667,925	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	8,717,167	9,651,881	116,545,817
PAY FOR PERFORMANCE QUALITY INCENTIVE													
PAY FOR PERFORMANCE QUALITY INCENTIVE	497,280	500,014	503,104	509,814	508,354	519,184	523,464	529,498	529,498	556,200	549,962	-	5,721,372
RISK CORRIDOR EXPENSE													
RISK CORRIDOR EXPENSE	-	-	-	-	-	4,700,000	(2,000,000)	-	(2,700,000)	-	-	-	-
HOSPITAL DIRECTED PAYMENTS													
HOSPITAL DIRECTED PAYMENTS	11,276,584	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	107,913,519
HOSPITAL DIRECTED PAYMENT ADJUSTMENT													
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	118,333	60,959	42,436	26,523	36,524	(10,733)	(52,075,201)	(233,958)	4,234	77	6,596	(1,263)	(52,015,573)
NON-CLAIMS EXPENSE ADJUSTMENT													
NON-CLAIMS EXPENSE ADJUSTMENT	57,172	232,393	(1,583,770)	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	5,124	(209,309)	1,598	(2,453,956)
IBNR INCENTIVE, AND PAID CLAIMS ADJUSTMENT													
IBNR INCENTIVE, AND PAID CLAIMS ADJUSTMENT	816	(8,559)	(2,649,204)	(4,444,586)	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(5,474)	205,986	316,193	(11,093,983)
Total Medical Costs	73,621,494	74,784,002	73,829,944	67,708,880	71,626,453	76,311,140	82,238,909	73,696,401	74,755,703	79,332,670	75,939,534	79,392,380	824,222,510

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH DECEMBER 31, 2020	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	YEAR TO DATE 2020
PHYSICIAN SERVICES													
Primary Care Physician Services	11.70	12.66	11.38	11.68	9.44	9.00	11.20	8.86	10.10	10.15	10.69	11.35	10.67
Referral Specialty Services	41.93	35.21	39.93	33.36	34.97	32.78	35.42	34.35	36.97	37.98	35.13	29.21	35.55
Urgent Care & After Hours Advise	5.69	7.59	5.70	4.03	4.09	3.66	4.38	6.36	5.09	3.89	4.56	5.04	4.99
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04	0.03	0.04	0.03	0.03	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	59.35	55.49	57.05	49.10	48.53	45.48	51.04	49.61	52.19	51.96	50.41	45.63	51.24
OTHER PROFESSIONAL SERVICES													
Vision Service Capitation	1.20	1.04	1.04	1.04	1.04	1.02	1.04	1.04	1.00	1.03	1.11	1.01	1.05
221 - Business Intelligence	0.80	0.82	0.78	0.92	0.76	0.90	0.82	0.79	0.81	0.70	0.64	0.73	0.79
310 - Health Services - Utilization Management - UM Allocation *	2.22	1.93	2.02	2.45	2.11	2.25	2.41	2.15	2.23	2.30	2.30	2.08	2.20
311 - Health Services - Quality Improvement - UM Allocation *	0.53	0.53	0.54	0.68	0.56	0.56	0.61	0.54	0.56	0.58	0.42	0.44	0.54
312 - Health Services - Education - UM Allocation *	0.45	0.41	0.43	0.48	0.45	0.48	0.46	0.43	0.44	0.42	0.41	0.45	0.44
313 - Health Services - Pharmacy - UM Allocation *	0.35	0.32	0.32	0.34	0.30	0.35	0.34	0.32	0.31	0.30	0.31	0.31	0.32
314 - Health Homes - UM Allocation *	0.37	0.36	0.42	0.51	0.40	0.40	0.42	0.38	0.38	0.46	0.47	0.48	0.42
315 - Case Management - UM Allocation *	1.08	0.97	0.97	1.21	0.98	1.04	1.07	0.96	0.96	0.93	0.96	0.96	1.01
616 - Disease Management - UM Allocation *	0.23	0.22	0.23	0.27	0.22	0.23	0.25	0.22	0.23	0.22	0.20	0.21	0.23
Behavior Health Treatment	3.94	3.74	3.97	4.72	3.62	2.64	4.44	4.22	4.12	2.08	4.03	4.72	3.77
Mental Health Services	1.33	0.87	0.52	0.02	0.44	0.22	0.20	0.86	0.31	0.06	0.23	0.48	0.45
Other Professional Services	4.94	4.66	4.76	2.81	3.74	2.96	4.83	5.54	6.06	4.88	4.86	5.90	4.68
TOTAL OTHER PROFESSIONAL SERVICES	17.43	15.87	16.00	15.45	13.62	13.04	16.89	17.45	17.41	13.97	15.96	17.79	15.92
EMERGENCY ROOM	21.02	21.03	21.35	15.08	16.45	12.96	13.95	18.18	17.71	17.67	16.86	11.51	16.92
INPATIENT HOSPITAL	59.97	55.57	58.61	63.24	56.26	65.93	65.27	62.83	64.29	62.89	62.57	69.14	62.32
REINSURANCE EXPENSE PREMIUM	0.29	0.58	0.00	0.31	0.27	0.28	0.29	0.29	24.47	0.28	0.31	0.28	0.29
OUTPATIENT HOSPITAL SERVICES	27.08	24.82	26.10	24.79	20.30	24.84	24.63	26.04	0.00	24.42	22.58	23.66	24.46
OTHER MEDICAL													
Ambulance and NEMT	6.43	5.99	5.74	2.65	4.26	1.41	6.34	6.17	4.31	4.86	4.45	4.38	4.74
Home Health Services & CBAS	1.58	1.57	1.39	1.19	1.92	0.66	1.25	3.40	2.36	1.39	2.04	1.97	1.74
Utilization and Quality Review Expenses	1.24	0.92	0.99	0.97	0.37	0.94	1.05	0.73	1.00	1.83	0.44	1.55	1.01
Long Term SN/Hospice	4.23	4.79	6.12	6.13	5.67	2.69	6.75	4.12	3.76	4.53	4.99	5.65	4.94
Health Home Capitation & Incentive	0.67	0.55	0.45	1.04	1.29	0.96	0.87	1.20	0.18	0.80	1.48	(0.15)	0.77
Provider Enhancement Expense - Prop. 56	7.32	23.89	26.09	19.14	17.07	20.41	19.12	13.82	18.35	23.35	17.34	18.13	18.67
Provider Enhancement Expense - GEMT	1.30	2.37	1.57	1.58	1.01	1.64	1.98	1.68	1.79	2.04	1.70	1.73	1.70
Provider COVID-19 Expenses	0.00	0.00	0.00	2.22	10.80	6.73	6.59	3.09	18.72	8.60	7.39	13.84	6.68
TOTAL OTHER MEDICAL	22.77	40.08	42.35	34.92	42.40	35.44	43.96	34.20	50.46	47.40	39.84	47.11	40.26
PHARMACY SERVICES													
RX - Drugs & OTC	36.75	33.88	36.57	30.85	30.34	30.76	30.95	30.85	29.91	30.34	27.73	31.20	31.61
RX - HEP-C	1.09	1.33	1.87	1.44	1.14	1.15	1.23	1.08	0.82	1.13	0.97	1.20	1.20
Rx - DME	2.80	2.31	2.69	2.51	2.68	0.42	2.26	3.25	4.44	3.00	3.48	3.07	2.76
RX - Pharmacy Rebates	(0.54)	(0.54)	(0.14)	(0.53)	(0.53)	(0.30)	(0.90)	(0.51)	0.17	(0.50)	(0.49)	(0.69)	(0.46)
TOTAL PHARMACY SERVICES	40.10	36.98	40.99	34.27	33.64	32.03	33.55	34.68	35.34	33.98	31.69	34.79	35.11
PAY FOR PERFORMANCE QUALITY INCENTIVE	2.00	2.00	2.00	2.02	1.98	2.00	2.00	2.00	1.90	2.04	1.98	0.00	1.82
RISK CORRIDOR EXPENSE	0.00	0.00	0.00	0.00	0.00	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00	0.00
HOSPITAL DIRECTED PAYMENTS	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	34.27
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	0.02	(0.00)	(16.52)
NON-CLAIMS EXPENSE ADJUSTMENT	0.23	0.93	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	0.01	(0.78)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.00	(0.03)	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	1.14	(3.52)
Total Medical Costs	296.10	299.13	293.50	267.65	279.64	293.97	12.34	278.36	268.81	291.15	276.06	286.15	261.79

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED DECEMBER 31, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
481,278	314,472	(166,806)	110 - Executive	4,213,814	3,849,044	(364,770)
204,040	198,806	(5,234)	210 - Accounting	2,183,081	2,383,730	200,649
268,648	273,113	4,465	220 - Management Information Systems	3,343,187	3,277,370	(65,817)
17,481	13,049	(4,432)	221 - Business Intelligence	118,591	156,616	38,025
229,193	281,944	52,751	222 - Enterprise Development	3,041,935	3,383,373	341,438
647,221	415,723	(231,498)	225 - Infrastructure	4,527,633	4,988,672	461,039
560,438	559,947	(491)	230 - Claims	6,408,298	6,700,958	292,660
95,260	114,175	18,915	240 - Project Management	1,215,915	1,369,836	153,921
83,855	100,301	16,446	310 - Health Services - Utilization Management	1,202,902	1,197,406	(5,496)
60,254	55,142	(5,112)	311 - Health Services - Quality Improvement	533,898	661,493	127,595
9,846	67	(9,779)	312 - Health Services - Education	10,327	1,100	(9,227)
138,183	143,883	5,700	313- Pharmacy	1,651,472	1,713,091	61,619
7,082	-	(7,082)	314 - Health Homes	8,252	-	(8,252)
13,653	16,573	2,920	315 - Case Management	199,351	198,873	(478)
18,384	23,135	4,751	616 - Disease Management	261,785	277,579	15,794
260,381	313,556	53,175	320 - Provider Network Management	3,310,304	3,762,628	452,324
568,704	563,886	(4,818)	330 - Member Services	6,306,727	6,766,582	459,855
639,211	533,116	(106,095)	340 - Corporate Services	6,978,086	6,351,392	(626,694)
71,832	67,176	(4,656)	360 - Audit & Investigative Services	871,118	806,112	(65,006)
34,964	54,335	19,371	410 - Advertising Media	533,423	651,800	118,377
72,769	68,457	(4,312)	420 - Sales/Marketing/Public Relations	611,337	821,484	210,147
268,517	220,169	(48,348)	510 - Human Resources	2,588,673	2,687,536	98,863
1,407,045	-	(1,407,045)	Administrative Expense Adjustment	1,194,816	-	(1,194,816)
6,158,239	4,331,024	(1,827,215)	Total Administrative Expenses	51,314,925	52,006,674	691,749

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED DECEMBER 31, 2020	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	YEAR TO DATE 2020
110 - Executive	339,242	293,820	365,045	399,347	259,748	354,211	358,020	346,343	374,015	326,229	316,516	481,278	4,213,814
210 - Accounting	173,904	178,919	174,836	183,136	174,058	229,239	197,424	181,448	174,523	158,312	153,242	204,040	2,183,081
220 - Management Information Systems (MIS)	381,511	295,419	338,903	162,587	375,885	409,177	283,465	385,215	(71,269)	340,586	173,060	268,648	3,343,187
221 - Business Intelligence	-	11,648	20,702	22,767	15,303	14,750	15,840	100	14,760	(14,760)	-	17,481	118,591
222 - Enterprise Development	211,299	225,855	262,079	292,897	213,893	299,686	277,998	269,776	270,074	228,971	260,214	229,193	3,041,935
225 - Infrastructure	359,015	241,507	308,323	274,546	428,168	431,419	409,337	388,698	315,770	353,492	370,137	647,221	4,527,633
230 - Claims	556,280	498,960	493,312	543,105	485,601	547,271	552,376	529,257	570,198	519,409	552,091	560,438	6,408,298
240 - Project Management	85,191	84,709	97,954	100,673	102,586	121,862	123,048	107,034	102,541	91,330	103,727	95,260	1,215,915
310 - Health Services - Utilization Management	98,529	107,809	95,426	112,873	93,694	127,289	99,273	106,044	114,396	82,166	81,548	83,855	1,202,902
311 - Health Services - Quality Improvement	10,824	41,860	43,027	54,448	45,627	46,653	50,493	44,850	48,886	50,333	36,643	60,254	533,898
312 - Health Services - Education	-	60	-	61	-	-	-	102	258	-	-	-	9,846
313 - Pharmacy	156,947	147,980	148,599	141,729	123,386	126,485	118,633	129,761	154,674	135,163	129,932	138,183	1,651,472
314 - Health Homes	222	15,046	98	(14,707)	-	76	68	-	258	-	109	7,082	8,252
315 - Case Management	17,349	15,664	15,615	19,456	16,074	17,240	17,939	16,261	17,064	16,190	16,846	13,653	199,251
616 - Disease Management	20,836	20,068	21,223	25,749	20,786	21,699	24,558	21,762	23,538	22,408	20,774	18,384	261,785
320 - Provider Network Management	256,860	252,748	291,995	307,450	269,465	313,902	281,741	260,987	274,601	295,174	245,000	260,381	3,310,304
330 - Member Services	530,714	484,954	496,790	563,492	484,348	547,629	542,035	529,092	504,521	526,135	528,313	568,704	6,306,727
340 - Corporate Services	439,804	482,885	487,474	449,175	1,070,946	640,485	556,403	599,825	606,212	405,269	600,397	639,211	6,978,086
360 - Audit & Investigative Services	81,923	83,979	59,288	87,154	60,510	76,957	69,507	55,676	81,171	63,378	79,743	71,832	871,118
410 - Advertising Media	9,439	47,590	38,083	134,979	29,053	138,348	28,355	(17,205)	18,396	41,471	29,950	34,964	533,423
420 - Sales/Marketing/Public Relations	44,020	35,104	43,800	36,382	55,996	54,859	78,000	3,632	45,864	49,297	91,614	72,769	611,337
510 - Human Resources	285,952	186,648	181,915	228,494	160,954	252,332	237,528	195,087	204,890	205,283	181,073	268,517	2,588,673
Total Department Expenses	4,059,861	3,753,232	3,984,487	4,125,793	4,486,081	4,771,569	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	51,314,925
ADMINISTRATIVE EXPENSE ADJUSTMENT	-	-	-	-	-	(212,229)	-	-	-	-	-	1,407,045	1,194,816
Total Administrative Expenses	4,059,861	3,753,232	3,984,487	4,125,793	4,486,081	4,559,340	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	51,314,925

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF DECEMBER 31, 2020			
ASSETS	DECEMBER 2020	NOVEMBER 2020	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,136,281	\$ 1,133,718	2,563
Interest Receivable	1,785	1,594	191
TOTAL CURRENT ASSETS	\$ 1,138,066	\$ 1,135,312	\$ 2,754
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	\$ -	\$ -	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,128,885	1,128,885	-
Increase (Decrease) in Net Position - Current Year	9,181	6,427	2,754
Total Net Position	\$ 1,138,066	\$ 1,135,312	\$ 2,754
TOTAL LIABILITIES AND NET POSITION	\$ 1,138,066	\$ 1,135,312	\$ 2,754

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED DECEMBER 31, 2020	YEAR-TO-DATE		
				ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
-	-	-	Members	-	-	-
			REVENUES			
-	-	-	Premium	-	-	-
191	-	191	Interest	13,581	-	13,581
2,563	-	2,563	Other Investment Income	600	-	600
2,754	-	2,754	TOTAL REVENUES	14,181	-	14,181
			EXPENSES			
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
2,754	-	2,754	GROSS MARGIN	14,181	-	14,181
			Administrative			
-	-	-	Management Fee Expense and Other Admin Exp	5,000	-	(5,000)
-	-	-	Total Administrative Expenses	5,000	-	(5,000)
-	-	-	TOTAL EXPENSES	5,000	-	(5,000)
2,754	-	2,754	OPERATING INCOME (LOSS)	9,181	-	9,181
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
2,754	-	2,754	NET INCREASE (DECREASE) IN NET POSITION	9,181	-	9,181
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	35%	0%	-35%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

MEDI-CAL		2020 MEMBER MONTHS	JAN'20	FEB'20	MAR'20	APR'20	MAY'20	JUN'20	JUL'20	AUG'20	SEP'20	OCT'20	NOV'20	DEC'20
ADULT AND FAMILY														
ADULT	566,560		43,519	43,767	44,480	44,402	45,381	46,558	47,144	47,950	50,967	49,961	50,875	51,556
CHILD	1,524,338		122,496	123,040	123,357	123,687	124,785	126,031	126,735	127,723	133,883	130,268	130,746	131,587
SUB-TOTAL ADULT & FAMILY	2,090,898		166,015	166,807	167,837	168,089	170,166	172,589	173,879	175,673	184,850	180,229	181,621	183,143
OTHER MEMBERS														
BCCTP-TOBACCO SETTLEMENT	332		26	28	26	25	27	27	28	30	29	30	29	27
DUALS														
PARTIAL DUALS - FAMILY	5,844		432	432	453	461	474	450	452	462	550	570	554	554
PARTIAL DUALS - CHILD	11		1	1	1	1	1	1	1	1	1	1	1	0
PARTIAL DUALS - BCCTP	22		1	1	2	2	2	2	2	2	2	2	2	2
SPD FULL DUALS	84,123		6,599	6,759	6,911	6,923	6,983	6,941	6,945	7,021	7,235	7,172	7,326	7,308
SUB-TOTAL DUALS	90,000		7,033	7,193	7,367	7,387	7,460	7,394	7,400	7,486	7,788	7,745	7,883	7,864
TOTAL FAMILY & OTHER	2,181,230		173,074	174,028	175,230	175,501	177,653	180,010	181,307	183,189	192,667	188,004	189,533	191,034
SPD														
SPD (AGED AND DISABLED)	188,095		15,667	15,493	15,688	15,992	15,946	15,803	15,518	15,508	15,301	15,810	15,692	15,677
MEDI-CAL EXPANSION														
ACA Expansion Adult-Citizen	773,610		59,583	60,197	60,360	61,164	62,179	63,373	64,432	65,545	69,552	68,077	69,160	69,988
ACA Expansion Duals	5,534		316	289	274	293	356	406	475	507	580	590	695	753
SUB-TOTAL MED-CAL EXPANSION	779,144		59,899	60,486	60,634	61,457	62,535	63,779	64,907	66,052	70,132	68,667	69,855	70,741
TOTAL KAISER	118,205		8,992	9,125	9,169	9,262	9,475	9,594	9,823	10,138	10,386	10,579	10,753	10,909
TOTAL MEDI-CAL MEMBERS	3,266,674		257,632	259,132	260,721	262,212	265,609	269,186	271,555	274,887	288,486	283,060	285,833	288,361



To: KHS Board of Directors

From: Robert Landis, CFO

Date: April 15, 2021

Re: January 2021 Financial Results

The January results reflect a \$1,492,915 Net Increase in Net Position which is a \$1,208,876 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$9.0 million favorable variance primarily due to:
 - A) \$2.0 million favorable variance primarily due to higher than expected budgeted membership.
 - B) \$.7 million favorable variance in MCO Tax Premiums primarily due to receiving revised MCO Tax rates for calendar year 2021 from DHCS.
 - C) \$5.7 million favorable variance in Premium-Hospital Directed Payments primarily due to receiving revised 19/20 HDP rates. This amount is offset against amounts included in 2E below
 - D) \$.8 million favorable variance in Rate/Income Adjustments primarily due to retroactive revenue received for the prior year.

- 2) Total Medical Costs reflect a \$8.5 million unfavorable variance primarily due to:
 - A) \$.9 million favorable variance in Emergency Room primarily due to lower than expected utilization.
 - B) \$4.5 million unfavorable variance in Inpatient primarily due to higher than expected utilization.
 - C) \$.5 million unfavorable variance in Other Medical primarily due to Covid-19 provider relief expense.
 - D) \$1.4 million favorable variance in Pharmacy primarily due from formulary modifications that capitalized on new generics that came to market and less costly brands within the same therapeutic class. There was also a timing impact from the lengthening of the day supply per prescription of maintenance medications that occurred beginning in March 2020. Additionally, the Flu Season was not as severe as expected due to increased social distancing, washing hands, wearing masks and an increase in flu vaccine administration due to our efforts in reaching out to our members during the 4th quarter of 2020.
 - E) \$5.7 million unfavorable variance in Hospital Directed Payments primarily due to receiving revised 19/20 HDP rates. This amount is offset against amounts included in 1C above.

The January Medical Loss Ratio is 93.1% which is unfavorable to the 92.5% budgeted amount. The January Administrative Expense Ratio is 5.7% which is favorable to the 6.7% budgeted amount.

**Kern Health Systems
Financial Packet
January 2021**

KHS – Medi-Cal Line of Business

Comparative Statement of Net Position	Page 1
Statement of Revenue, Expenses, and Changes in Net Position	Page 2
Statement of Revenue, Expenses, and Changes in Net Position - PMPM	Page 3
Statement of Revenue, Expenses, and Changes in Net Position by Month	Page 4
Statement of Revenue, Expenses, and Changes in Net Position by Month - PMPM	Page 5
Schedule of Revenues	Page 6
Schedule of Medical Costs	Page 7
Schedule of Medical Costs - PMPM	Page 8
Schedule of Medical Costs by Month	Page 9
Schedule of Medical Costs by Month – PMPM	Page 10
Schedule of Administrative Expenses by Department	Page 11
Schedule of Administrative Expenses by Department by Month	Page 12

KHS Group Health Plan – Healthy Families Line of Business

Comparative Statement of Net Position	Page 13
Statement of Revenue, Expenses, and Changes in Net Position	Page 14

KHS Administrative Analysis and Other Reporting

Monthly Member Count	Page 15
----------------------	---------

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF JANUARY 31, 2021			
ASSETS	JANUARY 2021	DECEMBER 2020	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 105,073,268	\$ 74,866,934	\$ 30,206,334
Short-Term Investments	129,481,278	169,078,187	(39,596,909)
Pass-through Monies Held for Future Payment	63,901,877	-	63,901,877
Premiums Receivable - Net	99,682,751	97,593,440	2,089,311
Premiums Receivable - Hospital Direct Payments	210,829,165	195,667,272	15,161,893
Interest Receivable	96,977	111,800	(14,823)
Provider Advance Payment	5,506,518	5,506,518	-
Other Receivables	1,162,978	999,272	163,706
Prepaid Expenses & Other Current Assets	2,977,322	2,223,252	754,070
Total Current Assets	\$ 618,712,134	\$ 546,046,675	\$ 72,665,459
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	2,074,454	2,121,548	(47,094)
Computer Hardware and Software - Net	14,611,138	14,911,184	(300,046)
Building and Building Improvements - Net	35,272,587	35,348,281	(75,694)
Capital Projects in Progress	12,438,635	12,183,359	255,276
Total Capital Assets	\$ 68,487,520	\$ 68,655,078	\$ (167,558)
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,556,944	1,556,944	-
Total Long Term Assets	\$ 1,856,944	\$ 1,856,944	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 3,018,341	\$ 3,018,341	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 692,074,939	\$ 619,577,038	\$ 72,497,901
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	\$ 3,724,831	\$ 3,474,673	250,158
Accrued Other Operating Expenses	2,387,430	2,054,935	332,495
Accrued Taxes and Licenses	8,725,272	26,536,275	(17,811,003)
Other Medical Liabilities - Nonoperating Passthrough	63,901,877	-	63,901,877
Claims Payable (Reported)	30,841,482	25,988,208	4,853,274
IBNR - Inpatient Claims	35,269,379	33,478,470	1,790,909
IBNR - Physician Claims	16,682,703	15,114,732	1,567,971
IBNR - Accrued Other Medical	24,247,032	25,003,428	(756,396)
Risk Pool and Withholds Payable	5,534,345	5,005,162	529,183
Statutory Allowance for Claims Processing Expense	2,225,904	2,225,904	-
Other Liabilities	50,607,359	49,422,734	1,184,625
Accrued Hospital Directed Payments	210,829,165	195,667,272	15,161,893
Total Current Liabilities	\$ 454,976,779	\$ 383,971,793	\$ 71,004,986
NONCURRENT LIABILITIES:			
Net Pension Liability	8,432,377	8,432,377	-
TOTAL NONCURRENT LIABILITIES	\$ 8,432,377	\$ 8,432,377	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 86,684	\$ 86,684	\$ -
NET POSITION:			
Net Position - Beg. of Year	227,086,184	214,692,379	12,393,805
Increase (Decrease) in Net Position - Current Year	1,492,915	12,393,805	(10,900,890)
Total Net Position	\$ 228,579,099	\$ 227,086,184	\$ 1,492,915
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 692,074,939	\$ 619,577,038	\$ 72,497,901

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JANUARY 31, 2021				YEAR-TO-DATE MEMBER MONTHS		
							ACTUAL	BUDGET	VARIANCE
183,217	181,400	1,817	Family Members	183,217	181,400	1,817			
71,400	70,565	835	Expansion Members	71,400	70,565	835			
16,054	15,230	824	SPD Members	16,054	15,230	824			
7,846	7,000	846	Other Members	7,846	7,000	846			
11,047	10,500	547	Kaiser Members	11,047	10,500	547			
289,564	284,695	4,869	Total Members - MCAL	289,564	284,695	4,869			
			REVENUES						
33,254,490	32,098,951	1,155,539	Title XIX - Medicaid - Family and Other	33,254,490	32,098,951	1,155,539			
27,548,311	26,523,701	1,024,610	Title XIX - Medicaid - Expansion Members	27,548,311	26,523,701	1,024,610			
15,326,978	15,473,370	(146,392)	Title XIX - Medicaid - SPD Members	15,326,978	15,473,370	(146,392)			
9,577,432	8,904,649	672,783	Premium - MCO Tax	9,577,432	8,904,649	672,783			
15,121,903	9,467,460	5,654,443	Premium - Hospital Directed Payments	15,121,903	9,467,460	5,654,443			
4,303	164,743	(160,440)	Investment Earnings And Other Income	4,303	164,743	(160,440)			
-	79,517	(79,517)	Reinsurance Recoveries	-	79,517	(79,517)			
39,990	-	39,990	Rate Adjustments - Hospital Directed Payments	39,990	-	39,990			
799,886	-	799,886	Rate/Income Adjustments	799,886	-	799,886			
101,673,293	92,712,390	8,960,903	TOTAL REVENUES	101,673,293	92,712,390	8,960,903			
			EXPENSES						
			Medical Costs:						
14,907,160	15,070,846	163,686	Physician Services	14,907,160	15,070,846	163,686			
4,421,552	4,713,570	292,018	Other Professional Services	4,421,552	4,713,570	292,018			
4,676,327	5,532,296	855,969	Emergency Room	4,676,327	5,532,296	855,969			
19,853,180	15,343,180	(4,510,000)	Inpatient	19,853,180	15,343,180	(4,510,000)			
81,215	79,517	(1,698)	Reinsurance Expense	81,215	79,517	(1,698)			
7,108,674	6,962,569	(146,105)	Outpatient Hospital	7,108,674	6,962,569	(146,105)			
10,641,113	10,097,242	(543,871)	Other Medical	10,641,113	10,097,242	(543,871)			
9,100,359	10,456,099	1,355,740	Pharmacy	9,100,359	10,456,099	1,355,740			
529,182	520,971	(8,212)	Pay for Performance Quality Incentive	529,182	520,971	(8,212)			
-	-	-	Risk Corridor Expense	-	-	-			
15,121,903	9,467,460	(5,654,443)	Hospital Directed Payments	15,121,903	9,467,460	(5,654,443)			
39,990	-	(39,990)	Hospital Directed Payment Adjustment	39,990	-	(39,990)			
287,063	-	(287,063)	Non-Claims Expense Adjustment	287,063	-	(287,063)			
4,787	-	(4,787)	IBNR, Incentive, Paid Claims Adjustment	4,787	-	(4,787)			
86,772,505	78,243,748	(8,528,757)	Total Medical Costs	86,772,505	78,243,748	(8,528,757)			
14,900,788	14,468,642	432,146	GROSS MARGIN	14,900,788	14,468,642	432,146			
			Administrative:						
2,772,584	2,856,030	83,446	Compensation	2,772,584	2,856,030	83,446			
818,908	1,071,006	252,098	Purchased Services	818,908	1,071,006	252,098			
57,592	133,106	75,514	Supplies	57,592	133,106	75,514			
422,833	500,520	77,687	Depreciation	422,833	500,520	77,687			
277,245	385,959	108,714	Other Administrative Expenses	277,245	385,959	108,714			
18,296	-	(18,296)	Administrative Expense Adjustment	18,296	-	(18,296)			
4,367,458	4,946,622	579,164	Total Administrative Expenses	4,367,458	4,946,622	579,164			
91,139,963	83,190,370	(7,949,593)	TOTAL EXPENSES	91,139,963	83,190,370	(7,949,593)			
10,533,330	9,522,020	1,011,310	OPERATING INCOME (LOSS) BEFORE TAX	10,533,330	9,522,020	1,011,310			
8,902,943	8,904,649	1,706	MCO TAX	8,902,943	8,904,649	1,706			
1,630,387	617,371	1,013,016	OPERATING INCOME (LOSS) NET OF TAX	1,630,387	617,371	1,013,016			
			NONOPERATING REVENUE (EXPENSE)						
-	-	-	Gain on Sale of Assets	-	-	-			
(81,396)	(166,666)	85,270	Provider Recruitment and Retention Grants	(81,396)	(166,666)	85,270			
(56,076)	(166,666)	110,590	Health Home	(56,076)	(166,666)	110,590			
(137,472)	(333,332)	195,860	TOTAL NONOPERATING REVENUE (EXPENSE)	(137,472)	(333,332)	195,860			
1,492,915	284,039	1,208,876	NET INCREASE (DECREASE) IN NET POSITION	1,492,915	284,039	1,208,876			
93.1%	92.5%	-0.6%	MEDICAL LOSS RATIO	93.1%	92.5%	-0.6%			
5.7%	6.7%	1.0%	ADMINISTRATIVE EXPENSE RATIO	5.7%	6.7%	1.0%			

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED JANUARY 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
183,217	181,400	1,817	Family Members	183,217	181,400	1,817
71,400	70,565	835	Expansion Members	71,400	70,565	835
16,054	15,230	824	SPD Members	16,054	15,230	824
7,846	7,000	846	Other Members	7,846	7,000	846
11,047	10,500	547	Kaiser Members	11,047	10,500	547
289,564	284,695	4,869	Total Members - MCAL	289,564	284,695	4,869
REVENUES						
174.05	170.38	3.67	Title XIX - Medicaid - Family and Other	174.05	170.38	3.67
385.83	375.88	9.95	Title XIX - Medicaid - Expansion Members	385.83	375.88	9.95
954.71	1,015.98	(61.27)	Title XIX - Medicaid - SPD Members	954.71	1,015.98	(61.27)
34.39	32.48	1.91	Premium - MCO Tax	34.39	32.48	1.91
54.29	34.53	19.77	Premium - Hospital Directed Payments	54.29	34.53	19.77
0.02	0.60	(0.59)	Investment Earnings And Other Income	0.02	0.60	(0.59)
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)
0.14	0.00	0.14	Rate Adjustments - Hospital Directed Payments	0.14	0.00	0.14
2.87	0.00	2.87	Rate/Income Adjustments	2.87	0.00	2.87
365.05	338.13	26.93	TOTAL REVENUES	365.05	338.13	26.93
EXPENSES						
Medical Costs:						
53.52	54.96	1.44	Physician Services	53.52	54.96	1.44
15.88	17.19	1.32	Other Professional Services	15.88	17.19	1.32
16.79	20.18	3.39	Emergency Room	16.79	20.18	3.39
71.28	55.96	(15.32)	Inpatient	71.28	55.96	(15.32)
0.29	0.29	(0.00)	Reinsurance Expense	0.29	0.29	(0.00)
25.52	25.39	(0.13)	Outpatient Hospital	25.52	25.39	(0.13)
38.21	36.83	(1.38)	Other Medical	38.21	36.83	(1.38)
32.67	38.13	5.46	Pharmacy	32.67	38.13	5.46
1.90	1.90	0.00	Pay for Performance Quality Incentive	1.90	1.90	0.00
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00
54.29	34.53	(19.77)	Hospital Directed Payments	54.29	34.53	(19.77)
0.14	0.00	(0.14)	Hospital Directed Payment Adjustment	0.14	0.00	(0.14)
1.03	0.00	(1.03)	Non-Claims Expense Adjustment	1.03	0.00	(1.03)
0.02	0.00	(0.02)	IBNR, Incentive, Paid Claims Adjustment	0.02	0.00	(0.02)
311.55	285.36	(26.19)	Total Medical Costs	311.55	285.36	(26.19)
53.50	52.77	0.73	GROSS MARGIN	53.50	52.77	0.73
Administrative:						
9.95	10.42	0.46	Compensation	9.95	10.42	0.46
2.94	3.91	0.97	Purchased Services	2.94	3.91	0.97
0.21	0.49	0.28	Supplies	0.21	0.49	0.28
1.52	1.83	0.31	Depreciation	1.52	1.83	0.31
1.00	1.41	0.41	Other Administrative Expenses	1.00	1.41	0.41
0.07	0.00	(0.07)	Administrative Expense Adjustment	0.07	0.00	(0.07)
15.68	18.04	2.36	Total Administrative Expenses	15.68	18.04	2.36
327.23	303.40	(23.83)	TOTAL EXPENSES	327.23	303.40	(23.83)
37.82	34.73	3.09	OPERATING INCOME (LOSS) BEFORE TAX	37.82	34.73	3.09
31.97	32.48	0.51	MCO TAX	31.97	32.48	0.51
5.85	2.25	3.60	OPERATING INCOME (LOSS) NET OF TAX	5.85	2.25	3.60
NONOPERATING REVENUE (EXPENSE)						
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00
(0.29)	(0.61)	0.32	Reserve Fund Projects/Community Grants	(0.29)	(0.61)	0.32
(0.20)	(0.61)	0.41	Health Home	(0.20)	(0.61)	0.41
(0.49)	(1.22)	0.72	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.49)	(1.22)	0.72
5.36	1.04	4.32	NET INCREASE (DECREASE) IN NET POSITION	5.36	1.04	4.32
93.1%	92.5%	-0.6%	MEDICAL LOSS RATIO	93.1%	92.5%	-0.6%
5.7%	6.7%	1.0%	ADMINISTRATIVE EXPENSE RATIO	5.7%	6.7%	1.0%

KHS Board of Directors Meeting, April 15, 2021

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH JANUARY 31, 2021													JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	13 MONTH TOTAL
ENROLLMENT																										
Members - MCAL																										
	248,640	250,007	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	3,426,986												
REVENUES																										
Title XIX - Medicaid - Family and Other	28,111,536	28,136,428	28,589,738	27,567,358	28,170,470	30,522,053	29,997,411	30,548,160	30,419,692	33,387,274	30,920,096	32,216,002	33,254,490	391,840,708												
Title XIX - Medicaid - Expansion Members	23,135,804	23,419,130	23,548,401	22,679,789	23,386,527	24,776,875	24,533,357	24,848,094	25,069,155	27,568,938	25,504,052	27,197,954	27,548,311	323,216,387												
Title XIX - Medicaid - SPD Members	15,020,731	15,113,713	15,275,980	14,884,891	14,967,019	15,603,750	15,224,387	15,192,022	15,191,965	14,457,143	16,007,482	15,504,966	15,326,978	197,771,027												
Premium - MCO Tax	-	16,158,895	7,586,709	7,915,338	7,915,091	8,023,287	8,236,232	8,333,151	8,332,682	9,166,454	8,420,487	8,830,398	9,577,432	108,496,156												
Premium - Hospital Directed Payments	11,276,584	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	123,035,422												
Investment Earnings And Other Income	190,131	301,265	424,094	266,256	323,827	62,534	315,583	173,465	-	(14,474)	151,948	166,556	147,197	2,512,685												
Reinsurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
Rate Adjustments - Hospital Directed Payments	118,333	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	39,990	(51,736,099)												
Rate/Income Adjustments	819,618	809,261	616,798	(4,529,302)	444,891	476,588	135,705	291,820	70,321	(582,499)	127,031	226,726	799,886	(293,156)												
TOTAL REVENUES	78,672,737	95,391,047	87,579,613	80,435,517	86,859,012	91,604,031	17,506,553	88,503,816	88,185,134	94,104,369	90,469,419	93,858,589	101,673,293	1,094,843,130												
EXPENSES																										
Medical Costs:																										
Physician Services	14,757,546	13,873,238	14,351,280	12,418,888	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	13,867,872	12,660,363	14,907,160	176,236,481												
Other Professional Services	4,334,953	3,966,515	4,024,762	3,908,759	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	4,389,484	4,935,401	4,421,552	54,544,909												
Emergency Room	5,226,947	5,258,084	5,370,795	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	4,814,428	4,638,713	3,194,257	4,676,327	57,960,267												
Inpatient	14,911,677	13,893,706	14,743,904	15,995,368	14,410,696	17,115,732	17,082,368	16,635,497	17,879,275	17,137,251	17,212,070	19,183,080	19,853,180	216,053,804												
Reinsurance Expense	72,320	144,425	(213)	77,341	69,310	73,356	75,202	76,284	76,523	77,652	84,521	77,390	81,215	985,326												
Outpatient Hospital	6,734,395	6,204,610	6,566,090	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	6,653,372	6,209,999	6,565,195	7,108,674	84,105,891												
Other Medical	5,661,784	10,021,013	10,653,430	8,832,073	10,860,208	9,199,742	11,504,806	9,055,443	14,033,235	12,916,278	10,958,385	13,070,247	10,641,113	137,407,857												
Pharmacy	9,971,687	9,246,208	10,311,873	8,667,925	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	8,717,167	9,651,881	9,100,359	119,646,176												
Pay for Performance Quality Incentive	497,280	500,014	503,104	509,814	508,354	519,184	523,464	529,498	529,498	556,200	544,962	-	529,182	6,250,554												
Risk Corridor Expense	-	-	-	-	-	4,700,000	(2,000,000)	-	(2,700,000)	-	-	-	-	-												
Hospital Directed Payments	11,276,584	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	123,035,422												
Hospital Directed Payment Adjustment	118,333	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	6,596	(1,263)	39,990	(51,975,583)												
Non-Claims Expense Adjustment	57,172	232,393	(1,583,770)	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	5,124	(209,309)	1,598	287,063	(2,166,893)												
IBNR, Incentive, Paid Claims Adjustment	816	(8,559)	(2,649,204)	(4,444,586)	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(5,474)	205,986	316,193	4,787	(11,089,196)												
Total Medical Costs	73,621,494	74,784,002	73,829,944	67,702,880	71,626,453	76,311,140	3,228,909	73,696,401	74,755,703	79,333,670	75,939,534	79,392,380	86,772,505	910,995,015												
GROSS MARGIN																										
Administrative:	5,051,243	20,607,045	13,749,669	12,732,637	15,232,559	15,292,891	14,277,644	14,807,415	13,429,431	14,770,699	14,529,885	14,466,209	14,900,788	183,848,115												
Compensation	2,577,348	2,407,112	2,447,667	2,678,816	2,375,693	2,835,739	2,732,099	2,597,575	2,636,509	2,613,272	2,456,357	2,766,869	2,772,584	33,897,640												
Purchased Services	805,903	728,049	867,391	644,717	903,379	1,142,683	859,845	819,771	421,612	689,841	745,537	1,172,530	818,908	10,620,166												
Supplies	35,806	149,042	99,552	60,138	59,208	29,774	71,551	63,919	71,111	34,967	106,489	39,305	57,592	878,454												
Depreciation	287,590	287,536	300,318	300,318	924,253	418,036	417,768	418,389	419,251	419,796	419,850	421,301	422,833	5,457,039												
Other Administrative Expenses	353,414	181,493	269,559	441,804	223,548	345,337	240,778	254,091	296,858	137,960	242,696	351,189	277,245	3,615,972												
Administrative Expense Adjustment	-	-	-	-	-	(212,229)	-	-	-	-	-	-	1,407,045	18,296												
Total Administrative Expenses	4,059,861	3,753,232	3,984,487	4,125,793	4,486,081	4,559,340	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	4,367,458	55,682,383												
TOTAL EXPENSES	77,681,355	78,537,234	77,814,431	71,828,673	76,112,534	80,870,480	7,550,950	77,850,146	78,601,044	83,229,506	79,910,463	85,550,619	91,139,963	966,677,398												
OPERATING INCOME (LOSS) BEFORE TAX	991,382	16,853,813	9,765,182	8,606,844	10,746,478	10,733,551	9,955,603	10,653,670	9,584,090	10,874,863	10,558,956	8,307,970	10,533,330	128,165,732												
MCO TAX	-	16,159,021	7,586,709	7,915,243	7,914,997	7,915,244	8,904,648	8,905,117	8,904,649	8,904,648	8,904,649	8,904,649	8,904,649	109,822,517												
OPERATING INCOME (LOSS) NET OF TAX	991,382	694,792	2,178,473	691,601	2,831,481	2,818,307	1,050,955	1,748,553	679,441	1,970,215	1,654,307	(596,679)	1,630,387	18,343,215												
TOTAL NONOPERATING REVENUE (EXPENSE)	(942,282)	(569,882)	(1,076,457)	424,682	(587,120)	(479,019)	462,756	(687,453)	(176,843)	(1,188,755)	(931,682)	1,433,032	(137,472)	(4,456,495)												
NET INCREASE (DECREASE) IN NET POSITION	49,100	124,910	1,102,016	1,116,283	2,244,361	2,339,288	1,513,711	1,061,100	502,598	781,460	722,625	836,353	1,492,915	13,886,720												
MEDICAL LOSS RATIO	92.5%	93.4%	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	91.8%												
ADMINISTRATIVE EXPENSE RATIO	6.0%	5.5%	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	6.1%												

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH JANUARY 31, 2021														
	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	248,640	250,007	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	3,426,986
REVENUES														
Title XIX - Medicaid - Family and Other	162.42	161.68	163.16	157.08	158.57	169.56	165.45	166.87	166.16	173.40	164.62	168.64	174.05	165.17
Title XIX - Medicaid - Expansion Members	386.25	387.18	388.37	369.04	373.98	388.48	377.98	376.19	379.54	393.46	371.41	384.47	385.83	380.01
Title XIX - Medicaid - SPD Members	958.75	975.52	973.74	930.77	938.61	987.39	981.08	972.23	972.22	945.03	1,012.68	989.03	954.71	968.89
Premium - MCO Tax	0.00	64.63	30.16	31.29	30.90	30.91	31.47	31.48	29.96	33.64	30.61	31.83	34.39	31.66
Premium - Hospital Directed Payments	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	35.90
Investment Earnings And Other Income	0.76	1.21	1.69	1.05	1.26	0.24	1.21	0.66	(0.05)	0.56	0.61	0.53	0.02	0.73
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	0.02	0.01	0.00	0.04	(0.01)	0.14	(15.10)
Rate/Income Adjustments	3.30	3.24	2.45	(17.91)	1.74	1.84	0.52	1.10	0.25	(2.14)	0.46	0.82	2.87	(0.09)
TOTAL REVENUES	316.41	381.55	348.16	317.99	339.12	352.88	66.89	334.29	317.10	345.36	328.88	338.29	365.05	319.48
EXPENSES														
Medical Costs:														
Physician Services	59.35	55.49	57.05	49.10	48.53	45.48	51.04	49.61	52.19	51.96	50.41	45.63	53.52	51.43
Other Professional Services	17.43	15.87	16.00	15.45	13.62	13.04	16.89	17.45	17.41	13.97	15.96	17.79	15.88	15.92
Emergency Room	21.02	21.03	21.35	15.08	16.45	12.96	13.95	18.18	17.71	17.47	16.86	11.51	16.79	16.91
Inpatient	59.97	55.57	58.61	63.24	56.26	65.93	65.27	62.83	64.29	62.89	62.57	69.14	71.28	63.04
Reinsurance Expense	0.29	0.58	(0.00)	0.31	0.27	0.28	0.29	0.29	0.28	0.28	0.31	0.28	0.29	0.29
Outpatient Hospital	27.08	24.82	26.10	24.79	20.30	24.84	24.63	26.04	24.47	24.42	22.58	23.66	25.52	24.54
Other Medical	22.77	40.08	42.35	34.92	42.40	35.44	43.96	34.20	50.46	47.40	39.84	47.11	38.21	40.10
Pharmacy	40.10	36.98	40.99	34.27	33.64	32.03	33.55	34.68	35.34	33.98	31.69	34.79	32.67	34.91
Pay for Performance Quality Incentive	2.00	2.00	2.00	2.02	1.98	2.00	2.00	2.00	1.90	2.04	1.98	0.00	1.90	1.82
Risk Corridor Expense	0.00	0.00	0.00	0.00	0.00	0.00	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00	0.00
Hospital Directed Payments	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	35.90
Hospital Directed Payment Adjustment	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	0.02	(0.00)	0.14	(15.17)
Non-Claims Expense Adjustment	0.23	0.93	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	0.01	1.03	(0.63)
IBNR, Incentive, Paid Claims Adjustment	0.00	(0.03)	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	1.14	0.02	(3.24)
Total Medical Costs	296.10	299.13	293.50	267.65	279.64	293.97	12.34	278.36	268.81	291.15	276.06	286.15	311.55	265.83
GROSS MARGIN	20.32	82.43	54.66	50.34	59.47	58.91	54.55	55.93	48.29	54.21	52.82	52.14	53.50	53.65
Administrative:														
Compensation	10.37	9.63	9.73	10.59	9.28	10.92	10.44	9.81	9.48	9.59	8.93	9.97	9.95	9.89
Purchased Services	3.24	2.91	3.45	2.55	3.53	4.40	3.29	3.10	1.52	2.53	2.71	4.23	2.94	3.10
Supplies	0.14	0.60	0.40	0.24	0.23	0.11	0.27	0.24	0.26	0.13	0.39	0.14	0.21	0.26
Depreciation	1.16	1.15	1.19	1.19	3.61	1.61	1.60	1.58	1.51	1.54	1.53	1.52	1.52	1.59
Other Administrative Expenses	1.42	0.73	1.07	1.75	0.87	1.33	0.92	0.96	1.07	0.51	0.88	1.27	1.00	1.06
Administrative Expense Adjustment	0.00	0.00	0.00	0.00	0.00	(0.82)	0.00	0.00	0.00	0.00	0.00	5.07	0.07	0.35
Total Administrative Expenses	16.33	15.01	15.84	16.31	17.51	17.56	16.51	15.69	13.83	14.30	14.44	22.20	15.68	16.25
TOTAL EXPENSES	312.43	314.14	309.34	283.96	297.16	311.53	28.88	294.05	282.64	305.45	290.50	308.34	327.23	282.08
OPERATING INCOME (LOSS) BEFORE TAX	3.99	67.41	38.82	34.03	41.96	41.35	38.04	40.24	34.46	39.91	38.39	29.94	37.82	37.40
MCO TAX	0.00	64.63	30.16	31.29	30.90	30.49	34.02	33.64	32.02	32.68	32.37	32.09	31.97	32.05
OPERATING INCOME (LOSS) NET OF TAX	3.99	2.78	8.66	2.73	11.05	10.86	4.02	6.60	2.44	7.23	6.01	(2.15)	5.85	5.35
TOTAL NONOPERATING REVENUE (EXPENSE)	(3.79)	(2.28)	(4.28)	1.68	(2.29)	(1.85)	1.77	(2.60)	(0.64)	(4.36)	(3.39)	5.16	(0.49)	(1.30)
NET INCREASE (DECREASE) IN NET POSITION	0.20	0.50	4.38	4.41	8.76	9.01	5.78	4.01	1.81	2.87	2.63	3.01	5.36	4.05
MEDICAL LOSS RATIO	92.5%	93.4%	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	91.8%
ADMINISTRATIVE EXPENSE RATIO	6.0%	5.5%	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	6.1%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED JANUARY 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
REVENUES						
Title XIX - Medicaid - Family & Other						
26,044,993	24,847,484	1,197,509	Premium - Medi-Cal	26,044,993	24,847,484	1,197,509
2,536,842	2,520,887	15,955	Premium - Maternity Kick	2,536,842	2,520,887	15,955
43,682	79,197	(35,515)	Premium - Hep C Kick	43,682	79,197	(35,515)
461,322	484,909	(23,587)	Premium - BHT Kick	461,322	484,909	(23,587)
107,059	175,390	(68,331)	Premium - Health Home Kick	107,059	175,390	(68,331)
3,522,672	3,458,468	64,204	Premium - Provider Enhancement	3,522,672	3,458,468	64,204
174,929	168,237	6,692	Premium - Ground Emergency Medical Transportation	174,929	168,237	6,692
255,004	272,653	(17,649)	Premium - Behavioral Health Integration Program	255,004	272,653	(17,649)
107,987	91,726	16,261	Other	107,987	91,726	16,261
33,254,490	32,098,951	1,155,539	Total Title XIX - Medicaid - Family & Other	33,254,490	32,098,951	1,155,539
Title XIX - Medicaid - Expansion Members						
24,933,645	24,002,303	931,342	Premium - Medi-Cal	24,933,645	24,002,303	931,342
335,055	214,253	120,802	Premium - Maternity Kick	335,055	214,253	120,802
192,202	202,017	(9,815)	Premium - Hep C Kick	192,202	202,017	(9,815)
312,522	356,121	(43,599)	Premium - Health Home Kick	312,522	356,121	(43,599)
1,472,890	1,455,050	17,840	Premium - Provider Enhancement	1,472,890	1,455,050	17,840
176,094	165,235	10,859	Premium - Ground Emergency Medical Transportation	176,094	165,235	10,859
95,281	102,122	(6,841)	Premium - Behavioral Health Integration Program	95,281	102,122	(6,841)
30,622	26,600	4,022	Other	30,622	26,600	4,022
27,548,311	26,523,701	1,024,610	Total Title XIX - Medicaid - Expansion Members	27,548,311	26,523,701	1,024,610
Title XIX - Medicaid - SPD Members						
13,999,037	13,653,527	345,510	Premium - Medi-Cal	13,999,037	13,653,527	345,510
26,209	100,288	(74,079)	Premium - Hep C Kick	26,209	100,288	(74,079)
447,015	763,566	(316,551)	Premium - BHT Kick	447,015	763,566	(316,551)
244,399	351,842	(107,443)	Premium - Health Home Kick	244,399	351,842	(107,443)
457,090	454,632	2,458	Premium - Provider Enhancement	457,090	454,632	2,458
131,841	127,475	4,366	Premium - Ground Emergency Medical Transportation	131,841	127,475	4,366
21,387	22,041	(654)	Premium - Behavioral Health Integration Program	21,387	22,041	(654)
15,326,978	15,473,370	(146,392)	Total Title XIX - Medicaid - SPD Members	15,326,978	15,473,370	(146,392)

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED JANUARY 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
2,962,264	3,045,286	83,022	PHYSICIAN SERVICES			
10,512,215	10,527,368	15,153	Primary Care Physician Services	2,962,264	3,045,286	
1,423,381	1,488,891	65,510	Referral Specialty Services	10,512,215	10,527,368	
9,300	9,300	-	Urgent Care & After Hours Advise	1,423,381	1,488,891	
14,907,160	15,070,846	163,686	Hospital Admitting Team	9,300	9,300	
			TOTAL PHYSICIAN SERVICES	14,907,160	15,070,846	
			OTHER PROFESSIONAL SERVICES			
294,054	292,954	(1,100)	Vision Service Capitation	294,054	292,954	
210,663	212,115	1,452	221 - Business Intelligence	210,663	212,115	
595,003	597,920	2,917	310 - Health Services - Utilization Management - UM Allocation *	595,003	597,920	
138,388	189,152	50,764	311 - Health Services - Quality Improvement - UM Allocation *	138,388	189,152	
120,621	123,336	2,715	312 - Health Services - Education - UM Allocation *	120,621	123,336	
75,046	80,283	5,237	313 - Health Services - Pharmacy - UM Allocation *	75,046	80,283	
120,170	210,465	90,295	314 - Health Homes - UM Allocation *	120,170	210,465	
270,657	270,692	35	315 - Case Management - UM Allocation *	270,657	270,692	
62,998	56,773	(6,225)	616 - Disease Management - UM Allocation *	62,998	56,773	
867,517	1,248,475	380,958	Behavior Health Treatment	867,517	1,248,475	
292,517	188,742	(103,775)	Mental Health Services	292,517	188,742	
1,373,918	1,242,663	(131,255)	Other Professional Services	1,373,918	1,242,663	
4,421,552	4,713,570	292,018	TOTAL OTHER PROFESSIONAL SERVICES	4,421,552	4,713,570	
4,676,327	5,532,296	855,969	EMERGENCY ROOM	4,676,327	5,532,296	
19,853,180	15,343,180	(4,510,000)	INPATIENT HOSPITAL	19,853,180	15,343,180	
81,215	79,517	(1,698)	REINSURANCE EXPENSE PREMIUM	81,215	79,517	
7,108,674	6,962,569	(146,105)	OUTPATIENT HOSPITAL SERVICES	7,108,674	6,962,569	
			OTHER MEDICAL			
1,400,971	1,541,820	140,849	Ambulance and NEMT	1,400,971	1,541,820	
490,933	424,091	(66,842)	Home Health Services & CBAS	490,933	424,091	
228,696	491,325	262,629	Utilization and Quality Review Expenses	228,696	491,325	
1,616,577	1,297,752	(318,825)	Long Term/SNF/Hospice	1,616,577	1,297,752	
211,140	393,192	182,052	Health Home Capitation & Incentive	211,140	393,192	
5,190,164	5,091,298	(98,866)	Provider Enhancement Expense - Prop. 56	5,190,164	5,091,298	
456,380	460,947	4,567	Provider Enhancement Expense - GEMT	456,380	460,947	
674,580	-	(674,580)	Provider COVID-19 Expenses	674,580	-	
371,672	396,816	25,144	Behavioral Health Integration Program	371,672	396,816	
10,641,113	10,097,242	(543,871)	TOTAL OTHER MEDICAL	10,641,113	10,097,242	
			PHARMACY SERVICES			
8,174,252	9,340,349	1,166,097	RX - Drugs & OTC	8,174,252	9,340,349	
245,144	381,501	136,357	RX - HEP-C	245,144	381,501	
815,963	767,561	(48,402)	Rx - DME	815,963	767,561	
(135,000)	(33,312)	101,688	RX - Pharmacy Rebates	(135,000)	(33,312)	
9,100,359	10,456,099	1,355,740	TOTAL PHARMACY SERVICES	9,100,359	10,456,099	
529,182	520,971	(8,212)	PAY FOR PERFORMANCE QUALITY INCENTIVE	529,182	520,971	
-	-	-	RISK CORRIDOR EXPENSE	-	-	
15,121,903	9,467,460	(5,654,443)	HOSPITAL DIRECTED PAYMENTS	15,121,903	9,467,460	
39,990	-	(39,990)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	39,990	-	
287,063	-	(287,063)	NON-CLAIMS EXPENSE ADJUSTMENT	287,063	-	
4,787	-	(4,787)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	4,787	-	
86,772,505	78,243,748	(8,528,757)	Total Medical Costs	86,772,505	78,243,748	

KHS3/29/2021
Management Use Only

* Medical costs per DMHC regulations

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED JANUARY 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
10.64	11.11	0.47	Primary Care Physician Services	10.64	11.11	0.47
37.74	38.39	0.65	Referral Specialty Services	37.74	38.39	0.65
5.11	5.43	0.32	Urgent Care & After Hours Advise	5.11	5.43	0.32
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
53.52	54.96	1.44	TOTAL PHYSICIAN SERVICES	53.52	54.96	1.44
			OTHER PROFESSIONAL SERVICES			
1.06	1.07	0.01	Vision Service Capitation	1.06	1.07	0.01
0.76	0.77	0.02	221 - Business Intelligence	0.76	0.77	0.02
2.14	2.18	0.04	310 - Health Services - Utilization Management - UM Allocation *	2.14	2.18	0.04
0.50	0.69	0.19	311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.69	0.19
0.43	0.45	0.02	312 - Health Services - Education - UM Allocation *	0.43	0.45	0.02
0.27	0.29	0.02	313 - Health Services - Pharmacy - UM Allocation *	0.27	0.29	0.02
0.43	0.77	0.34	314 - Health Homes - UM Allocation *	0.43	0.77	0.34
0.97	0.99	0.02	315 - Case Management - UM Allocation *	0.97	0.99	0.02
0.23	0.21	(0.02)	616 - Disease Management - UM Allocation *	0.23	0.21	(0.02)
3.11	4.55	1.44	Behavior Health Treatment	3.11	4.55	1.44
1.05	0.69	(0.36)	Mental Health Services	1.05	0.69	(0.36)
4.93	4.53	(0.40)	Other Professional Services	4.93	4.53	(0.40)
15.88	17.19	1.32	TOTAL OTHER PROFESSIONAL SERVICES	15.88	17.19	1.32
16.79	20.18	3.39	EMERGENCY ROOM	16.79	20.18	3.39
71.28	55.96	(15.32)	INPATIENT HOSPITAL	71.28	55.96	(15.32)
0.29	0.29	(0.00)	REINSURANCE EXPENSE PREMIUM	0.29	0.29	(0.00)
25.52	25.39	(0.13)	OUTPATIENT HOSPITAL SERVICES	25.52	25.39	(0.13)
			OTHER MEDICAL			
5.03	5.62	0.59	Ambulance and NEMT	5.03	5.62	0.59
1.76	1.55	(0.22)	Home Health Services & CBAS	1.76	1.55	(0.22)
0.82	1.79	0.97	Utilization and Quality Review Expenses	0.82	1.79	0.97
5.80	4.73	(1.07)	Long Term/SNF/Hospice	5.80	4.73	(1.07)
0.76	1.43	0.68	Health Home Capitation & Incentive	0.76	1.43	0.68
18.63	18.57	(0.07)	Provider Enhancement Expense - Prop. 56	18.63	18.57	(0.07)
1.64	1.68	0.04	Provider Enhancement Expense - GEMT	1.64	1.68	0.04
2.42	0.00	(2.42)	Provider COVID-19 Expenses	2.42	0.00	(2.42)
1.33	1.45	0.11	Behavioral Health Integration Program	1.33	1.45	0.11
38.21	36.83	(1.38)	TOTAL OTHER MEDICAL	38.21	36.83	(1.38)
			PHARMACY SERVICES			
29.35	34.06	4.72	RX - Drugs & OTC	29.35	34.06	4.72
0.88	1.39	0.51	RX - HEP-C	0.88	1.39	0.51
2.93	2.80	(0.13)	Rx - DME	2.93	2.80	(0.13)
(0.48)	(0.12)	0.36	RX - Pharmacy Rebates	(0.48)	(0.12)	0.36
32.67	38.13	5.46	TOTAL PHARMACY SERVICES	32.67	38.13	5.46
1.90	1.90	0.00	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.90	1.90	0.00
0.00	0.00	0.00	RISK CORRIDOR EXPENSE	0.00	0.00	0.00
54.29	34.53	(19.77)	HOSPITAL DIRECTED PAYMENTS	54.29	34.53	(19.77)
0.14	0.00	(0.14)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.14	0.00	(0.14)
1.03	0.00	(1.03)	NON-CLAIMS EXPENSE ADJUSTMENT	1.03	0.00	(1.03)
0.02	0.00	(0.02)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.02	0.00	(0.02)
311.55	285.36	(26.19)	Total Medical Costs	311.55	285.36	(26.19)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH JANUARY 31, 2021	JANUARY 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES		
Primary Care Physician Services	2,962,264	2,962,264
Referral Specialty Services	10,512,215	10,512,215
Urgent Care & After Hours Advise	1,423,381	1,423,381
Hospital Admitting Team	9,300	9,300
TOTAL PHYSICIAN SERVICES	14,907,160	14,907,160
OTHER PROFESSIONAL SERVICES		
Vision Service Capitation	294,054	294,054
221 - Business Intelligence	210,663	210,663
310 - Health Services - Utilization Management - UM Allocation *	595,003	595,003
311 - Health Services - Quality Improvement - UM Allocation *	138,388	138,388
312 - Health Services - Education - UM Allocation *	120,621	120,621
313 - Health Services - Pharmacy - UM Allocation *	75,046	75,046
314 - Health Homes - UM Allocation *	120,170	120,170
315 - Case Management - UM Allocation *	270,657	270,657
616 - Disease Management - UM Allocation *	62,998	62,998
Behavior Health Treatment	867,517	867,517
Mental Health Services	292,517	292,517
Other Professional Services	1,373,918	1,373,918
TOTAL OTHER PROFESSIONAL SERVICES	4,421,552	4,421,552
EMERGENCY ROOM	4,676,327	4,676,327
INPATIENT HOSPITAL	19,853,180	19,853,180
REINSURANCE EXPENSE PREMIUM	81,215	81,215
OUTPATIENT HOSPITAL SERVICES	7,108,674	7,108,674
OTHER MEDICAL		
Ambulance and NEMT	1,400,971	1,400,971
Home Health Services & CBAS	490,933	490,933
Utilization and Quality Review Expenses	228,696	228,696
Long Term/SNF/Hospice	1,616,577	1,616,577
Health Home Capitation & Incentive	211,140	211,140
Provider Enhancement Expense - Prop. 56	5,190,164	5,190,164
Provider Enhancement Expense - GEMT	456,380	456,380
Provider COVID-19 Expenses	674,580	674,580
Behavioral Health Integration Program	371,672	371,672
TOTAL OTHER MEDICAL	10,641,113	10,641,113
PHARMACY SERVICES		
RX - Drugs & OTC	8,174,252	8,174,252
RX - HEP-C	245,144	245,144
Rx - DME	815,963	815,963
RX - Pharmacy Rebates	(135,000)	(135,000)
TOTAL PHARMACY SERVICES	9,100,359	9,100,359
PAY FOR PERFORMANCE QUALITY INCENTIVE	529,182	529,182
RISK CORRIDOR EXPENSE	-	-
HOSPITAL DIRECTED PAYMENTS	15,121,903	15,121,903
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	39,990	39,990
NON-CLAIMS EXPENSE ADJUSTMENT	287,063	287,063
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	4,787	4,787
Total Medical Costs	86,772,505	86,772,505

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH JANUARY 31, 2021	JANUARY 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES		
Primary Care Physician Services	10.64	10.64
Referral Specialty Services	37.74	37.74
Urgent Care & After Hours Advise	5.11	5.11
Hospital Admitting Team	0.03	0.03
TOTAL PHYSICIAN SERVICES	53.52	53.52
OTHER PROFESSIONAL SERVICES		
Vision Service Capitation	1.06	1.06
221 - Business Intelligence	0.76	0.76
310 - Health Services - Utilization Management - UM Allocation *	2.14	2.14
311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.50
312 - Health Services - Education - UM Allocation *	0.43	0.43
313 - Health Services - Pharmacy - UM Allocation *	0.27	0.27
314 - Health Homes - UM Allocation *	0.43	0.43
315 - Case Management - UM Allocation *	0.97	0.97
616 - Disease Management - UM Allocation *	0.23	0.23
Behavior Health Treatment	3.11	3.11
Mental Health Services	1.05	1.05
Other Professional Services	4.93	4.93
TOTAL OTHER PROFESSIONAL SERVICES	15.88	15.88
EMERGENCY ROOM	16.79	16.79
INPATIENT HOSPITAL	71.28	71.28
REINSURANCE EXPENSE PREMIUM	0.29	0.29
OUTPATIENT HOSPITAL SERVICES	25.52	25.52
OTHER MEDICAL		
Ambulance and NEMT	5.03	5.03
Home Health Services & CBAS	1.76	1.76
Utilization and Quality Review Expenses	0.82	0.82
Long Term/SNF/Hospice	5.80	5.80
Health Home Capitation & Incentive	0.76	0.76
Provider Enhancement Expense - Prop. 56	18.63	18.63
Provider Enhancement Expense - GEMT	1.64	1.64
Provider COVID-19 Expens	2.42	2.42
Behaviorial Health Integration Program	1.33	1.33
TOTAL OTHER MEDICAL	38.21	38.21
PHARMACY SERVICES		
RX - Drugs & OTC	29.35	29.35
RX - HEP-C	0.88	0.88
Rx - DME	2.93	2.93
RX - Pharmacy Rebates	(0.48)	(0.48)
TOTAL PHARMACY SERVICES	32.67	32.67
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.90	1.90
RISK CORRIDOR EXPENSE	0.00	0.00
HOSPITAL DIRECTED PAYMENTS	54.29	54.29
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.14	0.14
NON-CLAIMS EXPENSE ADJUSTMENT	1.03	1.03
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.02	0.02
Total Medical Costs	311.55	311.55

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED JANUARY 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
353,943	377,031	23,088	110 - Executive	353,943	377,031	23,088
203,619	212,651	9,032	210 - Accounting	203,619	212,651	9,032
340,212	362,443	22,231	220 - Management Information Systems	340,212	362,443	22,231
-	64,468	64,468	221 - Business Intelligence	-	64,468	64,468
250,306	281,931	31,625	222 - Enterprise Development	250,306	281,931	31,625
365,340	448,523	83,183	225 - Infrastructure	365,340	448,523	83,183
550,124	576,323	26,199	230 - Claims	550,124	576,323	26,199
99,808	149,779	49,971	240 - Project Management	99,808	149,779	49,971
103,641	101,775	(1,866)	310 - Health Services - Utilization Management	103,641	101,775	(1,866)
18,870	27,902	9,032	311 - Health Services - Quality Improvement	18,870	27,902	9,032
-	55	55	312 - Health Services - Education	-	55	55
141,859	142,146	287	313- Pharmacy	141,859	142,146	287
-	6,642	6,642	314 - Health Homes	-	6,642	6,642
23,536	22,357	(1,179)	315 - Case Management	23,536	22,357	(1,179)
32,453	29,325	(3,128)	616 - Disease Management	32,453	29,325	(3,128)
304,995	323,502	18,507	320 - Provider Network Management	304,995	323,502	18,507
567,625	656,475	88,850	330 - Member Services	567,625	656,475	88,850
561,450	702,275	140,825	340 - Corporate Services	561,450	702,275	140,825
68,976	66,363	(2,613)	360 - Audit & Investigative Services	68,976	66,363	(2,613)
27,368	69,250	41,882	410 - Advertising Media	27,368	69,250	41,882
53,401	73,950	20,549	420 - Sales/Marketing/Public Relations	53,401	73,950	20,549
281,636	251,455	(30,181)	510 - Human Resources	281,636	251,455	(30,181)
18,296	-	(18,296)	Administrative Expense Adjustment	18,296	-	(18,296)
4,367,458	4,946,622	579,164	Total Administrative Expenses	4,367,458	4,946,622	579,164

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED JANUARY 31, 2021	JANUARY 2021	YEAR TO DATE 2021
110 - Executive	353,943	353,943
210 - Accounting	203,619	203,619
220 - Management Information Systems (MIS)	340,212	340,212
221 - Business Intelligence	-	-
222 - Enterprise Development	250,306	250,306
225 - Infrastructure	365,340	365,340
230 - Claims	550,124	550,124
240 - Project Management	99,808	99,808
310 - Health Services - Utilization Management	103,641	103,641
311 - Health Services - Quality Improvement	18,870	18,870
312 - Health Services - Education	-	-
313- Pharmacy	141,859	141,859
314 - Health Homes	-	-
315 - Case Management	23,536	23,536
616 - Disease Management	32,453	32,453
320 - Provider Network Management	304,995	304,995
330 - Member Services	567,625	567,625
340 - Corporate Services	561,450	561,450
360 - Audit & Investigative Services	68,976	68,976
410 - Advertising Media	27,368	27,368
420 - Sales/Marketing/Public Relations	53,401	53,401
510 - Human Resources	281,636	281,636
Total Department Expenses	4,349,162	4,349,162
ADMINISTRATIVE EXPENSE ADJUSTMENT	18,296	18,296
Total Administrative Expenses	4,367,458	4,367,458

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF JANUARY 31, 2021			
ASSETS	JANUARY 2021	DECEMBER 2020	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,135,503	\$ 1,136,281	(778)
Interest Receivable	595	1,785	(1,190)
TOTAL CURRENT ASSETS	\$ 1,136,098	\$ 1,138,066	\$ (1,968)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	\$ -	\$ -	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,138,066	1,128,885	9,181
Increase (Decrease) in Net Position - Current Year	(1,968)	9,181	(11,149)
Total Net Position	\$ 1,136,098	\$ 1,138,066	\$ (1,968)
TOTAL LIABILITIES AND NET POSITION	\$ 1,136,098	\$ 1,138,066	\$ (1,968)

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED JANUARY 31, 2021			YEAR-TO-DATE		
ENROLLMENT								
-	-	-	Members			-	-	-
REVENUES								
-	-	-	Premium			-	-	-
595	-	595	Interest			595	-	595
(2,563)	-	(2,563)	Other Investment Income			(2,563)	-	(2,563)
(1,968)	-	(1,968)	TOTAL REVENUES			(1,968)	-	(1,968)
EXPENSES								
-	-	-	Medical Costs			-	-	-
-	-	-	IBNR and Paid Claims Adjustment			-	-	-
-	-	-	Total Medical Costs			-	-	-
(1,968)	-	(1,968)	GROSS MARGIN			(1,968)	-	(1,968)
Administrative								
-	-	-	Management Fee Expense and Other Admin Exp			-	-	-
-	-	-	Total Administrative Expenses			-	-	-
-	-	-	TOTAL EXPENSES			-	-	-
(1,968)	-	(1,968)	OPERATING INCOME (LOSS)			(1,968)	-	(1,968)
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)			-	-	-
(1,968)	-	(1,968)	NET INCREASE (DECREASE) IN NET POSITION			(1,968)	-	(1,968)
0%	0%	0%	MEDICAL LOSS RATIO			0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO			0%	0%	0%

KERN HEALTH SYSTEMS													
MONTHLY MEMBERS COUNT													
KERN HEALTH SYSTEMS													
MEDI-CAL	2021 MEMBER MONTHS	JAN'21	FEB'21	MAR'21	APR'21	MAY'21	JUN'21	JUL'21	AUG'21	SEP'21	OCT'21	NOV'21	DEC'21
ADULT AND FAMILY													
ADULT	51,548	51,548	0	0	0	0	0	0	0	0	0	0	0
CHILD	131,669	131,669	0	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL ADULT & FAMILY	183,217	183,217	0	0	0	0	0	0	0	0	0	0	0
OTHER MEMBERS													
PARTIAL DUALS - FAMILY	403	403	0	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - CHILD	0	0	0	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	2	2	0	0	0	0	0	0	0	0	0	0	0
BCCTP - TABACCO SETTLEMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)													
SPD FULL DUALS	7,468	7,468	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL OTHER MEMBERS	7,873	7,873	0	0	0	0	0	0	0	0	0	0	0
TOTAL FAMILY & OTHER	191,090	191,090	0	0	0	0	0	0	0	0	0	0	0
SPD													
SPD (AGED AND DISABLED)	16,027	16,027	0	0	0	0	0	0	0	0	0	0	0
MEDI-CAL EXPANSION													
ACA Expansion Adult-Citizen	70,649	70,649	0	0	0	0	0	0	0	0	0	0	0
ACA Expansion Duals	751	751	0	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL MED-CAL EXPANSION	71,400	71,400	0	0	0	0	0	0	0	0	0	0	0
TOTAL KAISER	11,047	11,047	0	0	0	0	0	0	0	0	0	0	0
TOTAL MEDI-CAL MEMBERS	289,564	289,564	0	0	0	0	0	0	0	0	0	0	0

KERN·HEALTH SYSTEMS

December AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to- Date	Description	Department
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	593,352.66	965,736.57	ANNUAL MAINTENANCE SUPPORT AND LICENSES, NOVEMBER 2020 PROFESSIONAL SERVICES, QNXT MAINT., HPA BILLING & EDI CLAIMS PROCESSING, CLAIMS INTEGRITY	VARIOUS
T1045	KAISER FOUNDATION HEALTH - HMO	444,969.15	5,371,209.15	DECEMBER 2020 HMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4699	ZeOMEGA, INC.*****	330,556.05	487,188.34	MEDICAL MANAGEMENT PLATFORM - ANNUAL LICENSE & CUSTOMIZATION MAINTENANCE SUPPORT	MIS INFRASTRUCTURE
T1845	DEPARTMENT OF MANAGED HEALTH CARE*****	261,270.08	543,607.97	2ND AND FINAL PAYMENT 2020 MCAL/HFAM ANNUAL ASSESSMENT FEES	ADMINISTRATION
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD*****	203,340.98	1,502,447.89	JULY & AUG. 2020 HEALTH HOMES GRANT	COMMUNITY GRANTS
T4350	COMPUTER ENTERPRISE INC.	198,721.52	2,330,141.89	OCTOBER - NOVEMBER 2020 PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECTS IN PROCESS/ MIS
T4695	EDIFECS, INC.*****	196,893.40	196,893.40	ANNUAL TSM MAINTENANCE	MIS INFRASTRUCTURE
T5258	GOOD SAMARITAN HOSPITAL, LP *****	155,714.59	300,000.00	SEPTEMBER 2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5319	CITIUSTECH INC.****	155,000.00	155,000.00	FAST + FRAMEWORK LICENSE FEES	CAPITAL PROJECTS IN PROCESS
T2469	DST HEALTH SOLUTIONS, INC.*****	138,540.00	138,540.00	ACG ANNUAL MAINTENANCE RENEWAL	MIS INFRASTRUCTURE
T2726	DST PHARMACY SOLUTIONS, INC.	108,321.31	1,401,920.13	NOVEMBER 2020 PHARMACY CLAIMS	PHARMACY
T5111	ENTISYS 360*****	100,144.00	613,096.65	HARDWARE- 3 NUTANIX NODES WITH SOFTWARE LICENSE AND SUPPORT	CAPTAL PROJECT
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	68,110.71	788,074.97	DECEMBER 2020 VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	57,921.25	1,167,486.92	NOVEMBER 2020 PROFESSIONAL SERVICES/ CONSULTING SERVICES	VARIOUS

KERN HEALTH SYSTEMS

December AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4165	SHI INTERNATIONAL CO.	56,615.86	373,659.37	VMWARE LICENSES & SUPPORT	MIS INFRASTRUCTURE
T2941	KERN PRINT SERVICES INC.*****	55,104.61	90,555.41	OTHER PRINTING COSTS, ENVELOPES	VARIOUS
T1408	DELL MARKETING L.P. *****	52,099.84	242,259.84	HARDWARE - 25 LATITUDE 5411 LAPTOPS	MIS INFRASTRUCTURE
T2562	CACTUS SOFTWARE LLC*****	50,537.87	64,669.18	2020-2021 CACTUS SOFTWARE ANNUAL LICENSE & MAINTENANCE	MIS INFRASTRUCTURE
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES*****	45,543.00	248,367.00	WORKERS COMP - TRUE UP	ADMINISTRATION
T4353	TWE SOLUTIONS, INC.*****	44,576.52	44,576.52	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T1861	CERIDIAN HCM, INC.	41,338.55	228,232.92	NOVEMBER & DECEMBER 2020 MONTHLY SUBSCRIPTION FEES & OCT PROFESSIONAL SERVICES	HUMAN RESOURCES
T4193	STRIA LLC	40,437.29	410,364.04	NOVEMBER 2020 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T4582	HEALTHX, INC.	40,376.00	484,512.00	DECEMBER 2020 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4391	OMNI FAMILY HEALTH*****	39,116.23	1,826,620.26	SEPTEMBER 2020 HEALTH HOMES AND PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5109	RAND EMPLOYMENT SOLUTIONS	38,572.49	325,843.19	NOVEMBER 2020 TEMP SERVICES- 4MS, 1UM, 1 HE, 1 MIS, 1 HHP, 1 ACCT	VARIOUS
T1272	COFFEY COMMUNICATIONS INC.	32,256.22	180,694.31	FALL 2020 MEMBER NEWSLETTER POSTAGE/ NOVEMBER 2020 WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T5321	TYK TECHNOLOGIES LTD*****	30,000.00	30,000.00	API MANAGER - SELF MANAGED PACKAGE SUBSCRIPTION & SUPPORT	CAPITAL PROJECTS IN PROCESS

**KERN HEALTH
SYSTEMS**

December AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to- Date	Description	Department
T5185	HOUSING AUTHORITY COUNTY OF KERN	29,750.00	211,150.00	SEPTEMBER - OCTOBER 2020 HOUSING AUTHORITY GRANT	UM
T5145	CCS ENGINEERING FRESNO INC.,	29,125.64	199,501.89	DECEMBER 2020 JANITORIAL SERVICES	CORPORATE SERVICES
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS*****	25,500.00	101,000.00	2021 LEADERSHIP ACADEMY REGISTRATION	ADMINISTRATION
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	24,050.00	137,410.00	NOVEMBER 2020 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	21,750.81	253,290.88	NOVEMBER 2020 EDI CLAIM PROCESSING	CLAIMS
T3448	SYNERGY HEALTHCARE, INC.*****	20,900.00	49,600.00	SEPTEMBER - OCTOBER 2020 KOMOTO ASTHMA PROGRAM	DISEASE MANAGEMENT
T4501	ALLIED UNIVERSAL SECURITY SERVICES	20,705.17	235,435.06	NOVEMBER - DECEMBER 2020 ONSITE SECURITY	CORPORATE SERVICES
T2167	PG&E	19,549.28	272,517.65	10/16/20-11/15/20 USAGE/UTILITIES	CORPORATE SERVICES
T2458	HEALTHCARE FINANCIAL, INC.	18,000.00	285,000.00	OCTOBER 2020 PROFESSIONAL SERVICES	ADMINISTRATION
T4733	UNITED STAFFING ASSOCIATES	17,511.82	235,984.35	NOVEMBER - DECEMBER 2020 TEMPORARY HELP- 1 MIS, 1 HHP & 2 HE	VARIOUS
T3011	OFFICE ALLY, INC.	17,355.75	196,533.75	NOVEMBER 2020 EDI CLAIM PROCESSING	CLAIMS
T4563	SPH ANALYTICS	17,269.00	60,176.80	2020 HEALTH HOME PROGRAM SURVEY - INITIAL PAYMENT & 2020 PROVIDER SATISFACTION SURVEY- FINAL PAYMENT	VARIOUS
T4521	PAYSCALE, INC.*****	16,000.00	32,000.00	COMPENSATION STUDY AND SALARY ANALYTICS	HUMAN RESOURCES
T4460	PAYSPAN, INC	15,766.72	200,725.82	NOVEMBER 2020 ELECTRIC CLAIMS/PAYMENTS	FINANCE
T2918	STINSON'S	15,435.49	185,812.16	2020 OFFICE SUPPLIES, & ADDITIONAL FEES FOR CUBICLES RECONFIGURATIONS	VARIOUS

KERN HEALTH SYSTEMS

December AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2578	AMERICAN HEART ASSOCIATION - KERN COUNTY*****	15,000.00	15,000.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T5268	TONY'S FIREHOUSE GRILL & PIZZA*****	14,750.00	22,791.26	2020 EMPLOYEE EVENTS	MARKETING
T4607	AGILITY RECOVERY SOLUTIONS INC.*****	14,147.00	54,598.00	OCTOBER - DECEMBER 2020 PROFESSIONAL SERVICES	ADMINISTRATION
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	12,101.66	149,567.67	NOVEMBER 2020 ACCIDENT & CRITICAL ILLNESS EMPLOYEE PREMIUM	VARIOUS
T5209	ADOBE, INC.****	12,000.00	12,000.00	2 YR MAINTENANCE - ROBOHELP SERVER & TECHNICAL COMMUNICATION SUITE	MIS INFRASTRUCTURE
T5005	CRAYON SOFTWARE EXPERTS LLC	11,447.17	553,772.16	OCTOBER 2020 ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T4657	DAPONDE SIMPSON ROWE PC*****	10,112.50	244,016.00	OCTOBER LEGAL SERVICES	ADMINISTRATION
T5012	KERN MEDICAL CENTER FOUNDATION****	10,000.00	10,000.00	COMMUNITY SPONSORSHIP	MARKETING
		3,987,658.19			
	TOTAL VENDORS OVER \$10,000	3,987,658.19			
	TOTAL VENDORS UNDER \$10,000	242,500.57			
	TOTAL VENDOR EXPENSES- DECEMBER	4,230,158.76			

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

**KERN·HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	5,371,209.15	HMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	2,330,141.89	PROFESSIONAL SERVICES / CONSULTING SERVICES & TRAVEL EXP.	CAPITAL PROJECTS IN PROCESS/ MIS
T4391	OMNI FAMILY HEALTH	1,826,620.26	HEALTH HOMES AND PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4290	S.C. ANDERSON, INC.	1,555,742.74	NEW BUILDING RETAINER AND DECEMBER 2019 NEW BUILDING CONSTRUCTION SERVICES	CAPITAL PROJECT - NEW BUILDING
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	1,502,447.89	HEALTH HOMES GRANT	COMMUNITY GRANTS
T2726	DST PHARMACY SOLUTIONS, INC.	1,401,920.13	PHARMACY CLAIMS	PHARMACY
T4237	FLUIDEDGE CONSULTING, INC.	1,167,486.92	PROFESSIONAL SERVICES / CONSULTING SERVICES & TRAVEL EXP.	VARIOUS
T4982	NGC US, LLC	1,131,810.99	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER INCENTIVES	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	965,736.57	PROFESSIONAL SERVICES	VARIOUS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	788,074.97	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC.	742,417.45	ANNUAL INSURANCE & ACIP CRIME PREMIUMS	ADMINISTRATION
T5111	ENTISYS 360	613,096.65	DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T5005	CRAYON SOFTWARE EXPERTS LLC	553,772.16	2019 TRUE UP MAINTENANCE, 2020 ESD ANNUAL SUPPORT & ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T1845	DEPARTMENT OF MANAGED HEALTH CARE	543,607.97	2020 MCAL/HFAM ANNUAL ASSESSMENT FEES	ADMINISTRATION
T4483	INFUSION AND CLINICAL SERVICES, INC.	490,706.91	HEALTH HOMES GRANT	COMMUNITY GRANT
T4699	ZeOMEGA, INC.	487,188.34	PROFESSIONAL SERVICES AND TRAVEL EXP.	UM

**KERN·HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4582	HEALTHX, INC.	484,512.00	2020 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T3130	OPTUMINSIGHT, INC.	453,564.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4193	STRIA LLC	410,364.04	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS & HUMAN RESOURCES
T4165	SHI INTERNATIONAL CO.	373,659.37	STANDING WORKING STATIONS, LICENSES FEES, TRUEUP & JUNIPER NETWORKS -QSFP TRANSCEIVER MODULE	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	325,843.19	TEMPORARY HELP	VARIOUS
T5258	GOOD SAMARITAN HOSPITAL, LP	300,000.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T2458	HEALTHCARE FINANCIAL, INC.	285,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T2167	PG&E	272,517.65	USAGE/UTILITIES	CORPORATE SERVICES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	253,290.88	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES	248,367.00	2020-2021 WORKER'S COMPENSATION INSURANCE PREMIUM	ADMINISTRATION
T4657	DAPONDE SIMPSON ROWE PC	244,016.00	LEGAL SERVICES	PROVIDER RELATIONS
T1408	DELL MARKETING L.P.	242,259.84	HARDWARE & COMPUTER EQUIPMENT	MIS INFRASTRUCTURE
T4733	UNITED STAFFING ASSOCIATES	235,984.35	POSTAGE (METER) FUND	CORPORATE SERVICES
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.	235,758.22	NEW BUILDING FURNITURE (LIVE STREAM VIA IP)	CAPITAL PROJECT - NEW BUILDING
T4501	ALLIED UNIVERSAL SECURITY SERVICES	235,435.06	ONSITE SECURITY	CORPORATE SERVICES
T1861	CERIDIAN HCM, INC.	228,232.92	MONTHLY SUBSCRIPTION FEES,PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES

**KERN·HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5185	HOUSING AUTHORITY COUNTY OF KERN	211,150.00	HOUSING AUTHORITY GRANT	UM
T4460	PAYSPAN, INC	200,725.82	ELECTRONIC CLAIMS/PAYMENTS & PPD REIMBURSEMENTS	FINANCE
T2584	UNITED STATES POSTAL SVC.-HASLER	200,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5145	CCS ENGINEERING FRESNO INC.,	199,501.89	JANITORIAL SERVICES	CORPORATE SERVICES
T4967	ADMINISTRATIVE SOLUTIONS, INC.	197,805.86	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T4695	EDIFECS, INC.****	196,893.40	ANNUAL TSM MAINTENANCE	MIS INFRASTRUCTURE
T3011	OFFICE ALLY, INC.	196,533.75	EDI CLAIM PROCESSING	CLAIMS
T2918	STINSON'S	185,812.16	2020 OFFICE SUPPLIES, CONFERENCE TABLES, OFFICE FURNITURE, CABINET FOR TRAINING, DEVELOPMENT ROOM & ADDITIONAL CUBICLES	VARIOUS
T1272	COFFEY COMMUNICATIONS INC.	180,694.31	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T5217	AMERICAN TILE & BRICK VENEER, INC.	157,500.00	FINAL PAYMENT FOR BRICK WALL	BUILDING IMPROVEMENT
T5319	CITIUSTECH INC.****	155,000.00	FAST + FRAMEWORK LICENSE FEES	CAPITAL PROJECTS IN PROCESS
T5269	KERN COMMUNITY FOUNDATION	151,000.00	HEALTH HOME GRANT	COMMUNITY GRANT
T4696	ZNALYTICS, LLC	149,840.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	149,567.67	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T4331	COTIVITI, INC	148,388.00	CALIFORNIA MEDI-CAL MEDICAID MEASURES & ANNUAL LICENSE FEE	QUALITY IMPROVEMENT

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4396	KAISER FOUNDATION HEALTH-DHMO	144,997.32	DHMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T2469	DST HEALTH SOLUTIONS, INC.****	138,540.00	ACG ANNUAL MAINTENANCE RENEWAL	MIS INFRASTRUCTURE
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	137,410.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	136,541.97	TEMPORARY HELP	VARIOUS
T4038	POLYCLINIC MEDICAL CENTER, INC	120,000.00	HEALTH HOME AND PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T3449	CDW GOVERNMENT	113,890.17	HARDWARE & COMPUTER SUPPLIES	VARIOUS
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	112,862.29	EDI CLAIM PROCESSING	CLAIMS / MIS
T4785	COMMGAP	112,413.75	INTERPRETATION SERVICES	HEALTH EDUCATION
T5132	TIME WARNER CABLE LLC	107,943.86	INTERNET SERVICES	MIS INFRASTRUCTURE
T5026	TEL-TEC SECURITY SYSTEMS	105,522.05	ADDITIONAL SECURITY SYSTEM & LABOR	CORPORATE SERVICES
T2704	MCG HEALTH LLC	104,263.86	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T5227	RIDGECREST MEDICAL TRANSPORTATION	101,880.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	101,221.32	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	101,000.00	2020 ANNUAL DUES, 2019 SALARY SURVEY, & LEADERSHIP FEES	VARIOUS
T4634	EXECUTIVE STAFFING SOLUTIONS	99,998.00	RECRUITMENT FEES	HUMAN RESOURCES

**KERN·HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1128	HALL LETTER SHOP, INC.	90,574.64	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PACKETS & POSTERS	VARIOUS
T2941	KERN PRINT SERVICES INC.	90,555.41	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T5121	TPx COMMUNICATIONS	86,435.26	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T1022	UNUM LIFE INSURANCE CO.	81,151.11	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4781	EDRINGTON HEALTH CONSULTING, LLC	79,093.75	CONSULTING SERVICES	ADMINISTRATION
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	76,189.71	NEW FURNITURE & OFFICE CHAIRS FOR EMPLOYEES	CORPORATE SERVICES
T5015	SENTINEL ENGINEERING	74,963.34	JUNIPER NETWORKS - FIBER OPTICS	MIS INFRASTRUCTURE
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY	74,074.18	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T2955	DELTA ELECTRIC INC.	69,079.00	BUILDING MAINTENANCE	CORPORATE SERVICES
T4963	LINKEDIN CORPORATION****	68,775.00	ONLINE JOB POSTINGS/RECRUITMENT	HUMAN RESOURCES
T2562	CACTUS SOFTWARE LLC	64,669.18	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T4503	VISION SERVICE PLAN	64,618.05	EMPLOYEE HEALTH BENEFITS	VARIOUS
T2969	AMERICAN BUSINESS MACHINES INC	63,329.22	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T2446	AT&T MOBILITY	61,217.17	CELLULAR PHONE / INTERNET USAGE	MIS INFRASTRUCTURE
T4563	SPH ANALYTICS	60,176.80	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	58,399.99	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4052	RAHUL SHARMA	58,120.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	55,135.00	2019 AUDIT FEES	ADMINISTRATION

**KERN·HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3986	JACQUELYN S. JANS	54,975.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T4607	AGILITY RECOVERY SOLUTIONS INC.	54,598.00	HARDWARE RENTAL- LAPTOP & MONITOR'S RENTAL FOR EMPLOYEES WORKING FROM HOME	MIS INFRASTRUCTURE
T1180	LANGUAGE LINE SERVICES INC.	50,016.95	INTERPRETATION SERVICES	MEMBER SERVICES
T5226	SAN MICHAEL PEDIATRICS INC.	50,000.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5022	SVAM INTERNATIONAL INC	49,848.00	2020 PROFESSIONAL SERVICES / CONSULTING SERVICES	BUSINESS INTELLIGENCE
T3448	SYNERGY HEALTHCARE, INC.	49,600.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T2933	SIERRA PRINTERS, INC.	49,365.61	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T3001	MERCER	47,500.00	CONSULTING SERVICES	HUMAN RESOURCES
T2961	SOLUTION BENCH, LLC	46,414.59	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T4731	LOGMEIN USA, INC.	46,134.00	INTERNET SERVICES	MIS INFRASTRUCTURE
T1326	WALKER-LEWIS RENTS	45,711.96	COVID-19 TESTING SITE EQUIPMENT	MARKETING
T4389	EXACT STAFF, INC.	45,048.17	TEMPORARY HELP	VARIOUS
T4353	TWE SOLUTIONS, INC.****	44,576.52	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T4960	ZELIS CLAIMS INTEGRITY, LLC	42,988.84	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	42,500.00	CONSTRUCTION CLOSE OUT (SERVICES COMPLETED DURING 2019) AND DEV LEED MANAGEMENT & POST CONSTRUCTION	CAPITAL PROJECT/ NEW BUILDING
T2441	LAURA J. BREZINSKI	41,225.00	MARKETING MATERIALS	MARKETING

**KERN·HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2413	TREK IMAGING INC	40,686.24	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T5260	HD DYNAMICS	36,995.00	2020 SYSTEM CONFIGURATION, CUSTOMIZATION, & PROJECT MANAGEMENT	PROVIDER RELATIONS
T3084	KERN COUNTY-COUNTY COUNSEL	36,844.31	LEGAL FEES	ADMINISTRATION
T4182	THE LAMAR COMPANIES	35,980.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T4466	SMOOTH MOVE USA	35,432.42	MOVING SERVICES	CORPORATE SERVICES
T5279	GOOD SAMARITAN HEALTH FOUNDATION	35,000.00	COVID-19 TESTING SITE SUPPORT-SPONSORSHIP	COMMUNITY ACTIVITIES
T4792	KP LLC	33,749.67	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY
T4496	VOX NETWORK SOLUTIONS	33,262.60	WORKFORCE MANAGEMENT ADVANCED LICENSE ANNUAL REVIEW	MIS INFRASTRUCTURE
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	32,512.00	2020 ANNUAL DUES & CONFERENCE REGISTRATION	VARIOUS
T4521	PAYSCALE, INC.	32,000.00	COMPENSATION STUDY AND SALARY ANALYTICS	HUMAN RESOURCES
T4663	DEVELOPMENT DIMENSIONS INTERNATIONAL, INC.	31,625.00	2020-2021 DEVELOPMENT DIMENSIONS INTERNATIONAL MASTER LICENSE FEE	HUMAN RESOURCES
T4228	THE SSI GROUP, LLC.	31,362.80	EDI CLAIM PROCESSING	CLAIMS / MIS
T5321	TYK TECHNOLOGIES LTD	30,000.00	API MANAGER - SELF MANAGED PACKAGE SUBSCRIPTION & SUPPORT	CAPITAL PROJECTS IN PROCESS
T4873	L5 HEALTHCARE SOLUTIONS, INC.	29,374.47	LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	MIS INFRASTRUCTURE
T4216	NEXSTAR BROADCASTING INC	26,766.50	ADVERTISEMENT - MEDIA	MARKETING
T2232	DLT SOLUTIONS, LLC	25,733.63	SQL LICENSES	MIS INFRASTRUCTURE

**KERN·HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3454	DEPARTMENT OF MANAGED HEALTH CARE	25,000.00	ENFORCEMENT MATTERS	ADMINISTRATION
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO., INC.	24,842.75	2020 BUILDING MAINTENANCE	CORPORATE SERVICE
T2407	KAISER FOUNDATION HEALTH -COBRA	24,504.97	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T4544	BARNES WEALTH MANAGEMENT GROUP	24,500.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4060	HODEL'S DEVELOPMENT CORPORATION	23,975.64	2020 EMPLOYEE AWARDS	MARKETING
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	23,805.00	CONSULTING SERVICES	ADMINISTRATION
T4654	DELAWIE	22,825.93	1ST QTR 2020 ARCHITECTURAL SERVICES	CAPITAL PROJECT
T5268	TONY'S FIREHOUSE GRILL & PIZZA****	22,791.26	2020 EMPLOYEE EVENTS	MARKETING
T1183	MILLIMAN USA	22,205.00	CY2018/2019 RDT & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T5161	INTEGRATED HEALTHCARE ASSOCIATION	21,805.00	ADVERTISEMENT - FILMING SERVICES	MARKETING
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	21,548.75	EMPLOYEE PREMIUM	ADMINISTRATION
T4546	LEVEL 3 COMMUNICATIONS, LLC	21,169.97	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T5277	SUNBELT RENTALS, INC.	20,942.29	COVID-19 TESTING SITE SUPPORT-SPONSORSHIP	COMMUNITY ACTIVITIES
T4239	COAST TO COAST COMPUTER PRODUCTS	20,794.77	COMPUTER PRODUCTS & SUPPLIES	CORPORATE SERVICES
T5240	ACE EYECARE INC	20,000.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5159	AT&T CORP	19,688.35	INTERNET SERVICES	MIS INFRASTRUCTURE

**KERN·HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5275	CREATIVE FINANCIAL STAFFING, LLC	19,000.00	RECRUITMENT FEES	HUMAN RESOURCES
T4261	KAISER FOUNDATION HEALTH PLAN -TX PPO	18,858.88	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T1097	NCQA	17,290.25	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDIATION	QUALITY IMPROVEMENT
T4962	LIBERTY DATA, INC.	17,100.00	2020 TAX NUMBER VALIDATION SERVICES	MIS INFRASTRUCTURE
T5013	ELIZA CORPORATION	17,090.00	2020 DATA MANAGEMENT FEE	CASE MANAGEMENT
T1650	UNIVISION TELEVISION GROUP	16,915.00	ADVERTISEMENT - TELEVISION	MARKETING
T1347	ADVANCED DATA STORAGE	16,890.91	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T4016	FIRST DATABANK, INC	16,060.00	2020-2021 NATIONAL CODE DATABASE WITH THE GENERIC CODE NUMBER RENEWAL	MIS INFRASTRUCTURE
T4589	KERN VALLEY HOSPITAL FOUNDATION****	15,880.00	COMMUNITY ACTIVITIES-SPONSORSHIP	MARKETING
T3092	LINKS FOR LIFE	15,548.00	COMMUNITY ACTIVITIES-SPONSORSHIP	MARKETING
T4993	LEGALSHIELD	15,423.75	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T5236	BEST BEST & KRIEGER LLP	15,389.24	LEGAL FEES	ADMINISTRATION
T2578	AMERICAN HEART ASSOCIATION - KERN COUNTY****	15,000.00	COMMUNITY SPONSORSHIP	ADMINISTRATION
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	15,000.00	LEGAL FEES	ADMINISTRATION
T5313	HEALTH LITERACY INNOVATIONS, LLC	14,854.00	2019 TRUE UP MAINTENANCE, 2020 ESD ANNUAL SUPPORT & ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T5155	A-C ELECTRIC COMPANY	14,549.48	BUILDING MAINTENANCE	CORPORATE SERVICES

**KERN·HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5201	JAC SERVICES, INC.	14,535.00	SPRING 2020 AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T2787	SAGE SOFTWARE, INC	14,381.75	2019-20 SAGE300 ERP SILVER BUSINESS ANNUAL LICENSE	FINANCE
T2300	AT&T LONG DISTANCE	14,323.81	LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T4934	APPLE INC.	14,283.66	HARDWARE, COMPUTER SUPPLIES & 2020 SERVICE AWARDS	VARIOUS
T4195	SCRIPPS MEDIA, INC. DBA KERO-TV	13,575.00	ADVERTISEMENT - TELEVISION	MARKETING
T5156	LIGHTS CAMERA ACTION CINEMA	13,575.00	ADVERTISEMENT - FILMING SERVICES	MARKETING
T4782	LEBEAU - THELEN, LLP	13,406.50	LEGAL FEES	ADMINISTRATION
T4227	FREESTYLE EVENTS SERVICES INC	12,890.00	SERVICES 2020 EMPLOYEE REVOGNITION AWARDS	MARKETING
T2938	SAP AMERICA, INC	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T5246	ACCELEBRATE, INC.	12,120.15	ASP.NET CORE 3 DEVELOPMENT TRAINING	BUSINESS INTELLIGENCE
T4476	KERN PARTNERSHIP FOR CHILDREN AND FAMILIES	12,000.00	COMMUNITY ACTIVITIES-SPONSORSHIP	COMMUNITY ACTIVITIES
T5209	ADOBE, INC.****	12,000.00	2 YR MAINTENANCE - ROBOHELP SERVER & TECHNICAL COMMUNICATION SUITE	MIS INFRASTRUCTURE
T5292	ALL'S WELL HEALTH CARE SERVICES	11,735.80	TEMPORARY HELP	VARIOUS
T4417	KAISER FOUNDATION HEALTH PLAN -OR	11,675.84	OR-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T2292	CITY OF BAKERSFIELD	11,550.94	UTILITES-GARBAGE/SEWER FEES	CORPORATE SERVICES
T5251	PREVALENT, INC.	11,412.25	ANNUAL SAAS SUBSCRIPTION	MIS INFRASTRUCTURE

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4211	KERN COUNTY FAMILY MAGAZINE****	11,399.00	ADVERTISEMENT - DIGITAL & PRINTED	MARKETING
T4932	SPECTRUM REACH (MEDIA)	11,107.80	ADVERTISEMENT - TELEVISION	MARKETING
T4683	CLAUDIA M. BACA PROJECT MANAGEMENT CONSULTIN	11,000.00	PROJECT MANAGEMENT CONSULTING SERVICES	PROJECT MANAGEMENT
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC.****	10,720.00	COVID-19 TESTING	HUMAN RESOURCES
T2840	ATALASOFT, INC.	10,254.00	DOT IMAGING RENEWAL	MIS INFRASTRUCTURE
T5228	CENTRAL SANITARY SUPPLY****	10,244.99	SUPPLIES - MASKS, GLOVES	CORPORATE SERVICES
T5012	KERN MEDICAL CENTER FOUNDATION****	10,000.00	COMMUNITY SPONSORSHIP	MARKETING
T5262	YOUTH CONNECTION, INC.	10,000.00	COMMUNITY SPONSORSHIP	COMMUNITY ACTIVITIES
T5270	ENFORCE, LLC	10,000.00	DAYFORCE OPTIMIZATION & CONSULTING SERVICES	HUMAN RESOURCES
		34,205,816.05		
	TOTAL VENDORS OVER \$10,000	34,205,816.05		
	TOTAL VENDORS UNDER \$10,000	826,601.73		
	TOTAL VENDOR EXPENSES- December	\$ 35,032,417.78		

Note:

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

**KERN·HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Current Month	Description	Department
T3130	OPTUMINSIGHT, INC.	630,066.00	2020/2021 ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T1045	KAISER FOUNDATION HEALTH - HMO	432,010.92	JAN. 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T5005	CRAYON SOFTWARE EXPERTS LLC	315,410.49	2021 ANNUAL SOFTWARE LICENSE AND NOV. ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T4350	COMPUTER ENTERPRISE INC.	225,914.60	NOV. & DEC. 2020 PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	217,442.81	SEPT. & OCT. 2020 HEALTH HOME GRANT	COMMUNITY GRANTS
T2584	UNITED STATES POSTAL SVC.-HASLER	150,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	68,879.40	JAN. 2021 VOLUNTARY LIFE, AD&D, DENTAL INSURANCE PREMIUM	VARIOUS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2021 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4237	FLUIDEDGE CONSULTING, INC.	56,030.00	DEC. 2020 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T4963	LINKEDIN CORPORATION	52,000.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T5022	SVAM INTERNATIONAL INC	44,640.00	SEPT., NOV., & DEC., 2020 PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T4582	HEALTHX, INC.	41,576.00	JAN. 2021 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE

**KERN HEALTH
SYSTEMS**

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

Vendor No.	Vendor Name	Current Month	Description	Department
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	41,285.55	DEC. 2020 PROFESSIONAL SERVICES	VARIOUS
T4391	OMNI FAMILY HEALTH	40,109.20	OCT. 2020 SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T4193	STRIA LLC	34,184.42	DEC. 2020 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T5325	WADE A MCNAIR	32,995.00	LEADABILITY PROGRAM FACILITATION-CONSULTING SERVICES/ONSITE TRAINING	HUMAN RESOURCES
T2458	HEALTHCARE FINANCIAL, INC.	32,500.00	NOV. 2020 PROFESSIONAL SERVICES	ADMINISTRATION
T5109	RAND EMPLOYMENT SOLUTIONS	32,077.49	DEC. 2020 & JAN. 2021 TEMPORARY HELP & ACA INSURANCE - (7) MIS; (1) UM; (1) CM; (1) HHP; (1) HE	VARIOUS
T4967	ADMINISTRATIVE SOLUTIONS, INC.	28,416.89	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T4781	EDRINGTON HEALTH CONSULTING, LLC	25,793.75	DEC. 2020 CONSULTING SERVICES	ADMINISTRATION
T5298	TOTALMED, INC.	25,591.00	DIRECT PLACEMENT FEES-QI NURSE MANAGER RN	HUMAN RESOURCES
T4792	KP LLC	25,491.91	PROVIDER DIRECTORIES & NOV. & DEC. 2020 FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	22,523.45	DEC. 2020 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	20,452.44	DEC. 2020, & JAN. 2021 ONSITE SECURITY	CORPORATE SERVICES
T3011	OFFICE ALLY, INC.	18,551.50	DEC. 2020 EDI CLAIM PROCESSING	CLAIMS

**KERN·HEALTH
SYSTEMS**

January AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Description	Department
T4460	PAYSPAN, INC	17,984.49	DEC. 2020 ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T4733	UNITED STAFFING ASSOCIATES	17,515.63	DEC. 2020 TEMPORARY HELP & ACA INSURANCE - (1) BI; (1) HH; (1) HR; (1) HE	VARIOUS
T2167	PG&E	16,165.01	NOV./DEC 2020 - USAGE/UTILITIES	CORPORATE SERVICES
T4353	TWE SOLUTIONS, INC.	13,803.42	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T5201	JAC SERVICES, INC.	13,732.00	2021 AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T2790	KERN COUNTY DEPT OF PUBLIC HEALTH	12,915.00	INFLUENZA VACCINATION SPONSORSHIP	MARKETING
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	12,102.53	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T1861	CERIDIAN HCM, INC.	11,850.00	JAN. 2021 MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4657	DAPONDE SIMPSON ROWE PC	11,120.50	OCT. & NOV. 2020 LEGAL FEES	PROVIDER RELATIONS
T4982	NGC US, LLC	11,000.00	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	HEALTH EDUCATION
T4396	KAISER FOUNDATION HEALTH-DHMO	10,699.21	JAN. 2020 EMPLOYEE HEALTH BENEFITS	VARIOUS
T2840	ATALASOFT, INC.	10,254.00	ANNUAL DOTIMAGE DOCUMENT IMAGING MAINTENANCE	MIS INFRASTRUCTURE
		<u>2,838,084.61</u>		
	TOTAL VENDORS OVER \$10,000	2,838,084.61		
	TOTAL VENDORS UNDER \$10,000	202,582.60		
	TOTAL VENDOR EXPENSES- JANUARY	<u>\$ 3,040,667.21</u>		

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
January							
Poppyrock Designs	\$46,200.00	Yes	MRK	Louie Iturriria	Graphic design of KHS-KFHC member & provider MKT materials	1/1/2021	12/31/2021
Symplr/Cactus	\$35,700.00	Yes	IT	Richard Pruitt	Annual SaaS Application manager & the DEA State license monitor	1/6/2021	1/5/2022
HD Dynamics	\$50,000.00	Yes	PR	Emily Duran	Consulting Services	1/1/2021	12/31/2021
LinkedIn	\$52,000.00	Yes	HR	Anita Martin	Online training for managed learners	1/1/2021	12/31/2021
Jacquelyn Jans	\$60,000.00	Yes	MRK	Louie Iturriria	Marketing and Corporate Image Consulting	1/1/2021	12/31/2021

2020 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	Enterprise Logging	EXP	\$18,480	\$0	\$550	\$0	\$0	\$0	\$0	\$8,690	\$9,207	\$0					\$18,447	\$33	
2	BiTalk Upgrade	EXP	\$14,705	\$5,100	\$4,590	\$4,845												\$14,535	\$170
3	2D - Clinical Engagement	CAP	\$12,500	\$0	\$4,118	\$5,400	\$2,633											\$12,130	\$350
4	QNX Upgrade with Network and CES KB Update	EXP	\$500	\$0	\$0	\$468	\$0											\$468	\$32
5	Hospital Directed Payments (HDP)/Encounters	EXP	\$21,705	\$0	\$0	\$0	\$0	\$0	\$0	\$206	\$1,687	\$6,035	\$7,225	\$4,250	\$2,125		\$21,528	\$177	
6	HHP 2020 - CSV Health Homes	CAP	\$166,090	\$28,448	\$29,143	\$12,273	\$6,695	\$2,833	\$15,680	\$12,530	\$3,554	\$773	\$14,816	\$20,520	\$15,120		\$162,384	\$3,706	
7	HHP - Member Engagement	CAP	\$18,000	\$0	\$1,442	\$7,501	\$824	\$4,928	\$2,700									\$17,395	\$606
8	Enterprise Data Warehouse	CAP	\$974,490	\$58,640	\$54,275	\$71,995	\$73,410	\$66,040	\$70,090	\$72,128	\$81,420	\$82,320	\$77,600	\$69,931	\$72,760		\$850,609	\$123,881	
9	HHP 2020 - Distributive Model	CAP	\$173,810	\$0	\$412	\$6,956	\$14,983	\$15,726	\$15,371	\$23,894	\$45,612	\$30,529	\$12,498	\$824	\$6,480		\$173,284	\$526	
10	Disaster Recovery and Business Continuity Test	CAP	\$446,200	\$56,200	\$51,475	\$54,950	\$50,960	\$31,920	\$46,900	\$26,880	\$25,200	\$23,240	\$24,640	\$14,560	\$18,620		\$425,545	\$20,655	
11	Rx PBM Transition	EXP	\$70,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,417	\$15,624	\$16,368	\$14,136	\$14,880		\$67,425	\$3,435	
12	Auto Adjudication Enhancements	CAP	\$688,240	\$40,480	\$19,440	\$21,120	\$35,110	\$59,532	\$61,379	\$51,196	\$54,030	\$58,359	\$57,235	\$50,281	\$46,574		\$554,736	\$133,504	
13	MCAS Member Engagement	CAP	\$200,000	\$0	\$0	\$0	\$5,880	\$18,970	\$2,520	\$30,983	\$30,890	\$25,860	\$26,430	\$21,630	\$36,645		\$199,808	\$192	
14	Specialty Med Mgmt.	CAP	\$10,395	\$0	\$0	\$945	\$9,450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$10,395	\$0	
15	Interoperability	CAP	\$244,660	\$0	\$0	\$0	\$0	\$0	\$2,781	\$4,120	\$28,068	\$52,541	\$41,799	\$26,853	\$43,723		\$199,885	\$44,776	
17	Staff Augmentation	EXP	\$1,175,965	\$97,401	\$87,696	\$102,619	\$101,804	\$104,894	\$99,569	\$93,860	\$65,486	\$68,828	\$77,389	\$71,045	\$49,242		\$1,019,832	\$156,133	
Totals:			Totals	\$4,236,600	\$286,269	\$253,141	\$289,072	\$301,748	\$304,841	\$316,990	\$324,487	\$351,571	\$364,108	\$355,999	\$294,031	\$306,168	\$3,748,424	\$488,176	

*Note: State's projects being re-organized due to mid-year changes.

Updated 1/22/21



TO: KHS Board of Directors
FROM: Alan Avery, COO
DATE: April 15, 2021
RE: 1st Quarter 2021 Operations Report

Kern Health Systems Operational Departments continue to meet the regulatory and health plan performance goals during the 1st Quarter of 2021. This continued trend during the COVID-19 pandemic ensures provider claims are processed in a timely and accurate manner, member inquiries and questions are adequately addressed and all plan operational units are working efficiently and effectively together while the majority of staff are working remotely in their respective homes.

Claims

Incoming claims receipts for the 1st Quarter of 2021 continued to follow the growth trend of the 3rd and 4th quarters reaching 827,140 claims received but not quite to the level of the pre-COVID claims volume of the 1st Quarter of 2020. Given our success in reducing paper claim submission, I have revised our electronic claim submission goal from 85% to 95%. Even with that significant increase, we continue to see additional progress eliminating the incoming paper claim volume and increasing the electronic claims received. During the 1st Quarter, we received 98% of incoming claims electronically, and only 2% of the claim volume was delivered on paper. This effort is an ongoing work in progress by the combined focus of the Claims and Provider Network Management staff which allows us to improve our overall processing efficiency. The claims department continues to meet and often exceeds all regulatory payment requirements for the quarter—including claims processing timeliness and inventory measures. Auto adjudication of claims, meaning claims received and processed without any manual intervention, continued to follow the 4th Quarter trend—reaching a high of 85%. I have therefore increased the auto adjudication goal from 82% to 85% to encourage our team to continue to pursue additional claims auto adjudication improvements. As we increase electronic claims submissions along with auto adjudication, providers will experience quicker and more accurate claims payments.

Member Services

Member calls into the KHS Member Services Call Center increased slightly by 4% during the 1st Quarter at 64,320 calls, but still significantly under the pre-COVID call volume of 77,000 calls. As I reported at the February Board meeting, Member Services has implemented a new software improvement tool we refer to as “Screen Pop” which automatically provides key member information to the member representatives computer screen when the call arrives on their phone. This information includes the members name, Medi-Cal and KHS ID numbers, date of birth, phone numbers and eligibility status. Recently Gaps in Care along with COVID vaccination status have been added. The Gaps in Care listed include wellness checkups, well-women checkups, prescription refills, asthma, diabetes, high blood pressure wellness checks, child vaccinations, pre-natal & post-partum visits, and newborn wellness exams. The representative confirms the accuracy of this information along with discussing the Gaps in Care and vaccination status—often offering to schedule appointments and transportation for both. Some callers can have more than one Gap In Care including being alerted to dependent family member Gaps in Care.

All key performance metrics continue to be met even though we experienced a slight increase in the average talk time metric which we attribute to expanded customer service discussions being held with the members regarding their GAPS in Care and COVID vaccination status. The top five reasons for members calling Member Services continues to remain the same-(1) New Member questions (2) PCP changes, (3) Demographic updates/changes (4) ID Card replacement requests and (5) authorization referral status. All the top five reasons for incoming calls could easily be handled by the member via the Member Portal, therefore, we continue to encourage members to sign onto the portal and use the self-service tools.

During the 1st quarter, Member Services received 3,062 new member portal account enrollments, for a total of 36,025 member accounts. This equates to almost 13% of our members with online accounts compared to industry standard of 4%. Member Service Representatives continue to encourage members to sign up for a member portal account whenever they call.

Provider Relations

The Primary Care network, specialists and provider terminations remained relatively unchanged during the 1st quarter, with a slight increase in the number of contracted PCPs and an even smaller percentage drop in Specialists. The reasons for providers leaving the network pretty much mirror previous quarters-provider terminations, retirement or office closure. Appointment availability for primary care providers is in a great place with an average wait time of 2.3 days for PCP visits, however specialty provider visits increased to 10.5 days but both are still within regulatory requirements.

Human Resources

During the 1st Quarter, the Human Resources Department continues to perform the usual recruitment, on-boarding and training functions for the organization. In addition, the department staff provides oversight and management of employee COVID incident monitoring, contact tracing, scheduling COVID testing and reporting positive cases to our workmen's compensation carrier. Human Resources and I.T. are currently planning the implementation of a software tool pilot to monitor employee movement within the building and to assist in tracking future employee COVID related contacts within the building, tracing and reporting.

During the 1st Quarter staffing throughout KHS remained at 425 employees compared to a budget of 449. Employee turnover is 7.85% year to date.

Grievance Report

Formal Grievances during the 1st Quarter slightly decreased from the last two quarters of 2020. Only two areas had slight increases during the quarter-Access to Care and Quality of Service. No significant issues/trends were identified in these two categories and the variances were insignificant. There was a 20% decrease in the Potential Inappropriate Care grievances during the quarter. Even though this was a significant decrease from the 4th Quarter, when compared to the remaining quarters in 2020, the 1st quarter results are back in line and no specific issues or trends were identified.

Exempt Grievances increased slightly during the 1st quarter. Exempt grievances are primarily simple service-related concerns, usually when the member doesn't want to file a Formal complaint. They can usually be easily resolved the same day without significant research or follow up. These include such things as PCP changes or complaints about the physical nature of the provider office or staff. The Grievance Department tracks and trends these by provider and results are reviewed by the KHS Physicians Advisory Committee as part of the recredentialing process.

Part two of the Grievance Report is the disposition of the formal grievances. This report indicates what decisions were made by the KHS Grievance Committee regarding the Formal grievances. The reporting format changed during 2020 following a DMHC audit recommendation to change our workflow and forward all Potential Inappropriate Care (PIC) formerly entitled Quality of Service grievances to the KHS Quality Department for further investigation and resolution. As the report indicates, 156 PIC Formal Grievances were forwarded to the Quality Department, 90 were investigated and QI upheld the decision by the Grievance Committee, 65 cases required further review by the QI department and 1 case was overturned and upheld the position of the member. The other major category was Medical

Necessity where 308 cases were reported, 167 cases where the decision of the Grievance Committee was upheld, and 67 grievance decision was reversed in favor of the member and 74 cases are 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 provider.

Transportation Update

Transportation activity during the 1st quarter decreased slightly over the 4th quarter and looked more like the 2nd quarter of 2020 with 73,836 rides. The one area that saw a significant decrease was in ride share rides dropping 4017 from the previous quarter. All other transportation options had minor decreases. Overall, the use of transportation continues at 42% of pre-COVID activity.

Board Action

Receive and file.



2021 1st Quarter Operational Report

Alan Avery
Chief Operating Officer

1st Quarter 2021 Claims Department Indicators

Activity	Goal	1 st Quarter	Status	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
Claims Received		827,140		812,995	752,017	667,768	843,576
Electronic	95%	98%		98%	96%	94%	95%
Paper	5%	2%		2%	4%	6%	5%
Claims Processed Within 30 days	90%	99%		99%	96%	96%	93%
Claims Processed within 45 days	95%	99%		99%	99%	99%	99%
Claims Processed within 90 days	99%	99%		99%	99%	99%	99%
Claims Inventory-Under 30 days	96%	99%		99%	99%	98%	98%
31-45 days	<3%	<1%		<1%	<1%	1%	1%
Over 45 days	<1%	<1%		<1%	<1%	1%	1%
Auto Adjudication	85%	85%		85%	84%	80%	82%
Audited Claims with Errors	<3%	2%		2%	2%	2%	2%
Claims Disputes	<5%	1%		1%	1%	1%	1%

1st Quarter 2021 Member Service Indicators

Activity	Goal	1 st Quarter	Status	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
Incoming Calls		64,320		61,469	66,882	57,207	77,452
Abandonment Rate	<5%	1.4%		1.19%	2.6%	1.0%	1.6%
Avg. Answer Speed	<2:00	:16		:11	:26	:05	:19
Average Talk Time	<8:00	8:06		7:50	7:52	7:38	7:26
Top Reasons for Member Calls	Trend	<ol style="list-style-type: none"> 1. New Member 2. Demographic 3. ID Card 4. PCP Change 5. Referrals 		Same	Same	Same	Same
Outbound Calls	Trend	66,148		63,979	78,915	86,206	103,634
# of Walk Ins	Trend	0		0	0	0	545
Member Portal Accounts-Q/Total	4%	3062 36,025 12.65%		2948 33,053 (11.8%)	3347 30,106 (11.19%)	2500 26,758 (10.3%)	2778 24,257 (9.75%)

1st Quarter Provider Network Indicators

Activity	Goal	1 st Quarter	Status	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
# of PCPs	Maintain	2.21%	Green	0%	.99%	.75%	3.35%
# of Specialists	>1% growth	(.36%)	Yellow	(.77%)	3.78%	<.68%>	6.16%
% Provider Terminations	<5% term	1.6%	Green	1.44%	1.44%	2.05%	1.97%
Termination Reasons		59%-left group 12%-termed 9%-retired 9%-site closed 3%-death 3%-relocated 3%-purchased by another entity 3%-other	Green	50%-left group 3%-retired 17%-termed 3%-relocated 3%-site closed 3%-no reason 8% Contract not renewed	67%-left group 10%-retired 10%-termed 7%-relocated 3%-site closed 3%-no reason	76% left group 8%-Term 6% Site Closed 4% resigned 2% retired 2% illness 2% no reason given	71%-Left Group 13%-Site Closed 6%-term 4%-Resigned 2%-Death 4%-Retirement
Appointment Survey	Average wait time		Green				
PCP	< 10 days	2.3 days	Green	5.2 Days	9.0 Days	9.8 Days	4.4 Days
Specialty	< 15 days	10.5 days	Green	5.7 Days	8.52 Days	5.4 Days	3.1 Days

1st Quarter Human Resources Indicators

Activity	Budget	1 st Quarter	Status	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
Staffing Count	449	425		422	422	423	418
Employee Turnover	12%	7.55%		6.68	6.69%	5.28%	6.71%
Turnover Reasons	Voluntary	75%		85.8%	80.94%	72.8%	85.7%
	Involuntary	12.5%		7.1%	9.53%	18.1%	14.3%
	Retired	0		7.1%	9.53%	8.1%	0%
	Deceased	12.5					

1st Quarter 2021 Grievance Report

Category	1st Quarter 2021	Status	Issue	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Access to Care	77		Appointment Availability	72	52	33	53
Coverage Dispute	0		Authorizations and Pharmacy	0	0	0	0
Medical Necessity	308		Questioning denial of service	317	288	246	225
Other Issues	11		Miscellaneous	14	10	11	36
Potential Inappropriate Care	156		Questioning services provided. All cases forwarded to Quality Dept.	200	263	207	273
Quality of Service	8		Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department	7	5	8	2
Total Formal Grievances	560			610	618	505	589
Exempt**	1179		Exempt Grievances-	1050	1041	989	1620
Total Grievances (Formal & Exempt)	1739			1660	1659	1494	2209

Additional Insights-Formal Grievance Detail

Issue	1 st Quarter Grievances	Upheld Plan Decision	Further Review by Quality	Overtaken Ruled for Member	Still Under Review
Access to Care	48	20	0	12	16
Coverage Dispute	0	0	0	0	0
Specialist Access	29	8	0	9	12
Medical Necessity	308	167	0	67	74
Other Issues	11	6	0	1	4
Potential Inappropriate Care	156	90	65	1	0
Quality of Service	8	4	0	2	2
Total	560	295	65	92	108

1st Quarter 2021 Transportation Update

Operational Statistics	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
ALC Calls	77,033	81,672	81,359	73,726	128,968
One Way Rides Scheduled	73,836	79,456	78,988	70,522	127,434
NMT	41,433	46,071	48,245	40,956	95,530
Bus Passes Distributed	670	869	989	1,055	3,101
GET Van Share	3303	3725	1094		
Ride Share Rides	37,460	41,477	46,162	39,901	92,429
No Shows	3156	3640	3396	3,613	6,537
NEMT	32,403	33,385	30,743	29,566	33,191
Van Rides Scheduled	31,626	32,636	29,958	28,981	32,484
Gurney Rides Scheduled	777	749	785	585	707
Member Reimbursement	1707	1834	1930	1,752	4,011
ALC Admin Expense	\$415,080.00	\$444,850.78	\$459,741.50	\$414,731	\$753,478



To: KHS Board of Directors

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

Date: April 15, 2021

Re: CMO BOARD REPORT

Medical Cost and Utilization Trend Analyses: (Attachment A)

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

The cost of physician services by the SPDs continue to trend higher than budget but seem to be starting to turn downwards. The number of visits per thousand in the month of February is higher for all Aid codes except Expansion. It would appear members are returning to their doctors for the care they need. This is supported by the top 3 diagnosis all relating to routine care: General Examinations, Routine Child Exam and Pregnancy related visits.

Pharmacy

The monthly cost and utilization per enrollee for all aid categories is at or below budget through February 2021. The Flu season this year does not appear to have had a major increase in utilization of Pharmacy services.

At the February Board meeting, Staff was directed to compare our existing formulary to the Medi-Cal Rx (MCRx) Contract Drug List (CDL) to how different the formulary will look under the State's new MCRx program.

Following February's Board meeting, DHCS announced it would delay implementation of the State's MCRx program. A new date would be announced in May. This decision makes it difficult to determine what the final CDL will include and if it aligns closely with our current formulary. However, the State has said, for 180 days following the transition, it will follow each health plan's

“approved authorization list” as their own to allow patients to continue to receive their current prescriptions. During the 180 days extension of authorizations, the new State pharmacy benefits manager (Magellan) will work with providers to see if there are CDL listed alternative drugs their patients could take. If there are no suitable alternatives, the State will continue to allow patients to continue with their pre-transition medication.

Given the uncertainty of when the transition to the State’s Rx program will occur, it is impossible to determine how close our formulary will mimic the States post transition. In the meantime, KHS will keep the Board apprised as updates are announced as to the impact the transition will have on members, providers, and KHS.

Inpatient Services

PMPM capitation cost was up for January 2021 due to the second wave of COVID infections that was seen locally and across the country. KHS saw a significant drop in COVID cases in March 2021 which began in February 2021. We are hopeful this trend will continue as vaccinations become more widespread among our members.

In keeping with our goal to hospitalize members only when medically appropriate, staff continue to work with ER physicians and Hospitalist to assure members discharged from the ER are followed up in a timely manner. Using evidenced based guidelines to determine when to admit patients and when alternative, effective, follow-up care can be rendered outside the hospital will reduce unnecessary admissions resulting in savings.

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

Hospital Outpatient

Hospital outpatient utilization is stable. For 2021, we are focusing on appropriate management of chronic conditions by primary care to reduce the numbers of Provider Preventable Admissions (PPA). We are working with our network to ensure that members are getting appropriate care when needed augmented with other services (medical, behavioral, or social) to prevent further deterioration in their conditions leading to a hospital admission.

Emergency Room (ER)

The PMPM cost and number of ER visits through February 2021 continue to be below expected benchmarks. This one of those effects of COVID-19 where the public is avoiding environments where they could be exposed to the virus. The top diagnosis for ER visit is COVID-19 followed by urinary tract infections and chest pain.

We looked back in our utilization data for ER visits pre-pandemic. It was interesting to see that the top diagnosis for January and February 2020 was Upper Respiratory Infection. Foreshadowing things to come maybe?

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

Obstetrics Metrics

When we look at our obstetrics metrics, it looks like there is a drop in deliveries in January and February 2021. Since the basis for these data are provider claims, its likely this reflects the delay between date of delivery and when KHS receives the obstetric claim. Because it may take 30-45 days from the delivery date before KHS receives an obstetric claim, a better indicator of birth trend would be to look back one or two months. When doing so it shows a consistent pattern of vaginal vs. C- section deliveries with C-section rates running a constant 15%-17% of total births (**Attachment C**).

Managed Care Accountability Set (MCAS)

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

In response to these requirements, KHS has revised the Provider P4P to be aligned it with the new MCAS measures and requirements. KHS continues to find new ways to engage our members during this time with the COVID-19. The trending report is real-time trending on how we are performing compared to the previous measurement year and the minimum preferred level. We are currently doing the records’ abstractions for the hybrid measures.

The boxes in Pink show measures where our performance we are most unlikely to meet the MPL. The Yellow boxes are measures that we need less than 5% improvement to meet MPL, Green boxes are measures that we are on track to meet MPL and the Purple boxes are measures that we are on track to exceed the MPL and possible meet the high performance level (HPL).

KHS staff endeavor to learn from our performance particularly when the measured MPL is not achieved. For 2020, however, the impact the pandemic had on patient care access eschewed results significantly preventing staff's ability to gain any valuable insight on how we might improve scores. Furthermore, because of this, the Department of Health Care Services (DHCS) will not hold health plans like KHS accountable to meet the MPL for any hybrid measure for RY 2020, due to the COVID-19 public health crisis. Similarly, DHCS has elected not to impose sanctions or corrective action plans on any health plans for failing to meet the MPL for any measure, administrative or hybrid, for recording year 2020.

Although, given a "pass" for 2020, staff sees this time as an opportunity to undertake an internal assessment of the MCAS Program to develop new insight on what may be done to improve our performance and achieve target levels above the new minimum performance levels imposed by DHCS. The Quality Improvement Department will present its 2-year Strategic Action Plan to achieve this goal at the June 2021 Board of Directors meeting.



Kern Health Systems

KHS Medical Management Performance Dashboard (Critical Performance Measurements)



Governed Reporting System

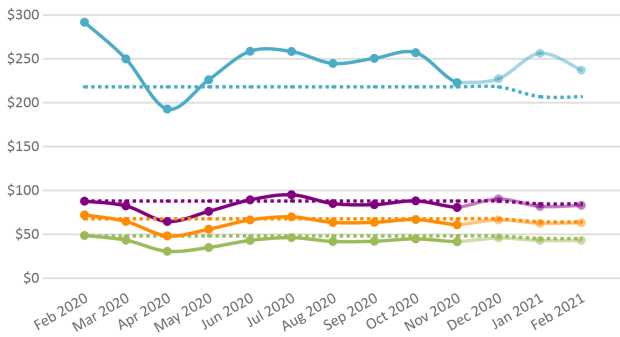


Physician Services

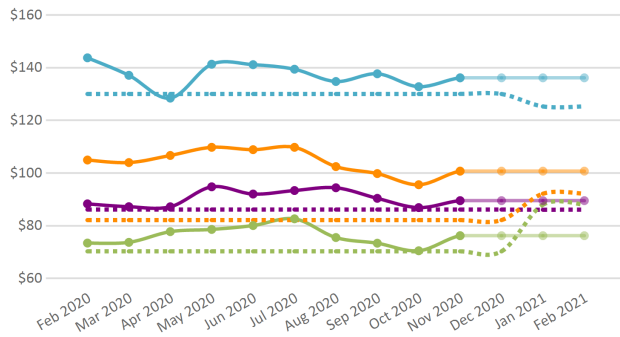
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

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

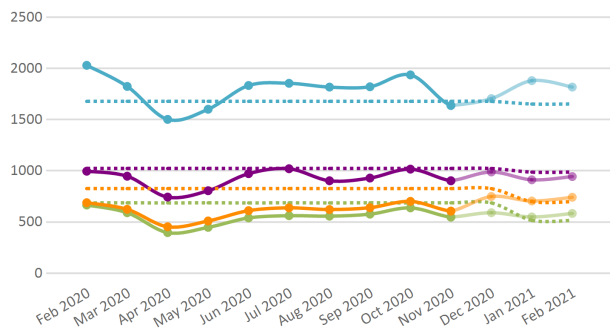
Professional Services Incurred by Aid Group PMPM



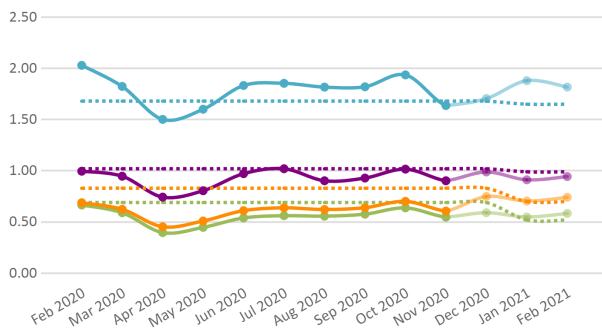
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group





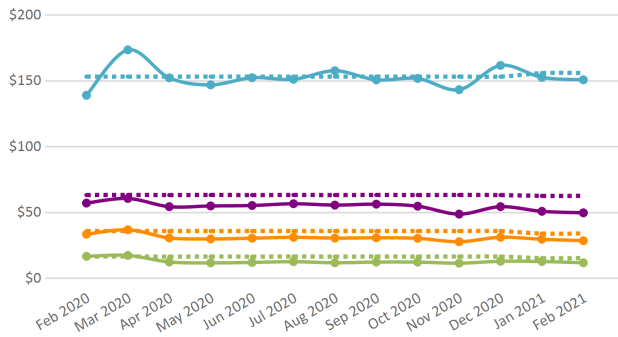
Governed Reporting System

Pharmacy

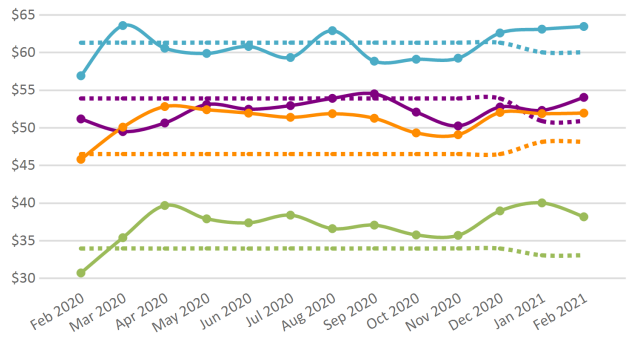
(Includes: Claims paid by PBM)

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

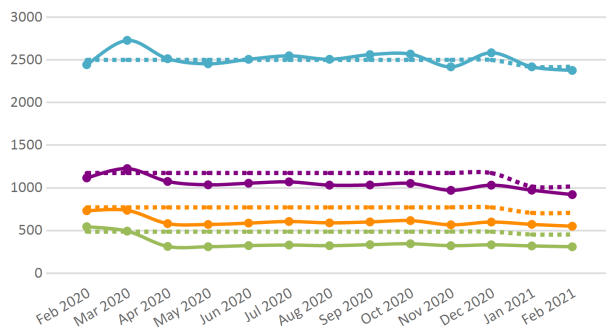
Pharmacy Services Incurred by Aid Group PMPM



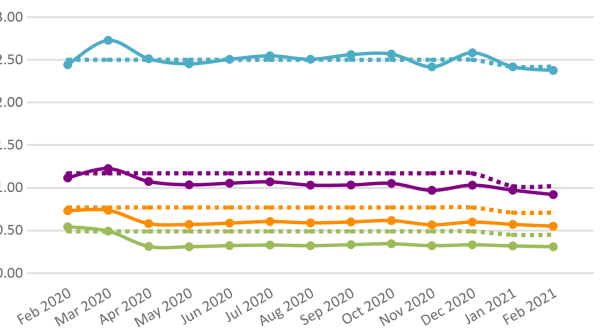
Cost per Script by Aid Group



Incurred Scripts per 1,000 per Month by Aid Group



Pharmacy Services Incurred per Member per Month by Aid Group





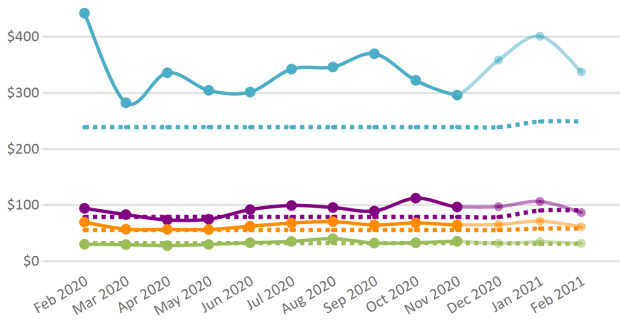
Governed Reporting System

Inpatient

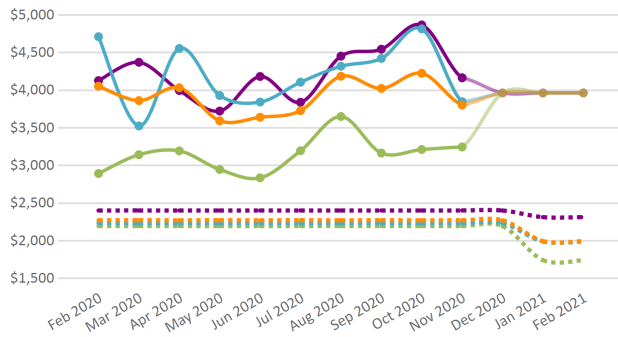
(Includes: Inpatient Hospital Claims)

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

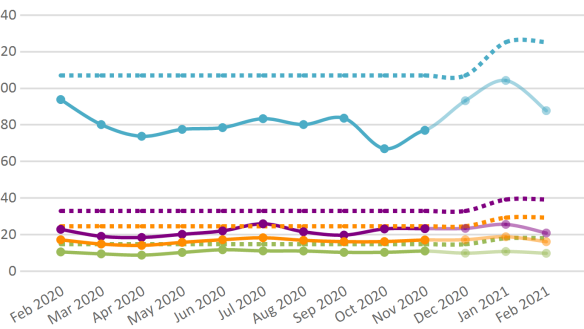
Inpatient Services Incurred by Aid Group PMPM



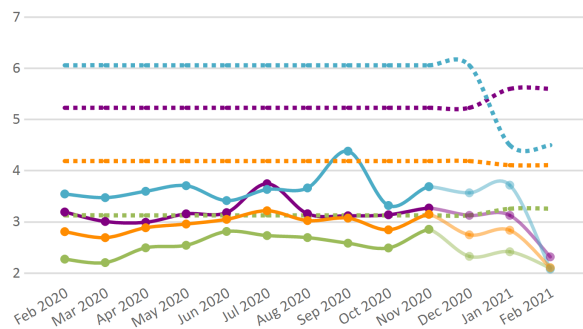
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group



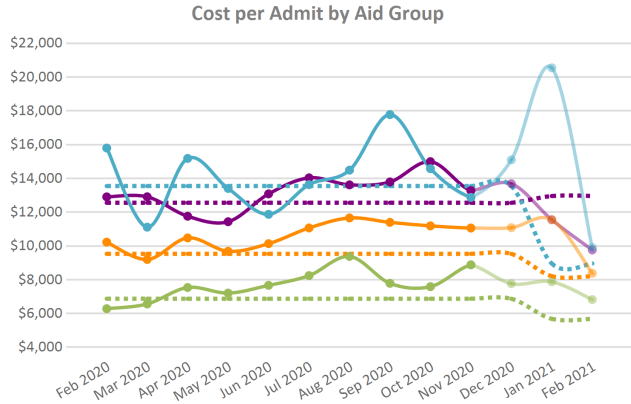
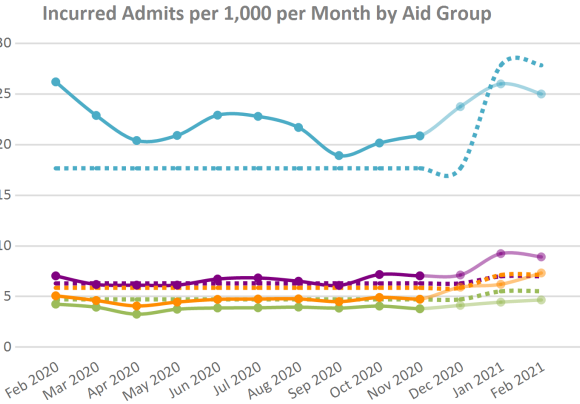


Governed Reporting System

Inpatient

(Includes: Inpatient Hospital Claims)

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





Governed Reporting System

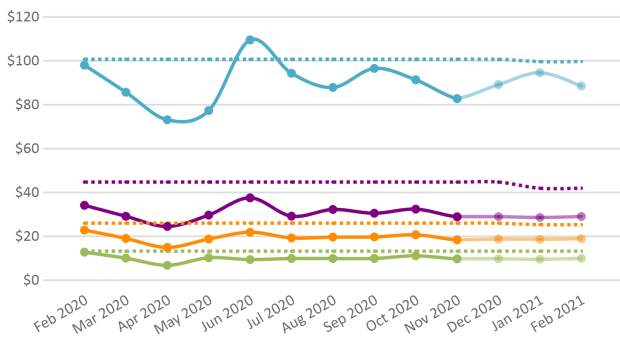


Outpatient Hospital

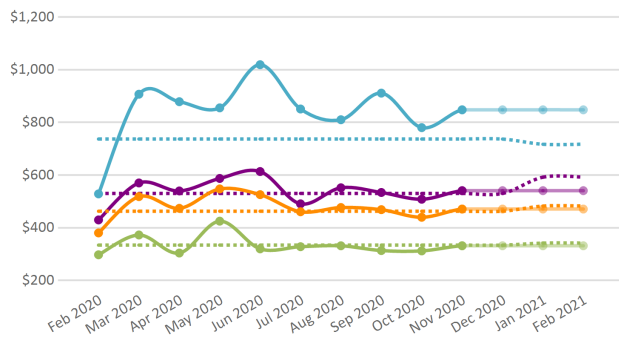
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

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

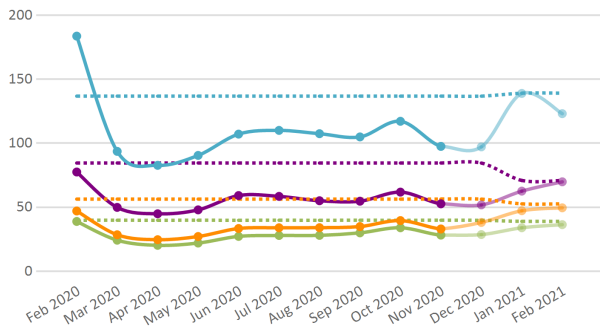
Outpatient Services Incurred by Aid Group PMPM



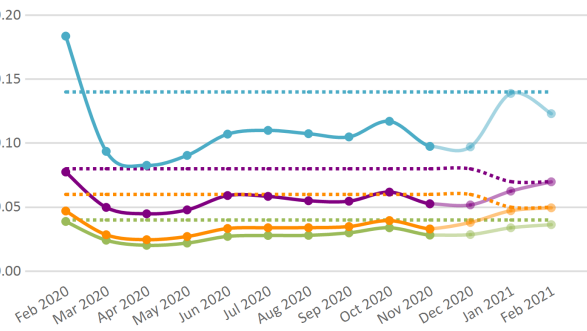
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group





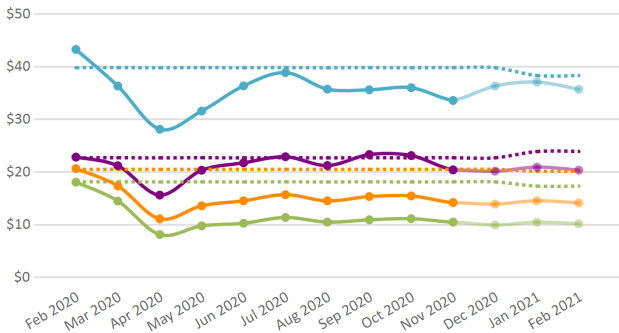
Governed Reporting System



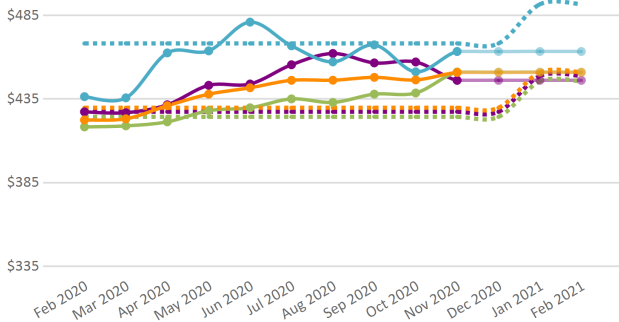
Emergency Room

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

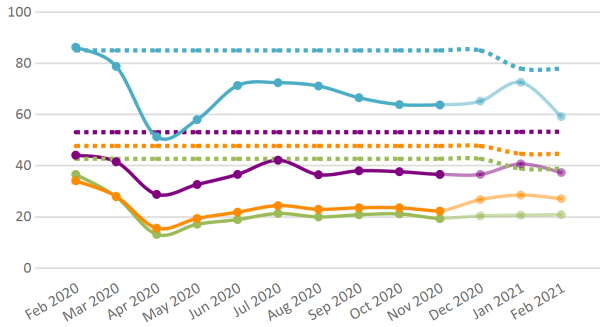
ER Services Incurred by Aid Group PMPM



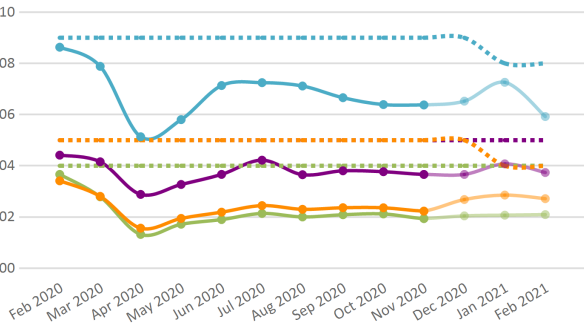
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



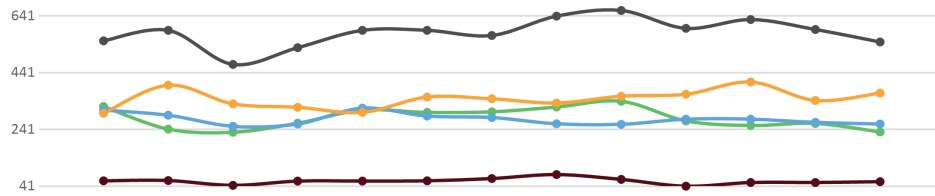
ER Visits per Member per Month by Aid Group



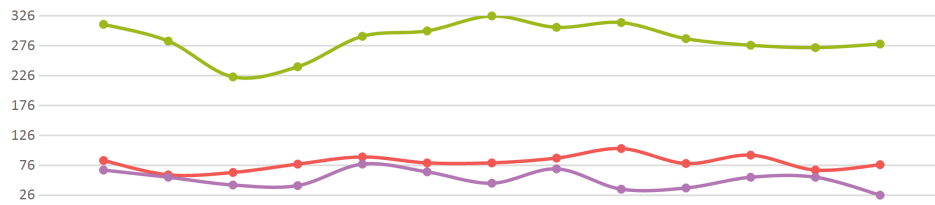


Governed Reporting System

Inpatient Admits by Hospital



	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
BAKERSFIELD MEMORIAL	553	590	470	529	590	590	572	640	660	597	628	593	549
KERN MEDICAL	298	397	331	319	301	355	349	334	358	365	408	343	369
MERCY HOSPITAL	322	242	231	263	309	301	303	320	340	271	255	262	232
ADVENTIST HEALTH	309	291	252	260	316	288	283	261	259	277	277	266	260
BAKERSFIELD HEART HOSP	60	61	44	59	59	60	68	82	65	41	54	54	57



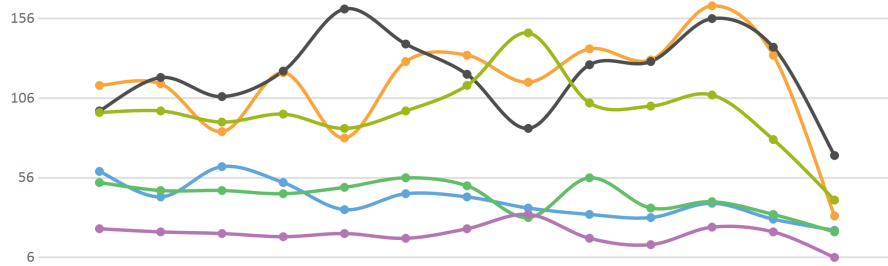
	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
GOOD SAMARITAN HOSPITAL	84	60	64	78	90	80	80	88	104	79	93	68	77
DELANO REGIONAL HOSPITAL	68	56	43	42	78	65	46	70	36	38	56	56	26
OUT OF AREA	312	284	224	241	292	301	326	307	315	288	277	273	279



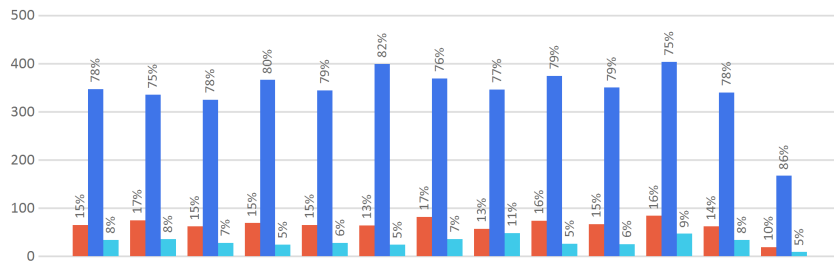
Attachment C

Governed Reporting System

Obstetrics Metrics



	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
BAKERSFIELD MEMORIAL	98	119	107	123	162	140	121	87	127	129	156	138	70
KERN MEDICAL	114	115	85	122	81	129	133	116	137	130	164	133	32
ADVENTIST HEALTH	60	44	63	53	36	46	44	37	33	31	40	30	23
MERCY HOSPITAL	53	48	48	46	50	56	51	31	56	37	41	33	22
DELANO REGIONAL HOSPITAL	24	22	21	19	21	18	24	33	18	14	25	22	6
OTHER	97	98	91	96	87	98	114	147	103	101	108	80	42

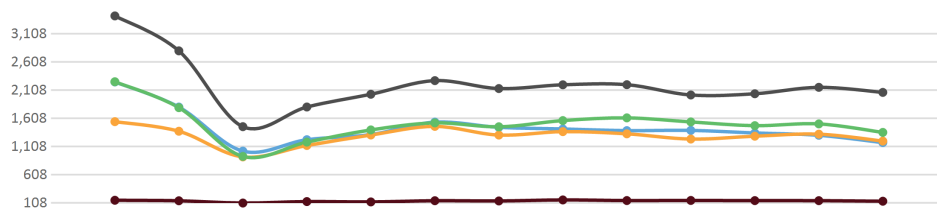


	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
VAGINAL DELIVERY	347	335	325	366	344	399	369	346	374	350	403	340	167
C-SECTION DELIVERY	65	75	62	69	65	64	82	57	74	67	84	62	19
PREVIOUS C-SECTION DELIVERY	34	36	28	24	28	24	36	48	26	25	47	34	9

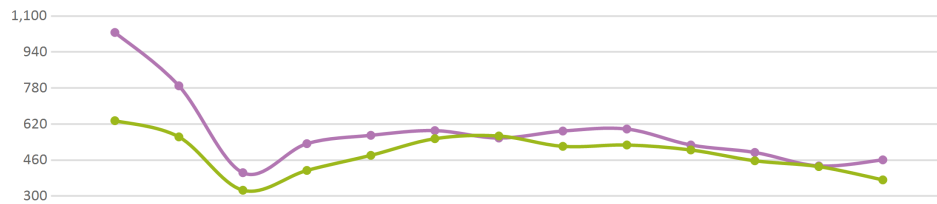


Governed Reporting System

Emergency Visits by Hospital



	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
BAKERSFIELD MEMORIAL	3,428	2,808	1,463	1,812	2,038	2,280	2,139	2,206	2,208	2,025	2,047	2,161	2,071
MERCY HOSPITAL	2,260	1,800	935	1,189	1,405	1,530	1,461	1,571	1,619	1,547	1,481	1,512	1,361
ADVENTIST HEALTH	2,256	1,811	1,029	1,232	1,323	1,544	1,451	1,422	1,393	1,397	1,351	1,310	1,180
KERN MEDICAL	1,552	1,382	927	1,129	1,315	1,468	1,314	1,375	1,336	1,243	1,294	1,330	1,207
BAKERSFIELD HEART HOSP	157	148	108	134	128	149	145	163	152	154	151	150	140



	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
DELANO REGIONAL HOSPITAL	1,027	790	404	533	570	591	558	589	598	527	494	434	461
OUT OF AREA	635	563	326	414	481	555	567	521	527	505	457	431	372

MCAS MY2020 Rates as of 04/02/2021						
Hybrid Measures Held to MPL						
CCS 53.28 MPL: 61.31 Diff: -8.03 Hits Needed: 34	CIS-10 20.92 MPL: 37.47 Diff: -16.55 Hits Needed: 69	CDC-H9* 57.91 MPL: 37.47 Diff: -20.44 Hits Needed: 85	CBP 22.38 MPL: 61.8 Diff: -39.42 Hits Needed: 163	IMA-2 31.63 MPL: 36.86 Diff: -5.23 Hits Needed: 23	PPC-Pre 57.66 MPL: 76.4 Diff: -18.74 Hits Needed: 78	PPC-Post 74.70 MPL: 89.05 Diff: -14.35 Hits Needed: 60
WCC-BMI 48.91 MPL: 80.5 Diff: -31.59 Hits Needed: 131	WCC-N 32.12 MPL: 71.55 Diff: -39.43 Hits Needed: 163	WCC-PA 28.71 MPL: 66.79 Diff: -38.08 Hits Needed: 158				
Admin Measures Held to MPL						
AMM-Acute 48.03 MPL: 53.57 Diff: -5.54 Hits Needed: 122	AMM-Cont 31.76 MPL: 38.18 Diff: -6.42 Hits Needed: 141	AMP-B 50.00 MPL: 54.42 Diff: -4.42 Hits Needed: 1	AMP-C 16.67 MPL: 37.08 Diff: -20.41 Hits Needed: 2	AMP-BC 16.67 MPL: 35.43 Diff: -18.76 Hits Needed: 2	AMR 54.53 MPL: 62.43 Diff: -7.90 Hits Needed: 162	
BCS 54.09 MPL: 58.82 Diff: -4.73 Hits Needed: 433	CHL 53.34 MPL: 58.44 Diff: -5.10 Hits Needed: 454	SSD 92.31 MPL: 82.09 Diff: 10.22 Hits Needed: none				
Indicates KHS did not met MPL Indicates KHS need 5% or less to met MPL Note: 'Hits Needed' is the number of compliant members needed to reach MPL For CDC H9* A lower rate indicates better performance therefore the number of required numerators must decrease by the number shown.						

KERN HEALTH SYSTEMS
CHIEF EXECUTIVE OFFICER'S REPORT
April 15, 2021
BOARD OF DIRECTORS MEETING

COMPLIANCE AND REGULATORY ACTIVITIES

Compliance and Regulatory Affairs Report

The April Compliance and Regulatory Affairs Report showing February and March activities is included under attachments A and B to this report.

COVID-19 UPDATE

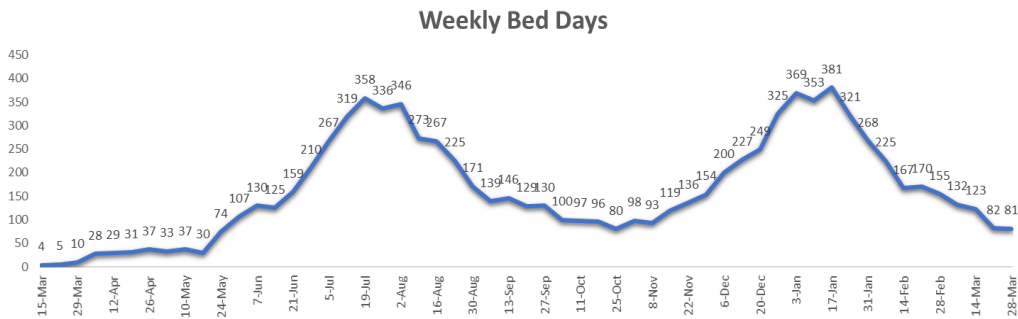
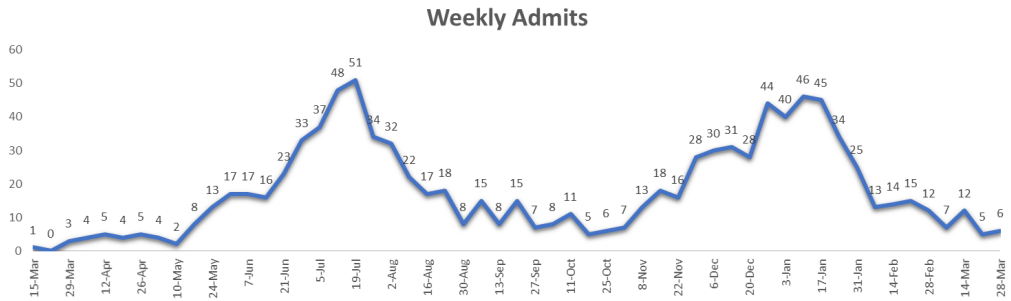
As KHS enters its 14th month of adjusting to the COVID-19 pandemic the response from federal, state, and local leadership remains fluid as circumstances change. Recent developments impacting KHS include:

Changing Trends Showing Deceleration in Cases

Since the beginning of April, Kern County has reported an average of 55.4 new cases per day, a 35.9% decrease from two weeks prior. The number of hospital admissions are dropping as well. For KHS, total COVID related weekly hospital admissions have gone down and cumulative weekly COVID related bed days for the same period have dropped as well.

As shown in the graph below trends continue lower decreasing significantly from January's peak. As of the end of March, KHS shows single digit cumulative weekly admissions for the first time since May 2020. Cumulative weekly hospital days have dropped below 100 starting in the 3rd week of March. Again, this has not been seen since May 2020.

Kern Health Systems
 Board of Directors Meeting
 CEO Report – April 2021
 Page 2 of 8



California is aiming to fully reopen its economy June 15, more than a year after the COVID-19 pandemic upended the lives and businesses of millions across the state. Officials emphasize the move hinges on two factors: a sufficient vaccine supply and stable and low hospitalization numbers. There also will not be a full return to pre-pandemic life. Notably, California’s mask mandate will remain in place.

Vaccine Distribution and Monitoring

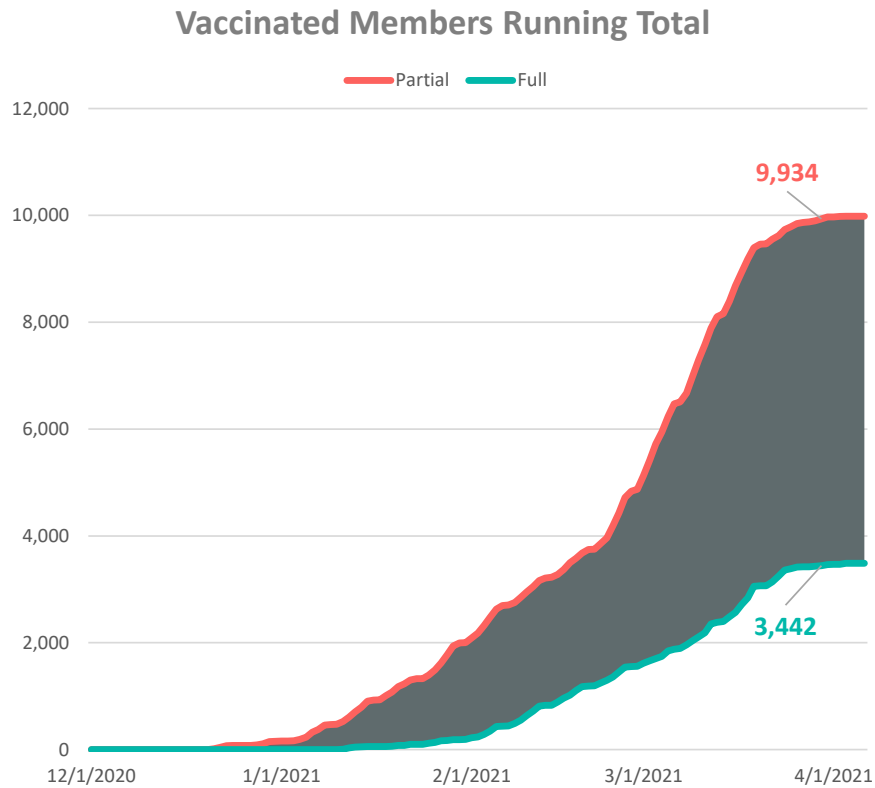
With the focus shifting toward vaccination rates, in Kern County, 24.6% of residents have received at least one dose and 13.8% are fully vaccinated. On average 5,400 doses per day have been given out as reported by California Department of Public Health. This number is considered low due to

Kern Health Systems
Board of Directors Meeting
CEO Report – April 2021
Page 3 of 8

delays in data collection with more recent days being under reported. Overall, vaccine trends are steadily increasing as more people become eligible to receive their vaccine.

Because KHS members may receive their vaccination from any number of locations, tracking the results is extremely difficult. KHS gets its information from several sources which needs to be “scrubbed” for duplication so as not to overstate the results. These sources include:

- Patient encounter claims from physicians administering shots
- Pharmacy Benefits Mgr. (PBM) representing payments to pharmacies
- Department of Health Care Services data files from information submitted from various providers
- California Immunization Registry (CAIRS) log on site listing vaccine recipients



Kern Health Systems
Board of Directors Meeting
CEO Report – April 2021
Page 4 of 8

Our vaccine eligible membership as of 4/1/21 (over 16 years of age with a medical condition and all members over 50 years of age) is 66,500. For a variety of reasons, vaccination rates for our eligible members are below the County average for both partial and full vaccination. Besides the fragmented reporting and tracking system noted above, it is known that some minority populations are more reluctant than others to being vaccinated. Compared to the countywide population, KHS's membership consists of a higher percentage of this population which could be largely responsible for the lower vaccination rate.

Member Communication and Education Strategy

Recognizing this challenge means every effort is made to inform and encourage members to get vaccinated. A member outreach program called the COVID-19 Vaccine Communication Plan was created to identify, educate, and encourage members to get vaccinated. Using a variety of communication channels, the outreach program would target members who qualify to receive their vaccine. These channels include:

1. Corporate website and member portal
2. Member's on hold message when calling in
3. IVR non-bypass message
4. Member facing staff
5. Social Media
6. Robocalling
7. Member Mailing
8. Member Newsletter

As new eligibility tiers are added, messaging may be modified to uniquely address the newly eligible population. However, the basic theme of information and encouragement remains constant. The content covers:

- How a member may find out if they meet the opened tier criteria
- Where the member may receive the vaccine
- What to expect when they get the first dose and when to expect to receive the second dose
- Why two doses may be necessary
- Address and dispel fears and myths of the vaccine

A recently added approach is to work with culturally based, community based and faith-based organizations with common constituents. The idea is twofold: First, there is no wrong approach

Kern Health Systems
Board of Directors Meeting
CEO Report – April 2021
Page 5 of 8

for communicating the importance of becoming vaccinated and second, build on the integrity and trust of others to help get your message across. Examples of some of the communication material are shown under attachments C, D, E.

PROGRAM DEVELOPMENT ACTIVITIES (UPDATES)

RX Carve-Out

In late February DHCS announced an indefinite delay of the Pharmacy Carve-Out. DHCS has stated publicly that the delay is due to the need to review the conflict avoidance protocols of the vendor selected (Magellan). The concerns arose from a proposed acquisition of Magellan by Centene corporation, which has subsidiary companies that operate in Medi-Cal. DHCS' review aims to ensure that there will be acceptable firewalls between the corporate entities to protect the pharmacy claims data of all Medi-Cal beneficiaries, and to protect other proprietary information. As a result of the delay, DHCS has sent an informational notice to all members. Additionally, KHS has updated relevant internal and external materials as appropriate. DHCS has committed to providing an update in May on the future timing of this transition.

Interoperability

In March 2020 CMS finalized their "Interoperability" rule which requires health plans to provide member data to 3rd parties upon receiving consent from the member. These 3rd parties could be other healthcare providers, health plans, or apps the member would like to share their data with. Plans have until 7/1/21 to come into compliance with the rules. KHS is currently undertaking this work internally and is on track for implementation. This includes work on data sharing, member/provider portal updates, and internal policies and procedures.

LEGISLATIVE SUMMARY UPDATE

State Legislative

The State Legislature is in full swing, with bills being heard in both budget and policy committees. An aggressive number of bills have been introduced, resulting in many bills being tracked. Some items are repeats from previous years, such as expanding Medi-Cal to additional undocumented

Kern Health Systems
Board of Directors Meeting
CEO Report – April 2021
Page 6 of 8

immigrants and bills related to CalAIM. Other bills are related to Health Information Exchange, Telehealth flexibilities, establishing a single-payor system, creating new benefit coverages under Medi-Cal, and more. KHS staff are working with internal subject-matter experts and with our trade associations on relevant bills. The legislative process will continue through the Summer. A full list of bills being tracked is shown under Attachment F.

KHS APRIL 2021 ENROLLMENT

Medi-Cal Enrollment

As of April 1, 2021, Medi-Cal enrollment is 196,000 which represents an increase of 0.6% from March enrollment

Seniors and Persons with Disabilities (SPDs)

As of April 1, 2021, SPD enrollment is 14,100, which represents an increase of 0.13% from March enrollment.

Expanded Eligible Enrollment

As of April 1, 2021, Expansion enrollment is 74,833, which represents an increase of 1.8% from March enrollment.

Kaiser Permanente (KP)

As of April 1, 2021, Kaiser enrollment is 11,519 which represents an increase of 1.5% from March enrollment.

Total KHS Medi-Cal Managed Care Enrollment

As of April 1, 2021, total Medi-Cal enrollment is 296,452 which represents an increase of 0.9% from March enrollment.

Kern Health Systems
 Board of Directors Meeting
 CEO Report – April 2021
 Page 7 of 8

Membership as of Month of Eligibility	FAMILY	SPD	EXPANSION	KP	BABIES	Member Total
2017-12	170,426	13,297	57,487	7,933	447	249,590
2018-12	172,772	13,637	59,233	8,371	478	254,491
2019-12	175,838	14,368	60,961	9,044	429	260,640
2020-03	175,729	14,538	60,604	9,222	429	260,522
2020-06	181,572	14,455	64,011	9,665	422	270,125
2020-09	187,207	14,363	67,862	10,393	464	280,289
2020-12	191,635	14,260	70,853	10,916	403	288,067
2021-03	194,466	14,081	73,515	11,349	383	293,794
2021-04	195,602	14,100	74,833	11,519	398	296,452

Enrollment Note

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

KHS ADMINISTRATIVE INITIATIVES

Provider Relations Credentialing

Type	March	April (projected)
Initial	30	35
Re-credentialing	31	30
New Vendors	4	7

Kern Health Systems
Board of Directors Meeting
CEO Report – April 2021
Page 8 of 8

Marketing/Public Relations

KHS will share sponsorship in the following activities:

- KHS continues to support the Kern River Valley COVID-19 County Testing Site at Kern Valley Hospital by providing a tent, portable heaters/coolers and food/beverages for staff. The site was opened on May 27, 2020 and it's still operational. The contributions have totaled \$61,000.
- KHS donated \$2,500 to Wind Wolves Preserve to support COVID safety practices during their Spring Festivities.
- KHS donated \$1,000 to Bakersfield ARC (BARC) for their event honoring the retirement of Jim Baldwin. BARC is the premier educational and work services site for adults with intellectual and developmental disabilities in Kern County.
- KHS donated \$2,500 to the Kern Economic Development Corporation for the 2021 Economic Summit.
- KHS donated \$5,000 to the United Way of Kern County for the 7th Annual A Chocolate Affair benefitting early childhood education.

No community events are scheduled in April or May due to the Governor's order disallowing large gatherings.

Member Newsletter

Shown under Attachment G is the Spring 2021 Member Newsletter.

Employee Newsletters

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

- [Keeping Up With KHS - 22nd Edition February 2021 \(campaign-archive.com\)](https://campaign-archive.com)
- [Keeping Up With KHS - 23rd Edition March 2021 \(campaign-archive.com\)](https://campaign-archive.com)



Compliance and Regulatory Affairs Update
Board of Directors Meeting

Carmen Dobry, M.S., CHC
Director of Compliance and Regulatory Affairs
April 15, 2021
Attachment A

STATE REGULATORY AFFAIRS

All Plan Letters and Regulatory Guidance released since the February 11th Board meeting:

- Department of Health Care Services (DHCS) released four All Plan Letters that were relevant to the Plan
 - APL21-002 Cost Avoidance – The purpose of the APL is to provide clarification and guidance to Medi-Cal managed care health plans (for cost avoidance and post-payment recovery requirements when an MCP member has other health coverage).
 - APL21-003 Medi-Cal Network Provider and Subcontractor Terminations - The APL clarifies the obligations of Medi-Cal managed care health plans when terminating or initiating terminations of contractual relationships between MCPs, Network Providers, and Subcontractors.
 - APL20-004 (Revised) Emergency Guidance for Medi-Cal Managed Care Health Plans in Response to COVID-19 - The revised APL highlights the Plan's obligation regarding the provision of "Aid Paid Pending" when a Member has filed an appeal or requested a State Fair Hearing.
 - APL20-022 (Revised) COVID-19 Vaccine Administration - The revised update included new eligible populations for the COVID-19 vaccine and other Plan requirements related to communications with Members and Providers.

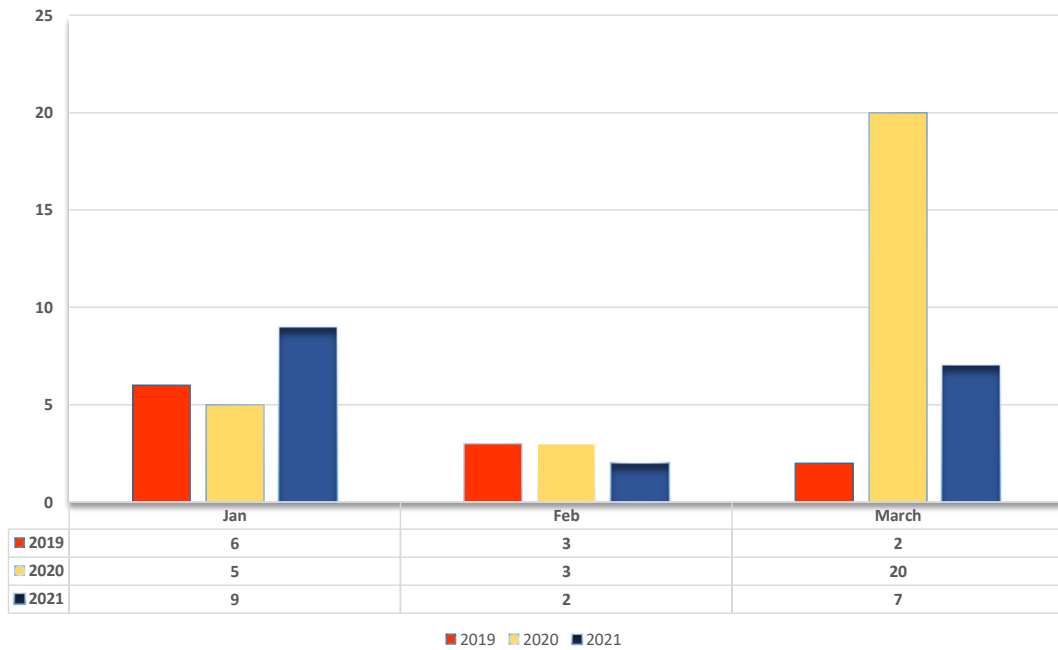
All Plan Letters and Regulatory Guidance released since the February 11, 2021 Board meeting, continued:

- The Department of Managed Care Services DMHC released four All Plan Letters that were relevant to the Plan
 - APL 21-010 Provider Directory Annual Filing Requirements - Health Care Services Plans are to annually submit provider directory policies and procedures to the Department of Managed Health Care.
 - APL 21-011 – New Federal Guidance Regarding COVID-19 Testing – The APL clarifies that health plans must cover COVID-19 diagnostic tests for asymptomatic enrollees who have no known or suspected exposure to COVID-19 when a licensed or authorized health care provider administers or has referred the enrollee for such a test.
 - APL 21-012 - COVID-19 Vaccine Prioritization - The purpose of this APL is to ensure health care service plans take all appropriate steps to help enrollees at the very highest risk receive COVID-19 vaccinations in a timely and efficient manner.



Regulatory All Plan Letters and Guidance Received for 2021 Attachment B

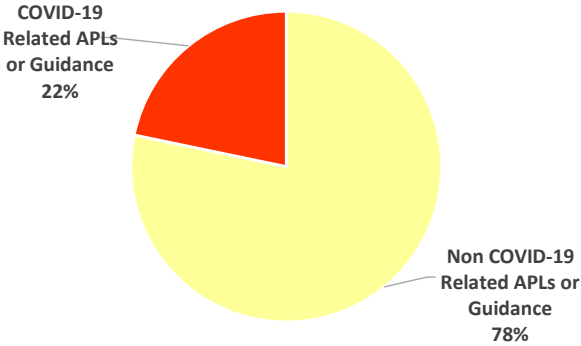
Number of Regulatory All Plan Letters and Guidance Letters Received by the Plan



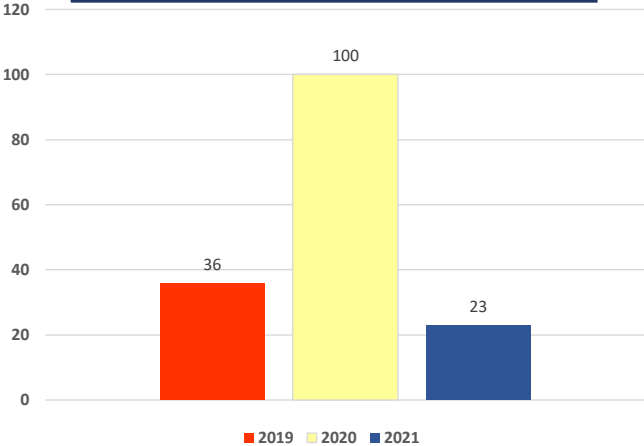
Continued...

Regulatory All Plan Letters and Guidance COVID-19 Impact 2021

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



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



Number of Regulatory Reports Sent to Government Agencies for February and March 2021

REGULATORY AGENCY	February 2021	March 2021
DHCS	12	8
DMHC	6	2

2020 Non-Routine Survey by the Department of Managed Health Care

March 31, 2021 Update

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





Compliance Department: Fraud, Waste, & Abuse Activity for February and March 2021

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

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

Providers

The Plan received five requests for information from the State Medi-Cal Program Integrity Unit related to potential provider fraud, waste, or abuse. Additionally, during the same time period, the Plan received an information request from the US Department of Justice regarding a Provider. Reports were sent to each regulatory entity as requested.

Members

During February and March 2021, the Plan received a request for information regarding a former Plan Member by the State Medi-Cal Program Integrity Unit. The report was sent to State.

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

Continued...



Compliance Department: HIPAA Breach Activity for February and March 2021

Summary of Potential Protected Health Information (“PHI”) Disclosures for February and March 2021

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

In February and March 2021, the Compliance Department investigated and reported eight individual alleged privacy concerns. Seven were closed as non-breaches and one incident is still in process with the DHCS.

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

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

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

Members

During the months of February and March 2021, the Compliance Department did not receive any allegations of Fraud, Waste, or Abuse related to Plan Members.

Providers

During the months of February and March 2021, the Compliance Department received one allegations of fraud, waste, or abuse involving a Plan Provider. The case is related to a grievance filed by a Member and the Plan investigated the incident and found it unsubstantiated.

Compliance Education and Presence



Newsletters

The Compliance Department produces monthly newsletters to relay various Compliance topics to all staff. The February 2021 newsletter topic was *“Auditing and Monitoring”* and for March 2021, the newsletter topic was *“Who’s Responsible for Compliance?”*

Vaccinate KERN

Attachment C

Vaccination Location List provided by the Kern County Public Health Services Department. Visit the KCPHSD website at www.kernpublichealth.com, or call them at (661) 321-3000 for the most current information.

Facility Name	Address	City	Phone Number	Online Registration
Adventist Health Delano	1401 Garces Hwy.	Delano		https://www.adventisthealth.org/delano/
Adventist Health Tehachapi Valley	1100 Magellan Dr.	Tehachapi	661-771-8401	https://web.production.gyantts.com/?org=adv-fd
Adventist Health Tehachapi Valley - Mobile	Various Locations	Kern County Locations	442-320-3048	https://web.production.gyantts.com/?org=adv-fd
Arvin Medical Clinic	146 North Hill Street	Arvin	661-855-4468	
Arvin Veteran's Hall	414 4th Avenue	Arvin	1-833-422-4255	https://myturn.ca.gov/
Auburn Pharmacy	5645 Auburn St.	Bakersfield	661-871-8881	
Bakersfield College Student Health & Wellness Center	1801 Panorama Dr., Lenvinson Hall, #34	Bakersfield	661-395-4336	https://www.bakersfieldcollege.edu/studenthealth/clinic
Bakersfield Heart Hospital	3001 Sillect Avenue	Bakersfield	661-852-6301	
Bartz-Altadonna CHC	9300 N. Loop	California City	661-874-4438	https://bartz-altadonna-chc.org/covid-vaccines-reg-forms
Brimhall Primary Care Clinic	8325 Brimhall Road, Suite 100A	Bakersfield	661-589-0003	https://www.universalurgentcare.com/index.html
Cal State University Bakersfield	9001 Stockdale Highway	Bakersfield	1-877-813-7312	https://myturn.ca.gov/
Carepharm Pharmacy	4700 Panama Lane, Suite 116	Bakersfield	661-836-7557	
Centennial Medical Group	1801 16th St.	Bakersfield	661-326-8989	
Central Valley Occupational Bakersfield	4100 Truxtun Avenue, Suite 200	Bakersfield	661-632-1540	
Central Valley Occupational Delano	1427 S. Lexington St.	Delano	661-725-1094	
Centric Urgent Care	4531 Buena Vista, Suite 100	Bakersfield	661-865-5600	
Clinica Sierra Vista	Various Locations	Kern County Locations		https://www.clinicasierravista.org/
Comprehensive Blood and Cancer Center	6501 Truxtun Avenue	Bakersfield	661-322-2206	
Curex Pharmacy	3008 Sillect Avenue, Suite 180	Bakersfield	661-489-4322	
CVS Pharmacy	Various Locations	Kern County Locations		www.cvs.com/vaccine/intake/store/covid-screener/covid-qns
Express Pharmacy #7	3400 Calloway Dr., Suite 302	Bakersfield	661-829-7870	www.expvax19.com
Express Pharmacy #8	9902 Brimhall Road, Suite 100	Bakersfield	661-829-7861	www.vaxnow.net
Hina's Home Care Pharmacy	9508 Stockdale Hwy. 130	Bakersfield	661-664-7979	www.hinarx.com
Hina's Mercy Southwest Pharmacy	500 Old River Road, Suite 125	Bakersfield	661-663-0977	www.hinarx.com
Hina's Pharmacy	6300 White Lane, Suite N	Bakersfield	661-282-8805	www.hinarx.com
Industrial Medical Group	2501 G Street	Bakersfield	661-327-2225	
Kern County Fairgrounds	1142 South P St.	Bakersfield	1-833-422-4255	https://myturn.ca.gov/
Kern Medical	1700 Mt. Vernon Avenue	Bakersfield	661-326-2000	clinic@kernmedical.com
Komoto Medical Pharmacy Bakersfield	2110 Truxtun Avenue	Bakersfield		www.komotopharmacy.com
Komoto Medical Pharmacy	1017 Ellington St.	Delano		www.komotopharmacy.com
KVHD MobileCare	6412 Laurel Avenue	Lake Isabella	442-320-3048	
Lamont Primary Care Clinic	10200 Main St.	Lamont	661-845-1788	
Memorial Occupational	3838 San Dimas, Suite B100	Bakersfield	661-326-0088	
Ming and H Drugs	1717 Ming Avenue	Bakersfield	661-831-4050	
Ming Primary Care Clinic	2734 Ming Avenue	Bakersfield	661-397-0100	https://www.universalurgentcare.com/index.html
Niles Children's Clinic	6055 Niles St.	Bakersfield	661-363-0436	https://nileschildrensclinic.com/

Vacunar a KERN

Lista de lugares de vacunación proporcionada por el Departamento de Servicios de Salud Pública del Condado de Kern (KCPHSD, por sus siglas en inglés). Puede visitar el sitio web de KCPHSD en www.kernpublichealth.com, o llámeles al (661) 321-3000 para obtener la información más actualizada.

Facility Name	Address	City	Phone Number	Online Registration
Niles Family Medicine	6025 Niles St.	Bakersfield	661-404-4744	
Niles Primary Care Clinic	2123 Niles St.	Bakersfield	661-546-9046	https://www.universalurgentcare.com/index.html
OMNI Family Health	Various Locations	Kern County Locations	1-800-300-OMNI (6664)	
Optimal Home Health	1227 Chester Avenue	Bakersfield	661-410-4000	
Pediatrics for All	2700 F St., Suite 210	Bakersfield	661-631-2229	
Phast Pharmacy	1121 W. Columbus St.	Bakersfield	661- 578-6500	
Polyclinic Medical Center Inc.	2145 Niles St.	Bakersfield	661-327-5984	
Premier Family Health Care	3300 Buena Vista Road, Building K	Bakersfield	661-664-1682	
Priority Urgent Care	2509 Mt. Vernon Avenue	Bakersfield	661-556-4777	https://www.solvehealth.com
Purpose Driven Home Health	2200 Oak St.	Bakersfield	661-345-4701	
Ridgecrest Regional Hospital	1081 N. China Lake Blvd.	Ridgecrest	833-216-6663	
Rite Aid Stores	Various Locations	Kern County Locations		http://ritea.id/california
Rosamond Hummell Hall	2500 20th St. West	Rosamond	1-833-422-4255	https://myturn.ca.gov/
RX Pharmacy	3101 N. Sillect Ave, Suite 115	Bakersfield	661-489-5309	
Save Mart Pharmacy	9600 Hageman Road	Bakersfield		https://www.SaveMart.com/Pharmacy
Sav-on Pharmacy #377	13045 Rosedale Hwy.	Bakersfield		https://kordinator.mhealthcoach.net/vcl/1609799675225
Sav-on Pharmacy #0336	1520 Brundage Avenue	Bakersfield		https://kordinator.mhealthcoach.net/vcl/1609800193146
Sav-on Pharmacy #331	927 S. China Lake Blvd.	Ridgecrest		https://kordinator.mhealthcoach.net/vcl/1609798048494
Sav-on Pharmacy #1347	775 S. Tucker Road	Tehachapi		https://kordinator.mhealthcoach.net/vcl/1609798645832
Southwest Pediatrics	9802 Stockdale Hwy., Suite 103	Bakersfield	661-663-4444	
Susan Hall, MD	432 West J St., Suite A	Tehachapi	661-822-4421	
The Drug Store	111 Piute Drive	Kernville	760-376-2216	
Universal Urgent Care and Occupational Medicine	8303 Brimhall Road, Bldg. 1500	Bakersfield	661-679-6672	https://www.universalocmed.com/
Universal Urgent Care - Brimhall	8325 Brimhall Road, Suite 100	Bakersfield	661-679-6720	https://www.universalurgentcare.com/index.html
Universal Urgent Care - Ming	2728 Ming Avenue	Bakersfield	661-885-9900	https://www.universalurgentcare.com/index.html
Universal Urgent Care - Niles	2121 Niles St.	Bakersfield	661-325-1255	https://www.universalurgentcare.com/index.html
Vanguard Medical - Shafter	565 Kern St.	Shafter	661-746-4937	
Vanguard Medical - Wasco	845 7th St.	Wasco	661-459-1000	
Vasinda's Around the Clock, Inc	5251 Office Park Dr., Suite 400	Bakersfield	661-395-5800	
VIPMD	2901 Sillect Avenue, Suite 201	Bakersfield	661-327-2101	www.vipmd.com
Vons Pharmacy #2033	4500 Coffee Road	Bakersfield	661-589-1484	https://kordinator.mhealthcoach.net/vcl/1609182320426
Vons Pharmacy #2420	9000 Ming Avenue	Bakersfield		https://kordinator.mhealthcoach.net/vcl/1609801195649
Walgreens	Various Bakersfield Locations	Bakersfield		http://www.walgreens.com/schedulevaccine
Wasco Veteran's Hall	1202 Poplar Avenue	Wasco	1-833-422-4255	https://myturn.ca.gov/
West Side Family Health Care	100 E. North St.	Taft	661-765-1935	
Wonderful Center for Health Innovation - Lost Hills	13646 Hwy. 33	Lost Hills	661-797-6607	

COVID-19 Vaccine MYTHS vs FACTS

MYTHS:

• The vaccine will give you COVID-19



• Safety was sacrificed for speed.



• I don't need the vaccine if I already had COVID-19.

• After getting a COVID-19 vaccine I will test positive for COVID on a viral test.



• The COVID-19 vaccine will alter my DNA.

• The COVID-19 vaccine is not safe if I would like to have a baby one day.



FACTS:

• The current vaccines don't include the virus in any form:
• no live virus • no weakened virus
• no dead virus

• Research about other coronaviruses gave science a head start.

• Clinical trials, logistical planning and other steps to ensure safety and efficacy happened at the same time instead of one after another.

• We don't know how long people will have immunity after getting COVID-19.

• There are a few cases of people getting COVID-19 twice.

• Even if you had COVID-19 and recovered, you will benefit from the vaccine.

• No, COVID-19 vaccines in the United States can't cause you to test positive on viral tests, which are used to see if you have a current infection.

• COVID-19 mRNA vaccines do not change or interact with your DNA. mRNA vaccines teach our cells how to make a protein that triggers an immune response.

COVID-19 mRNA vaccines work with the body's natural defenses to safely develop immunity to disease.

• The COVID-19 vaccine is safe for people who want to get pregnant in the future.

There is currently no evidence that antibodies formed from COVID-19 vaccination cause any problems with pregnancy, including the development of the placenta.



For more information, visit [kernpublichealth.com](https://www.kernpublichealth.com)

Vacuna para el COVID-19

MITOS vs HECHOS

MITOS:

• La vacuna le dará COVID-19



• Se sacrificó la seguridad por la velocidad.



• No necesito la vacuna si ya tuve COVID-19.

• Después de recibir la vacuna COVID-19, daré positivo para COVID en una prueba viral.



• La vacuna COVID-19 alterará mi ADN.

• La vacuna COVID-19 no es segura si quisiera tener un bebé algún día.



HECHOS:

• Las vacunas actuales no incluyen el virus en ninguna forma:

- sin virus vivo
- sin virus muerto
- sin virus debilitado

• La investigación sobre otros coronavirus dio a la ciencia una ventaja.

• Los ensayos clínicos, la planificación logística y otros pasos para garantizar la seguridad y la eficacia se realizaron al mismo tiempo en lugar de uno tras otro.

• No sabemos cuánto tiempo tendrán inmunidad las personas después de contraer COVID-19.

• Hay algunos casos de personas que contraen COVID-19.

• Incluso si tuvo COVID-19 y se recuperó, se beneficiará de la vacuna.

• No, las vacunas COVID-19 en los Estados Unidos no pueden hacer que dé positivo en las pruebas virales, que se utilizan para ver si tiene una infección actual.

• Las vacunas de ARNm de COVID-19 no cambian ni interactúan con su ADN.

Las vacunas de ARNm enseñan a nuestras células cómo producir una proteína que desencadena una respuesta inmunitaria.

Las vacunas de ARNm de COVID-19 trabajan con las defensas naturales del cuerpo para desarrollar de manera segura la inmunidad a las enfermedades.

• La vacuna COVID-19 es segura para las personas que desean quedar embarazadas en el futuro.

Actualmente no hay evidencia de que los anticuerpos formados por la vacunación COVID-19 causen problemas con el embarazo, incluido el desarrollo de la placenta.



We're Here For You.

Dear Kern Family Health Care (KFHC) Member,

As you know, the Kern County Public Health Services Department (KCPHSD) is giving the COVID-19 vaccine in phases. We have good news for you! According to our records, **it's your turn** to receive the vaccine at no cost.

We want to help you know more about the COVID-19 vaccine, why you should get the vaccine, and where you can go to get it.

Here are just a few facts about how safe the COVID-19 vaccines are:

1. It will not give you the COVID-19 virus.
2. It will not cause you to test positive for the COVID-19 virus.
3. You should get the COVID-19 vaccine even if you had the COVID-19 virus.
4. It will help protect you from getting sick with COVID-19. Two doses may be needed.
5. It will not alter your DNA.

Here is what you should expect when you get the COVID-19 vaccine and why you should get it:

1. You should get a card that tells you the name of the vaccine, the date, and where you got it.
2. You will get a printout about the vaccine.
3. If needed, you will be told when to come back for the second dose. You will not be fully protected until after your second dose.
4. You need to keep wearing a mask, follow social distance guidelines and wash your hands.
5. You may have side effects such as pain and swelling on your skin where you got the vaccine. You may also feel tired, get chills, have a fever or a headache. These side effects should go away after a day.
6. Getting the vaccine is a good tool that will help stop the pandemic.

see other side



"I was lucky to receive my COVID-19 vaccine and I would like all Kern Family Health Care members to do the same to help protect you from getting COVID-19. The vaccines were carefully studied and found to be safe and effective according to the CDC."

Dr. Martha Tasinga, a Board-Certified Family Practice Doctor with Master's Degrees in both Public Health and Business Administration, is the Chief Medical Officer at KFHC. She has served many health care organizations throughout Southern California and she's committed to ensuring KFHC members receive medical services of the highest quality.

Here is where you get the vaccine

We included a list of locations that are giving the COVID-19 vaccine. The vaccine supply and where you can get it may change so please call the site to be sure they still have it and to make your appointment. You can also schedule an appointment with My Turn online at www.myturn.ca.gov or by calling 1-833-422-4255 (Monday-Friday, 8am-8pm, Saturday-Sunday, 8am-5pm). For more information, please visit the KCPHSD website at www.kernpublichealth.com or call 661-321-3000 (Monday-Friday 8am-5pm).

How to get a ride to your vaccine appointment

As a KFHC member, your transportation benefit covers round trip, non-medical transportation such as bus passes, GET On-Demand, rideshare, and mileage reimbursement to and from your COVID-19 Vaccine appointment. Just call 1-800-391-2000 and select option 3 to request transportation.

If you need help, please call the Kern Family Health Care Member Services Department at 1-800-391-2000. We can work with you to protect you and end the COVID-19 pandemic!



1-800-391-2000
kernfamilyhealthcare.com



Kern Family Health Care complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-800-391-2000. 注意: 如果您使用繁體中文, 您可以免費獲得語言援助服務。請致電 1-800-391-2000。(TTY: 711)



Estamos Aquí Para Tí.

Estimado Miembro de Kern Family Health Care (KFHC),

Como usted ya sabe, el Departamento de Servicios de Salud Pública del Condado de Kern (KCPHSD, por sus siglas en inglés) está administrando la vacuna contra el COVID-19 en fases. ¡Tenemos buenas noticias para usted! Según nuestros registros, es su turno de recibir la vacuna sin costo alguno.

Queremos ayudarle a conocer más sobre la vacuna contra el COVID-19, por qué usted debe vacunarse y a dónde puede ir para recibirla.

Estos son solo algunos datos sobre qué tan seguras son las vacunas contra el COVID-19:

1. La vacuna no le dará el virus del COVID-19.
2. No causará que usted de positivo a la prueba del COVID-19.
3. Debe recibir la vacuna contra el COVID-19 incluso si usted ya tuvo el virus.
4. La vacuna le ayudará a protegerse de enfermarse con el COVID-19. Es posible que necesite dos dosis.
5. No alterará su ADN.

Esto es lo que debe esperar cuando reciba la vacuna contra el COVID-19 y por qué debería recibirla:

1. Usted debe obtener una tarjeta que le indique el nombre de la vacuna, la fecha y dónde la recibió.
2. Recibirá un documento impreso sobre la vacuna.
3. Se le dirá cuándo debe regresar para la segunda dosis, si es necesario. No estará completamente protegido hasta después de su segunda dosis.
4. Usted necesita seguir usando una mascarilla, seguir las normas de distanciamiento social y lavarse las manos.
5. Es posible que tenga efectos secundarios como dolor e hinchazón en el área de la piel donde usted recibió la vacuna. También es posible que se sienta cansado, le den escalofríos, tenga fiebre o un dolor de cabeza. Estos efectos secundarios deben desaparecer después de un día.
6. Recibir la vacuna es una buena herramienta que ayudará a detener la pandemia.

vea al reverso



“Tuve la suerte de recibir mi vacuna contra el COVID-19 y me gustaría que todos los miembros de Kern Family Health Care hicieran lo mismo para ayudar a protegerse contra el COVID-19. Las vacunas fueron estudiadas cuidadosamente y se encontró que son seguras y efectivas según los Centros para el Control y la Prevención de Enfermedades (CDC, por sus siglas en inglés)”.

La Dra. Martha Tasinga, una doctora de medicina familiar certificada con títulos de maestría en salud pública y administración de empresas, es la directora médica principal de KFHC. Ella ha formado parte de muchas organizaciones de cuidado de la salud por todo el sur de California y está comprometida en asegurar que los miembros de KFHC reciban servicios médicos de la más alta calidad.

Aquí es donde usted recibe la vacuna

Hemos incluido una lista de los centros que están administrando la vacuna contra el COVID-19. El suministro de la vacuna y a dónde puede ir a recibirla pueden cambiar, así que llame al centro para asegurarse de que todavía la tengan y para hacer su cita. Usted también puede programar una cita en línea en My Turn en la página www.myturn.ca.gov o llamando al 1 (833) 422-4255 (de lunes a viernes de 8am a 8pm, sábado y domingo de 8am a 5pm). Para obtener más información, por favor visite la página web del Departamento de Servicios de Salud Pública del Condado de Kern (KCPHSD) en www.kernpublichealth.com o llame al (661) 321-3000 (de lunes a viernes de 8am a 5pm).

Cómo obtener transporte a su cita de la vacuna

Como miembro de KFHC, su beneficio de transporte cubre el viaje de ida y vuelta, el transporte no médico, como pases de autobús, servicios de transporte de GET On-Demand, viaje compartido (Rideshare) y el reembolso de millaje de ida y vuelta a su cita de la vacuna contra el COVID-19. Solo llame al 1 (800) 391-2000 y elija la opción 3 para solicitar transporte.

Si necesita ayuda, por favor llame al Departamento de Servicios para Miembros de Kern Family Health Care al 1-800-391-2000. ¡Podemos trabajar con usted para protegerlo y darle fin a la pandemia del COVID-19!



1-800-391-2000
kernfamilyhealthcare.com



Kern Family Health Care cumple con las leyes federales de derechos civiles aplicables y no discrimina por motivos de raza, color, nacionalidad de origen, edad, discapacidad o sexo. ATENCIÓN: Si habla un idioma que no sea inglés, los servicios de asistencia lingüística, sin cargo, están disponibles para usted. Llame al 1-800-391-2000 (TTY: 711). ATENCIÓN: Si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-800-391-2000 (TTY: 711). 注意：如果您使用繁體中文，您可以免費獲得語言援助服務。請致電 1-800-391-2000。(TTY: 711)

Attachment F

California Legislative Summary for April 2021

Title	Description	Status
AB 4 (Arambula)	<p>Would, effective January 1, 2022, extend eligibility for full scope Medi-Cal benefits to anyone regardless of age, and who is otherwise eligible for those benefits but for their immigration status, pursuant to an eligibility and enrollment plan. The bill would require the eligibility and enrollment plan to ensure that an individual maintains continuity of care with respect to their primary care provider, as prescribed, would provide that an individual is not limited in their ability to select a different health care provider or Medi-Cal managed care health plan, and would require the department to provide monthly updates to the appropriate policy and fiscal committees of the Legislature on the status of the implementation of these provisions.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB4</p>	<p>LHPC Support</p> <p>01/11/21 - Referred to Com. on HEALTH.</p>
AB 32 (Aguiar-Curry)	<p>This bill would require telehealth payment parity provisions to apply to Medi-Cal managed care plans. The bill would subject county organized health systems, and their subcontractors, that provide services under the Medi-Cal program to the above-described Knox-Keene requirements relative to telehealth. The bill would authorize a provider to enroll or recertify an individual in Medi-Cal programs through telehealth and other forms of virtual communication, as specified.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB32</p>	<p>02/16/21 - Re-referred to Com. on HEALTH.</p>
AB 112 (Holden)	<p>Would require the suspension of Medi-Cal benefits to an inmate of a public institution who is not a juvenile to end on the date they are no longer an inmate of a public institution or 3 years from the date they become an inmate of a public institution, whichever is sooner. The bill would also require the suspension of Medi-Cal benefits to an inmate of a public institution who is a juvenile on the date that the individual is no longer an inmate of a public institution or 3 years after the date the individual is no longer an eligible juvenile under federal law, whichever is sooner.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB112</p>	<p>03/25/21 - Read second time and amended.</p>

<p>AB 114 (Maienschein)</p>	<p>Would expand the Medi-Cal schedule of benefits to include rapid Whole Genome Sequencing, as specified, for any Medi-Cal beneficiary who is one year of age or younger and is receiving inpatient hospital services in an intensive care unit.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB114</p>	<p>02/24/21 - Re-referred to Com. on HEALTH.</p>
<p>AB 265 (Petrie-Norris)</p>	<p>Current law requires the State Department of Health Care Services to develop reimbursement rates for clinical or laboratory services according to specified standards, such as requiring that reimbursement to providers for those services not exceed the lowest of enumerated criteria, including 80% of the lowest maximum allowance established by the federal Medicare Program for the same or similar services. This bill would delete provisions relating to the above-specified 80% standard and would make conforming changes.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB265</p>	<p>03/24/21 - From committee: Do pass and re-refer to Com. on APPR.</p>
<p>AB 278 (Flora)</p>	<p>Makes conforming changes to the provisions that govern applying to be a provider in the Medi-Cal program, or for a change of location by an existing provider, to include a doctor of podiatric medicine licensed by the California Board of Podiatric Medicine.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB278</p>	<p>03/24/21 - From committee: Do pass and re-refer to Com. on APPR.</p>
<p>AB 342 (Gipson)</p>	<p>Would require a health care service plan contract or a health insurance policy, except as specified, that is issued, amended, or renewed on or after January 1, 2022, to provide coverage for a colorectal cancer screening examination and laboratory test, as specified. The bill would require the coverage to include additional colorectal cancer screening examinations as listed by the United States Preventive Services Task Force as a recommended screening strategy and at least at the frequency established pursuant to regulations issued by the federal Centers for Medicare and Medicaid Services for the Medicare program if the individual is at high risk for colorectal cancer.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB342</p>	<p>03/25/21 - Read second time and amended.</p>
<p>AB 368 (Bonta)</p>	<p>Requires the department to establish a pilot program for a 2-year period in 3 counties to provide food prescriptions to eligible Medi-Cal beneficiaries, including individuals who have a specified chronic health condition. The bill would require a Medi-Cal managed care plan or their contractor that participates in the pilot program to establish procedures for referring and enrolling eligible Medi-Cal beneficiaries in the pilot program. Requires the department to evaluate the pilot program upon its conclusion, to report to the Legislature on those findings.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB368</p>	<p>03/22/21 - Re-referred to Com. on HEALTH.</p>

<p>AB 369 (Kamlager)</p>	<p>Would prohibit prior auth or UM controls for COVID related services until 1/1/26.</p> <p>Requires the department to implement a program of presumptive eligibility for persons experiencing homelessness, under which a person would receive full-scope Medi-Cal benefits without a share of cost. The bill would authorize any enrolled Medi-Cal provider, including a health facility, such as a hospital or clinic, to make a presumptive eligibility determination for a person experiencing homelessness if that person gives their informed consent to receive Medi-Cal benefits, and would authorize the provider to issue a temporary Medi-Cal benefits ID card. If the county determines that the person experiencing homelessness is eligible for benefits, the bill would require the person to be enrolled in the Medi-Cal program's fee-for-service delivery system until they elect to enroll in a Medi-Cal managed care plan, as specified, including that they complete a Medi-Cal choice form with their chosen primary care provider.</p> <p>This bill would authorize Medi-Cal enrolled providers to bill the Medi-Cal program for Medi-Cal services that they render to people experiencing homelessness outside of traditional medical facilities, including street medicine teams, shelter-based care, or within transitional housing settings. The bill would authorize a provider to verify the Medi-Cal eligibility of a person experiencing homelessness through any system, including the Medi-Cal Eligibility Data System or the Homeless Management Information System. The bill would authorize a person experiencing homelessness to receive primary care services, and referrals for specialty care and diagnostics, from any Medi-Cal enrolled provider, would authorize any Medi-Cal enrolled provider to refer a patient for specialist care and diagnostics, and would require the department to reimburse for those services regardless of the care setting.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB369</p>	<p>03/22/21 - Re-referred to Com. on HEALTH.</p>
<p>AB 454 (Rodriguez)</p>	<p>Authorizes the Director of the Department of Managed Health Care to require a health care service plan to provide specified payments and support to a provider during and at least 60 days after the end of a declared state of emergency, as specified. The bill would require a health care service plan to provide all contracted capitation payments to its contracted network providers in the area of the declared emergency for the duration of the emergency and at least 60 days after its end.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB454</p>	<p>CAHP & LHPC Opposed</p> <p>02/18/21 - Referred to Com. on HEALTH.</p>

<p>AB 457 (Santiago)</p>	<p>Creates the TeleHealth Patient Bill of Rights, which would, among other things, protect the rights of a patient using telehealth to be seen by a health care provider with a physical presence within a reasonable geographic distance from the patient’s home, unless specified exceptions apply. The bill would require a health plan, as defined, to comply with the requirements in the Telehealth Patient Bill of Rights and to provide written notice to patients of all their rights under the Telehealth Bill of Rights. The bill would also exempt a health care service plan from the existing telehealth payment parity provisions for any interaction where the health care provider is not located within a reasonable geographic distance of the patient’s home, unless that provider holds specialized knowledge not available in the patient’s region.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB457</p>	<p>02/18/21 - Referred to Com. on HEALTH..</p>
<p>AB 470 (Carrillo)</p>	<p>This bill would prohibit the use of resources, including property or other assets, to determine eligibility under the Medi-Cal program to the extent permitted by federal law, and would require the department to seek federal authority to disregard all resources as authorized by the flexibilities provided pursuant to federal law.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB470</p>	<p>03/22/21 - Re-referred to Com. on HEALTH.</p>
<p>AB 540 (Petrie-Norris)</p>	<p>This bill would exempt a beneficiary who is enrolled in a PACE organization with a contract with the department from mandatory or passive enrollment in a Medi-Cal managed care plan. The bill would require, in areas where a PACE plan is available, that the PACE plan be presented as an enrollment option in the same manner as other managed care plan options, as specified.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB540</p>	<p>02/18/21 - Referred to Coms. on AGING & L.T.C. and HEALTH.</p>
<p>AB 552 (Quirk-Silva)</p>	<p>This bill would establish the Integrated School-Based Behavioral Health Partnership Program to provide prevention and early intervention for, and access to, behavioral health services for pupils. The bill would authorize a county behavioral health agency and the governing board or governing body of a local educational agency to agree to collaborate on and implement an integrated school-based behavioral health partnership program, to develop a memorandum of understanding outlining the requirements for the partnership program, and to enter into a contract for mental health or substance use disorder services.</p> <p>The bill would require a county behavioral health agency to provide, through its own staff or through its network of contracted community-based organizations, one or more behavioral health professionals that meet specified contract, licensing, and supervision requirements to serve pupils with serious emotional disturbances or substance use disorders, or who are at risk of developing a serious behavioral health condition.</p>	<p>03/29/21 - do pass as amended and re-refer to Com. on HEALTH.</p>

	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB552	
AB 586 (O'Donnell)	<p>This bill would establish, within the State Department of Education, the School Health Demonstration Project, a pilot project, to be administered by the department, in consultation with the State Department of Health Care Services, to expand comprehensive health and mental health services to public school pupils by providing training and support services to selected local educational agencies to secure ongoing Medi-Cal funding for those health and mental health services, as provided.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB586</p>	03/25/21 - Read second time and amended.
AB 601 (Fong)	<p>Spot bill on reimbursement rates.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB601</p>	02/12/21 - From printer. May be heard in committee March 14.
AB 671 (Wood)	<p>This bill would require the department to provide a disease management or similar payment to a pharmacy that the department has contracted with to dispense a specialty drug to Medi-Cal beneficiaries in an amount necessary to ensure beneficiary access, as determined by the department based on the results of the survey completed during the 2020 calendar year.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB671</p>	03/24/21 - From committee: Do pass and re-refer to Com. on APPR.
AB 685 (Maienschein)	<p>This bill would require health service plans and insurers to obtain an independent board-certified emergency physician review of the medical decision-making related to a service before denying benefits, reimbursing for a lesser procedure, reducing reimbursement based on the absence of a medical emergency, or making a determination that medical necessity was not present for claims billed by a licensed physician and surgeon for emergency medical services.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB685</p>	03/15/21 - Re-referred to Com. on HEALTH.
AB 797 (Wicks)	<p>Requires every health care service plan to provide coverage for the treatment of infertility. The bill would revise the definition of infertility, and would remove the exclusion of in vitro fertilization from coverage.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB797</p>	02/25/21 - Referred to Com. on HEALTH.

<p>AB 822 (Rodriguez)</p>	<p>This bill would expand mental health services to include observation services, as defined, for emergency psychiatric treatment when provided in an observation unit, as defined, subject to utilization controls. The bill would provide that observation services are not specialty mental health services, and would require a Medi-Cal managed health care plan or the fee-for-service Medi-Cal program to reimburse the provider for rendering those services.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB822</p>	<p>LHPC Oppose Unless Amended</p> <p>03/08/21 - Re- referred to Com. on HEALTH.</p>
<p>AB 875 (Wood)</p>	<p>This bill would require health-plan- and county-specific rates for specified Medi-Cal managed care plan contracts to include in lieu of services and settings provided by the Medi-Cal managed care plan. The bill would require each Medi-Cal managed care plan to disclose the availability of in lieu of services on its internet website and its beneficiary handbook, and to disclose to the department specified information on in lieu of services that are plan specific, including the number of people receiving those services.</p> <p>Would expand the schedule of benefits under the Medi-Cal program to include enhanced care management if the service is provided in person to a beneficiary and, at a minimum, the service includes coordinating primary, acute, behavioral, oral, and long-term services and supports for that person.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB875</p>	<p>02/25/21 - Referred to Com. on HEALTH.</p>
<p>AB 935 (Maienschein)</p>	<p>This bill would require health care service plans and health insurers, by July 1, 2022, to provide access to a telehealth consultation program that meets specified criteria and provides providers who treat children and pregnant and certain postpartum persons with access to a mental health consultation program, as specified. The bill would require the consultation by a mental health clinician with expertise appropriate for pregnant, postpartum, and pediatric patients to be conducted by telephone or telehealth video, and to include guidance on the range of evidence-based treatment options, screening tools, and referrals. The bill would require health care service plans and insurers to communicate information relating to the telehealth program at least twice a year in writing. The bill would require health care service plans and health insurers to monitor data pertaining to the utilization of the program to facilitate ongoing quality improvements, as necessary, and to provide a description of the program to the appropriate department.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB935</p>	<p>LHPC Oppose Unless Amended</p> <p>02/25/21 - Referred to Com. on HEALTH.</p>

<p>AB 1046 (Blanca Rubio)</p>	<p>This bill would require the California Health and Human Services Agency to consult with specified stakeholders from diverse geographical regions of the state to identify mechanisms to improve the state and counties' ability to effectively draw down Medi-Cal funding for evidence-based maternal-infant and early childhood home visiting encounters. The bill would require the agency to consider specified factors in identifying benefit authorities and scope of coverage for activities and services delivered by covered providers in fidelity with model requirements for evidence-based maternal, infant, and early childhood home visiting programs.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1046</p>	<p>03/04/21 - Referred to Com. on HEALTH.</p>
<p>AB 1050 (Gray)</p>	<p>This bill would require the application for enrollment to include a statement that if the applicant is approved for Medi-Cal benefits, the applicant agrees that the department, county welfare department, and a managed care organization or health care provider to which the applicant is assigned may communicate with them regarding their care or benefits through all standard forms of communication, including, but not limited to, Free to End User text messaging.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1050</p>	<p>03/04/21 - Referred to Com. on HEALTH.</p>
<p>AB 1064 (Fong)</p>	<p>This bill would recast the existing provision allowing pharmacists to administer COVID-19 vaccines to instead authorize a pharmacist to independently initiate and administer any vaccine approved or authorized by the United States Food and Drug Administration for persons 3 years of age and older.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1064</p>	<p>03/16/21 - Re-referred to Com. on HEALTH.</p>
<p>AB 1104 (Grayson)</p>	<p>Spot bill related to air ambulance reimbursement. Expecting amendments that would sunset the current supplemental payment structure and ultimately require air ambulance providers be reimbursed at 80% of Medicare rates.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1104</p>	<p>03/22/21 - Re-referred to Com. on HEALTH.</p>
<p>AB 1107 (Boerner Horvath)</p>	<p>Would require a health care service plan contract or a health insurance policy issued, amended, or renewed on or after January 1, 2022, that offers coverage for emergency ground medical transportation services to include those services as in-network services and would require the plan or insurer to pay those services at the contracted rate pursuant to the plan contract or policy.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1107</p>	<p>03/04/21 - Referred to Com. on HEALTH.</p>

<p>AB 1130 (Wood)</p>	<p>This bill would establish, within OSHPD, the Office of Health Care Affordability to analyze the health care market for cost trends and drivers of spending, develop data-informed policies for lowering health care costs for consumers, set and enforce cost targets, and create a state strategy for controlling the cost of health care and ensuring affordability for consumers and purchasers.</p> <p>The bill would require the director to establish a statewide health care cost target for total health care expenditures and specific targets by health care sector and geographic region. The bill would authorize the office to take progressive actions against health care entities for failing to meet the cost targets, including corrective action plans and escalating administrative penalties.</p> <p>The bill would require the office to set priority standards for various health care metrics, including health care quality and equity, alternative payment methods, primary care and behavioral health investments, and health care workforce stability.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1130</p>	<p>03/04/21 - Referred to Com. on HEALTH.</p>
<p>AB 1131 (Wood)</p>	<p>This bill would establish the statewide health information network (statewide HIN) independent governing board to provide the data infrastructure needed to meet California’s health care access, equity, affordability, public health, and quality goals, as specified. The bill would require the governing board to issue a request for proposals to select an operating entity with specified minimum capabilities to support the electronic exchange of health information between, and aggregate and integrate data from multiple sources within, the State of California, among other responsibilities. The bill would require the statewide HIN to convene a health technology advisory committee with specified membership to advise the statewide HIN and set agendas, hold public meetings with stakeholders, and solicit external input on behalf of the statewide HIN.</p> <p>The bill would also require a health care entity, including a hospital, health system, skilled nursing facility, laboratory, physician practice, health care service plan, health insurer, and the State Department of Health Care Services, to submit specified data to the operating entity. The bill would also require a health care service plan, health insurer, and a health care provider to collect and submit health equity data to the operating entity.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1131</p>	<p>03/29/21 - Amend, and re-refer to Com. on HEALTH.</p>
<p>AB 1132 (Wood)</p>	<p>This bill, the Health Care Consolidation and Contracting Fairness Act of 2021, would prohibit a contract issued, amended, or renewed on or after January 1, 2022, between a health care service plan or health insurer and a health care provider or health facility from containing terms that, among other things, restrict the plan or insurer from steering an enrollee or insured to another provider or facility or require the plan or insurer to contract with other affiliated providers or facilities.</p>	<p>03/25/21 - Amend, and re-refer to Com. on HEALTH.</p>

	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1132	
AB 1160 (Blanca Rubio)	<p>Effective for contract periods commencing on or after January 1, 2022, this bill would authorize Medi-Cal managed care plans to provide medically tailored meals to enrollees.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1160</p>	03/04/21 - Referred to Com. on HEALTH.
AB 1162 (Villapudua)	<p>This bill would require a health care service plan or health insurer to provide access to medically necessary health care services to its enrollees or insureds that are displaced or otherwise affected by a state of emergency. The bill would allow the department to also suspend requirements for prior authorization during a state of emergency.</p> <p>The bill would shorten the time requirements for a plan or insurer to pay or contest a claim for emergency or nonemergency services to 20 working days. The bill would likewise shorten the time limit for requesting additional information about a claim to 20 working days. The bill would require a plan or insurer to pay a provider any interest and fees that accrue from failure to pay a claim regardless of whether the department institutes an enforcement action against the plan or insurer. The bill would define concurrent review for these purposes, and would authorize telephone, videochat, or onsite conduct to qualify as a concurrent review activity. The bill would also prohibit a plan or insurer from recouping an alleged overpayment on one claim by deducting or withholding the amount of the alleged overpayment from another claim relating to the same or a different enrollee or insured.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1162</p>	03/04/21 - Referred to Com. on HEALTH.
AB 1214 (Waldron)	<p>This bill would make an individual incarcerated in the state prison or a county jail eligible for the Medi-Cal program for 30 days prior to the date they are released from the correctional facility if they have a chronic physical or behavioral health condition, a mental illness, or a substance use disorder.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1214</p>	03/25/21 - Amend, and re-refer to Com. on HEALTH.
AB 1231 (Levine)	<p>Spot bill on the health information exchange.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1231</p>	02/22/21 - Read first time.
AB 1254 (Gipson)	<p>This bill would require a health care service plan or a health insurance policy that is issued, amended, or renewed on or after January 1, 2022, that provides coverage for emergency health care services to include coverage for services performed by a mobile stroke unit, as defined by the bill.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1254</p>	03/04/21 - Referred to Com. on HEALTH.

<p>AB 1355 (Levine)</p>	<p>This bill would require the department to establish the Independent Medical Review System (IMRS) for the Medi-Cal program, commencing on January 1, 2022, which generally models the above-described requirements of the Knox-Keene Health Care Service Plan Act. The bill would provide that any Medi-Cal beneficiary grievance involving a disputed health care service is eligible for review under the IMRS, and would define “disputed health care service” as any service covered under the Medi-Cal program that has been denied, modified, or delayed by a decision of the department, or by one of its contractors that makes a final decision, in whole or in part, due to a finding that the service is not medically necessary.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1355</p>	<p>03/04/21 - Referred to Com. on HEALTH.</p>
<p>AB 1400 (Kalra)</p>	<p>This bill, the California Guaranteed Health Care for All Act, would create the California Guaranteed Health Care for All program, or CalCare, to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state. The bill, among other things, would provide that CalCare cover a wide range of medical benefits and other services and would incorporate the health care benefits and standards of other existing federal and state provisions, including the federal Children’s Health Insurance Program, Medi-Cal, ancillary health care or social services covered by regional centers for persons with developmental disabilities, Knox-Keene, and the federal Medicare program. The bill would require the board to seek all necessary waivers, approvals, and agreements to allow various existing federal health care payments to be paid to CalCare, which would then assume responsibility for all benefits and services previously paid for with those funds.</p> <p>This bill would state the intent of the Legislature to enact legislation that would develop a revenue plan, taking into consideration anticipated federal revenue available for CalCare.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1400</p>	<p>02/22/21 - Read first time.</p>
<p>AB 1468 (Cunningham)</p>	<p>This bill would require a health care service plan or health insurer that implements an automated prior authorization system to use evidence-based clinical guidelines to program the system and to make the algorithms used for the system available for download on the plan’s or insurer’s provider internet website. The bill would require a plan or insurer that implements an automated prior authorization system to ensure that a licensed physician or a licensed health care professional makes the decision to deny or modify a request by examining the request specific to the enrollee or insured and does not simply ratify an automated response.</p> <p>This bill would prohibit a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2022, that provides coverage for a specified service, including chiropractic services, physical or occupational therapy, and Asian medicine, from requiring prior authorization for the initial 12 treatment visits for that service within a new episode of care.</p>	<p>03/11/21 - Referred to Com. on HEALTH.</p>

	<p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1468</p>	
<p>AB 1477 (Cervantes)</p>	<p>This bill would require the mother to be offered screening or appropriately screened at least once during pregnancy and at least once postpartum, to maximize resources and ensure access to the mother. The bill would additionally define postpartum as the period just after delivery, including if the woman experiences miscarriage or stillbirth.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1477</p>	<p>03/25/21 - Amend, and re-refer to Com. on HEALTH.</p>
<p>SB 56 (Durazo)</p>	<p>This bill would, subject to an appropriation by the Legislature, and effective July 1, 2022, extend eligibility for full-scope Medi-Cal benefits to individuals who are 65 years of age or older, and who are otherwise eligible for those benefits but for their immigration status.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB56</p>	<p>CAHP/LHP C Support</p> <p>03/22/21 - March 22 hearing: Placed on APPR suspense file.</p>
<p>SB 65 (Skinner)</p>	<p>Would extend Medi-Cal eligibility for a pregnant individual for an additional 10-month period following the 60-day postpartum period.</p> <p>This bill would require the department to establish a full-spectrum doula care program for pregnant and postpartum Medi-Cal beneficiaries, and would provide that any Medi-Cal beneficiary who is pregnant as of July 1, 2023, is entitled to doula care. The bill would require the department to develop multiple payment and billing options for doula care and to convene a doula advisory board that would be responsible for deciding on a list of core competencies required for doulas who are authorized by the department to be reimbursed under the Medi-Cal program.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB65</p>	<p>03/26/21 - Set for hearing April 14.</p>

<p>SB 221 (Wiener)</p>	<p>Codifies regulations to provide timely access standards for health care service plans for nonemergency health care services. The bill would require a health care service plan to ensure that appointments with nonphysician mental health and substance use disorder providers are subject to the timely access requirements. The bill would additionally require a health care service plan to ensure that an enrollee that is undergoing a course of treatment for an ongoing mental health or substance use disorder condition is able to get a followup appointment with a nonphysician mental health care or substance use disorder provider within 10 business days of the prior appointment. The bill would require that a referral to a specialist by another provider meet the timely access standards. If the timely access standards cannot be met, the Plan is required to arrange for coverage out-of-network.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB221</p>	<p>03/22/21 - Read second time and amended. Re-referred to Com. on APPR.</p>
<p>SB 242 (Newman)</p>	<p>This bill would require a health care service plan or health insurer to contract with its health care providers to reimburse, at a reasonable rate, their business expenses that are medically necessary to comply with a public health order to render treatment to patients, to protect health care workers, and to prevent the spread of diseases causing public health emergencies. The bill would require the State Department of Health Care Services to similarly reimburse a Medi-Cal provider after undertaking a process to set a reasonable rate in consultation with provider groups.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB242</p>	<p>CAHP/LHP C Opposed</p> <p>03/15/21 - Read second time and amended. Re-referred to Com. on APPR.</p>
<p>SB 250 (Pan)</p>	<p>Authorizes the Department of Managed Health Care as appropriate to review a plan’s clinical criteria, guidelines, and utilization management policies to ensure compliance with existing law. If the criteria and guidelines are not in compliance with existing law, the bill would require the Director to issue a corrective action and send the matter to enforcement, if necessary.</p> <p>Requires a plan to report, among other things, its average number of denied prospective utilization review requests, as specified.</p> <p>Requires a plan to examine a physician’s record of prospective utilization review requests during the preceding 12 months and grant the physician “deemed approved” status for 2 years, meaning an exemption from the prospective utilization review process, if specified criteria are met. The bill would authorize a plan to request an audit of a physician’s records after the initial 2 years of a physician’s deemed approved status and every 2 years thereafter, and would specify the audit criteria by which a physician would keep or lose that status.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB250</p>	<p>CAHP Opposed</p> <p>03/17/21 - From committee: Do pass and re-refer to Com. on APPR.</p>

<p>SB 256 (Pan)</p>	<p>This bill would require rates for specified Medi-Cal managed care plan contracts to include in lieu of services and settings provided by the Medi-Cal managed care plan. The bill would require each Medi-Cal managed care plan to disclose the availability of in lieu of services on its internet website and its beneficiary handbook, and to disclose to the department specified information on in lieu of services that are plan specific, including the number of people receiving those services. The bill would require the department to publish that information on its internet website.</p> <p>This bill would expand the schedule of benefits under the Medi-Cal program to include enhanced care management if the service is provided in person to a beneficiary and, at a minimum, the service includes coordinating primary, acute, behavioral, oral, and long-term services and supports for that person.</p> <p>http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB256</p>	<p>02/03/21 - Referred to Com. on HEALTH.</p>
<p>SB 279 (Pan)</p>	<p>This bill would provide that medical necessity standards do not preclude coverage for, and reimbursement of, a clinically appropriate and covered mental health or substance use disorder assessment, screening, or treatment service before a provider renders a diagnosis.</p> <p>Implements other portions of the CalAIM proposal related to Behavioral Health payments.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB279</p>	<p>03/03/21 - Re-referred to Com. on HEALTH.</p>
<p>SB 293 (Limón)</p>	<p>By 1/1/22, this bill would require the department to develop standard forms, including intake and assessment forms, relating to medical necessity criteria, mandatory screening and transition of care tools, and documentation requirements pursuant to specified terms and conditions, and, for purposes of implementing these provisions, would require the department to consult with representatives of identified organizations, including the County Behavioral Health Directors Association of California.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB293</p>	<p>03/18/21 - Read second time and amended. Re-referred to Com. on APPR.</p>

<p>SB 306 (Pan)</p>	<p>This bill would require health care service plans and insurers to provide coverage for home test kits for sexually transmitted diseases, as defined, and the laboratory costs for processing those kits.</p> <p>This bill would require an additional blood test for syphilis in the 3rd trimester of pregnancy and would require a licensed health care provider who is attending a woman at the time of delivery to ensure that a blood specimen is obtained from the patient at the time of delivery for the purpose of testing for syphilis unless the patient’s chart shows a negative syphilis screen in the 3rd trimester.</p> <p>This bill would require the department to provide reimbursement for sexually transmitted disease related services and would authorize an office visit to a Family PACT provider or Medi-Cal provider for specified STD-related services for uninsured, income-eligible patients, or patients with health care coverage who have confidentiality concerns, who are not at risk of experiencing or causing an unintended pregnancy, and who are not in need of contraceptive services, to be reimbursed at the same rate as comprehensive clinical family planning services.</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB306</p>	<p>CAHP Oppose</p> <p>03/24/21 - Read second time and amended. Re- referred to Com. on HEALTH.</p>
<p>SB 316 (Eggman)</p>	<p>This bill would authorize FQHC reimbursement for a maximum of 2 visits taking place on the same day at a single location if after the first visit the patient suffers illness or injury requiring additional diagnosis or treatment, or if the patient has a medical visit and a mental health visit or a dental visit, as defined. After the department approves a rate adjustment, authorizes to bill a medical visit and a mental health visit that take place on the same day at a single location as separate visits, in accordance with the bill.</p> <p>This bill would also include a licensed acupuncturist within those health professionals covered under the definition of a “visit.”</p> <p>http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB316</p>	<p>LHPC Support</p> <p>03/22/21 - March 22 hearing: Placed on APPR suspense file.</p>
<p>SB 365 (Caballero)</p>	<p>This bill would make electronic consultation services reimbursable under the Medi-Cal program for enrolled providers, including FQHCs or RHCs.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB365</p>	<p>LHPC Support</p> <p>03/24/21 - From committee: Do pass and re- refer to Com. on APPR.</p>

<p>SB 371 (Caballero)</p>	<p>Would require any federal funds California Health and Human Services Agency (CHHSA) receives for health information technology and exchange to be deposited in the California Health Information Technology and Exchange Fund. The bill would authorize CHHSA to use the fund to provide grants to health care providers to implement or expand health information technology and to contract for direct data exchange technical assistance for safety net providers.</p> <p>The bill would also require a health care provider, health system, health care service plan, or health insurer that engages in health information exchange to comply with specified federal standards.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB371</p>	<p>03/24/21 - From committee: Do pass and re-refer to Com. on APPR.</p>
<p>SB 402 (Hurtado)</p>	<p>By 6/1/22, Requires HHS to convene a Multipayer Payment Reform Collaborative composed of specified individuals and entities, including representatives of organizations representing consumers and the Secretary of California Health and Human Services, and would require the collaborative to propose to the agency Multipayer Payment Reform Pilots (pilots) for the purpose of establishing pilots for primarily fee-for-service primary care practices in areas hit hardest by the COVID-19 pandemic. The pilots would be established by 1/1/23.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB402</p>	<p>03/25/21 - Read second time and amended. Re-referred to Com. on HEALTH.</p>
<p>SB 428 (Hurtado)</p>	<p>Requires a health care service plan contract to provide coverage for adverse childhood experiences screenings.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB428</p>	<p>02/25/21 - Referred to Com. on HEALTH.</p>

<p>SB 508 (Stern)</p>	<p>This bill would authorize a local education agency to have an appropriate mental health professional provide brief initial interventions at a school campus when necessary for all referred pupils, including pupils with a health care service plan, health insurance, or coverage through a Medi-Cal managed care plan, but not those covered by a county mental health plan. For pupils with coverage through a health care service plan, health insurance, or Medi-Cal managed care plan, the bill would allow the mental health professional to contact the plan or insurer to facilitate a referral to the plan’s provider for the brief initial intervention services, when appropriate and available, and would allow the mental health professional to complete the brief intervention services if the plan or insurer is unable to meet the existing time and geographic access standards. If the plan or insurer is unable to meet the time and geographic standards for delivery of mental health services beyond the brief initial intervention services, the bill would require the plan or insurer to negotiate with the LEA for a single case agreement to determine reimbursement for additional services, subject to specified reimbursement requirements.</p> <p>The bill would also require a health care service plan, health insurer, or Medi-Cal managed care plan that is required to provide coverage for medically necessary treatment of mental health and substance abuse disorders to enter into a memorandum of understanding (MOU) with all LEAs in which 15 percent or more of the pupils enrolled are insured by the plan or insurer, as specified, and would authorize the LEA to bill for mental health and substance use disorder services provided if the plan or insurer fails to enter into an MOU with the LEA, as specified.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB508</p>	<p>03/26/21 - Set for hearing April 14.</p>
<p>SB 510 (Pan)</p>	<p>This bill would require a health care service plan contract or a disability insurance policy that provides coverage for hospital, medical, or surgical benefits, to cover the costs for health care services related to the testing for COVID-19, or a future pandemic disease when declared a public health emergency by the Governor of the State of California, and would prohibit that contract or policy from imposing cost sharing or prior authorization requirements for that coverage. The bill would also require a contract or policy to cover without cost sharing or prior authorization an item, service, or immunization intended to prevent or mitigate COVID-19, or a future pandemic disease when declared a public health emergency by the Governor of the State of California, that is recommended by the United States Preventive Services Task Force or the federal Centers for Disease Control and Prevention, as specified.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB510</p>	<p>CAHP Opposed unless amended.</p> <p>03/24/21 - Set for hearing April 7.</p>

<p>SB 523 (Leyva)</p>	<p>This bill, the Contraceptive Equity Act of 2021, would make various changes to expand coverage of contraceptives by a health care service plan contract or health insurance policy issued, amended, renewed, or delivered on and after January 1, 2022, including requiring a health care service plan or health insurer to provide point-of-sale coverage for over-the-counter FDA-approved contraceptive drugs, devices, and products at in-network pharmacies without cost-sharing or medical management restrictions and to reimburse enrollees and insureds for out-of-pocket costs for over-the-counter birth control methods purchased at any out-of-network pharmacy in California, without medical management restrictions. The bill would also require coverage for clinical services related to the provision or use of contraception, as specified. The bill would revise provisions applicable when a covered, therapeutic equivalent of a drug, device, or product is deemed medically inadvisable by deferring to the attending provider, as specified.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB523</p>	<p>03/23/21 - Set for hearing April 5.</p>
<p>SB 524 (Skinner)</p>	<p>This bill would prohibit a health care service plan or a health insurer from engaging in patient steering. The bill would define “patient steering” to mean communicating to an enrollee or insured that they are required to have a prescription dispensed at, or pharmacy services provided by, a particular pharmacy, as specified, or offering group health care coverage contracts or policies that include provisions that limit access to only pharmacy providers that are owned or operated by the health care service plan.</p> <p>https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202120220SB524</p>	<p>CAHP Oppose</p> <p>03/16/21 - Set for hearing April 5.</p>
<p>SB 562 (Portantino)</p>	<p>This bill would revise the definition of behavioral health treatment to require the services and treatment programs provided to be based on behavioral, developmental, relationship-based, or other evidence-based models. The bill also would expand the definition of a “qualified autism service professional” to include behavioral service providers who meet specified educational and professional or work experience qualifications. The bill would revise the definition of a “qualified autism service paraprofessional” by deleting the reference to an unlicensed and uncertified individual and by requiring the individual to comply with revised educational and training, or professional, requirements. The bill would also revise the definitions of both a qualified autism service professional and a qualified autism service paraprofessional to include the requirement that these individuals complete a background check.</p> <p>This bill would require the intervention plan designed by the qualified autism service provider to include parent or caregiver participation, when clinically appropriate, that is individualized to the patient and takes into account the ability of the parent or caregiver to participate in therapy sessions and other recommended activities, as specified. The bill would specify that the lack of parent or caregiver participation shall not be used to deny or reduce medically necessary services and that the setting, location, or time of treatment not be used as the only reason to deny medically necessary services.</p>	<p>CAHP Oppose</p> <p>03/23/21 - Set for hearing April 6.</p>

	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB562	
SB 613 (Limón)	<p>Requires a health care service plan that provides maternity coverage, to include coverage for a neonate medical wrap following a cesarean section delivery, and, if requested by the mother, to include coverage for a neonate medical wrap following a natural birth.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB613</p>	03/03/21 - Referred to Com. on HEALTH.
SB 682 (Rubio)	<p>The bill would require California Health and Human Services Agency, in collaboration with the departments under its purview and other specified entities, to develop and implement a plan, as specified, that establishes targets to reduce racial disparities in health outcomes by 50% by December 31, 2030, in chronic conditions affecting children, including, but not limited to, asthma, diabetes, dental caries, depression, and vaping-related diseases. The bill would require the agency to submit the plan to the Legislature and post the plan on its internet website on or before January 1, 2023, and to commence implementation of the plan no later than June 30, 2023.</p> <p>https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB682</p>	03/19/21 - Set for hearing April 7.
SB 773 (Roth)	<p>This bill would, commencing with the January 1, 2022, rating period, and through December 31, 2024, require the department to make incentive payments to qualifying Medi-Cal managed care plans that meet predefined goals and metrics associated with targeted interventions, rendered by school-affiliated behavioral health providers, that increase access to preventive, early intervention, and behavioral health services for children enrolled in kindergarten and grades 1 to 12, inclusive, at those schools. The bill would require the department to consult with certain stakeholders on the development of interventions, goals, and metrics, to determine the amount of incentive payments, and to seek any necessary federal approvals.</p> <p>https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB773</p>	03/26/21 - Set for hearing April 14.



FAMILY HEALTH

Attachment G

SPRING 2021

Medi-Cal Rx is your new Medi-Cal pharmacy benefit

As of April 1, 2021, your pharmacy drugs are paid by the Medi-Cal prescription drug program called Medi-Cal Rx instead of Kern Family Health Care (KFHC).

Why did it change?

In 2019, Gov. Gavin Newsom made a rule that all Medi-Cal pharmacy benefits would stop being covered by Medi-Cal Managed Care Plans starting April 1, 2021. This includes KFHC.

How do I fill my prescription?

You should see no change in

how you fill your prescriptions. Take your Medi-Cal Benefit Identification Card (BIC) with you to your next pharmacy visit. If you have other health plan benefits that include a pharmacy benefit, be sure to bring that health plan card with you as well.



WHAT IF I HAVE QUESTIONS? You might wonder: Is my medication covered? What pharmacy can I use? For those or any other pharmacy benefit questions, call the Medi-Cal Rx Call Center Line at **800-977-2273**. They are available 24 hours a day, 7 days a week.

What is dementia?



Dementia is a term that covers a range of conditions. It includes Alzheimer's disease.

Dementia is caused by changes in the brain.

What is Alzheimer's disease?

Alzheimer's is the most common cause of dementia. Alzheimer's disease accounts for 60% to 80% of dementia cases.

Signs and symptoms of Alzheimer's include:

- Getting lost in familiar places.

- Having trouble with money or bills.
- Misplacing things in odd places. For example, putting mail in the freezer.
- Repeating questions.
- Taking longer to complete daily tasks.
- Losing track of the day or year.

—Continued on page 2

In this issue

Page 2 COVID-19 or Valley Fever

Page 4 Telehealth

Page 7 Sexually transmitted infections



What are Valley Fever and COVID-19?

COVID-19 is a viral infection caused by SARS-CoV-2 and is thought to spread mainly from person to person.

Valley Fever is a fungal infection resulting from inhaling spores of the fungus *Coccidioides* (*kok-sid-e-oy-dees*) and cannot be spread from person to person.

COVID-19 and Valley Fever cannot be self-diagnosed. If you have a fever, cough or other symptoms, isolate yourself from others and contact your doctor immediately.

What should I avoid?

- Alcohol.
- Cannabis.
- Tobacco.
- Vaping.

What if I have Valley Fever?

If you have active Valley Fever and are under treatment, you may also be at increased risk for complications with COVID-19.

Could it be a cold?

Most people get colds in the winter and spring, but it is possible to get a cold at any time of the year.

Symptoms usually include:

- Sore throat.
- Runny nose.
- Coughing.
- Sneezing.
- Headaches.
- Body aches.

Source: valleyfeverinstitute.com/community-education/covid-19

WHAT DO I DO IF I MIGHT BE SICK?
Give our Advice Nurse Line a call at **800-391-2000**. Our nurses can help you know what to do next.



Life-changing events are happening everywhere, and times have been hard for many of us. Have you been diagnosed with depression and are you taking antidepressant medication? Here are a few important things to know:

What is depression?

- Depression is a mood disorder that causes deep, ongoing sadness.
- Depression can make it hard for you to do your normal daily tasks.
- About 1 in 10 adults is diagnosed with depression yearly.

What to know about antidepressants:

- Medication can take up to six weeks to work.

- Take your medication as advised. Don't stop without talking to your doctor first.
- Ask what results and side effects to expect. Tell your doctor if you have any.
- Keep your follow-up appointments with your doctor.

What else can you do?

- Build a social support team with friends and family.
 - Ask your doctor to connect you with a counselor.
 - Keep a regular sleep schedule.
 - Exercise several times a week.
 - Eat healthy.
- Talk with your doctor today, and together make your treatment plan the best it can be!

Source: hopkinsmedicine.org

What is dementia?

—Continued from front page

- Having trouble following a conversation.
- Having trouble recognizing familiar people.
- Having trouble with multistep tasks, such as getting dressed.
- Acting impulsively. For example: Undressing at odd times or using vulgar language.

Mom, are you ready for another baby?

If you just had a baby, you may be thinking, "No." But over time you may change your mind. A postpartum visit can help you figure out some things.

During the postpartum visit, your doctor will check:

- How your pregnancy journey felt and any concerns for future pregnancies. Topics may include preterm birth, gestational diabetes, etc.
- How things are going with your baby, like breastfeeding, immunizations and how you're feeling.
- If you want more children, your doctor may suggest that you wait 18 to 24 months before getting pregnant again. This will help ensure your body has fully recovered.
- Which contraceptive methods, also called birth control, you would prefer. A contraceptive method helps prevent pregnancy. These can be short-term or long-term.

Below is a brief list of contraceptive methods:

- **Oral pills:** You take a pill once a day, each day.
- **Patch:** This goes on your skin for three weeks and is removed for the fourth week. This is repeated each month.
- **Ring:** You place this inside your vagina. It is kept inside for three weeks and taken out for the



GETTING CARE WHILE PREGNANT is the best thing for you and your baby. It can help you stay on top of things. The visits below will also get you KFH rewards.

- **PRENATAL CARE.** Visit your doctor within the first three months of getting pregnant and submit the Prenatal Reward Form. You will receive a \$30 gift card in the mail.
- **POSTPARTUM CARE.** Complete this visit 1 to 12 weeks after giving birth. When we receive the bill from your doctor, KFH will mail you a \$30 gift card.

Learn more at kernfamilyhealthcare.com.

fourth week. This is repeated each month.

- **Diaphragm:** This goes inside your body each time you have sex.
- **Injectables:** This is a shot that is given every three months at your doctor's office.
- **Long-acting reversible contraception (LARC):**
 - **Implant:** This is a small rod that is placed under your skin. This may last up to three years.

– **IUDs:** An IUD is inserted into the uterus by a doctor.

There are two types:

A copper IUD has no hormones and lasts up to 10 years. An IUD with Progestin (hormones) lasts three to five years.

Discuss this and any concerns with your doctor.

Sources: American College of Obstetrics and Gynecologists, U.S. Food and Drug Administration



What is teen dating violence?

Teen dating violence (TDV) is a type of violence to a partner. It occurs in a close relationship. TDV includes four types:

Physical violence: When a person hurts or tries to hurt a partner. This can be by hitting, kicking or using force on you.

Sexual violence: Forcing or trying to touch, have sex, or sext when one partner does not agree.

Psychological aggression: When one person uses verbal and nonverbal actions to harm or have control over their partner. Some can be hurt mentally or emotionally.

Stalking: When one partner demands attention and makes contact to cause fear to the other partner.

TDV can take place in person or online. This includes posting nude pictures of a partner online without consent. Teens often don't see teasing and name-calling as harmful. Many teens do not report unhealthy relationships because they are afraid to tell family and friends. Learn more at www.cdc.gov/violenceprevention.

When telehealth might be your best option

The next time you schedule a doctor's visit, you may want to try a telehealth service. This includes talking to a doctor via video chat, text messages or calls.

Scheduling telehealth can help reduce the spread of COVID-19. Plus, you can avoid long wait times for in-person care. You can also save travel time to your doctor's office.

A wide range of health conditions or issues can be screened or treated with telehealth, such as:

- COVID-19 symptoms.
- Common infections, such as cold and flu symptoms or urinary tract infections.
- Chronic health conditions, such as asthma and diabetes.
- Nutrition counseling.
- Mental health counseling.
- Prescriptions for medicines.

Need help scheduling or preparing for a telehealth appointment?

Call your doctor. You can also call us. We can help you with:

- Finding an interpreter.
- Learning how to use the app or connect before the appointment.
- Help finding a doctor that offers a type of telehealth service that is best for you, and more.

Source: telehealth.hhs.gov



Can I protect my child from diseases?

We may become immune to disease, or toxins, when we create antibodies. These antibodies fight against specific toxins. However, our body is not always ready to create antibodies for a disease, or it can create them too slowly. This can lead to getting very sick and can be fatal. Immunizations (vaccines or shots) help us become immune without getting too sick from that disease.

How do vaccines help?

Vaccines help protect your child's body from specific toxins. The vaccine has a dead or weak form of the toxin that won't cause harm. This will help your child's body learn to create antibodies for this toxin. These antibodies will block live diseases from infecting your child.

How do I get my child the vaccines they need?

Babies need vaccines more often because their body is not immune to many toxins. This is why wellness visits are very important.

- Your baby will need at least six visits between 0 and 15 months to get their vaccines.
- As your child gets older, your doctor will keep you up-to-date on other suggested vaccines.
- Children and young adults need a few more vaccines through 21 years of age. Get these vaccines at their yearly wellness exams.

Find information on local immunization programs on the KFHC website at kernfamilyhealthcare.com.

DID YOU KNOW? African American babies have a higher risk of dying before the age of 2. Give them the best chance at life with timely vaccines.

KFHC wellness rewards

When you complete wellness visits for the age groups on the left, you may receive a reward from KFHC. Babies can get up to \$60 in gift cards for completing the six wellness visits (\$10 per wellness visit). Children can get a \$15 reward per yearly wellness visit. And youth and young adults can get \$20 per yearly wellness visit! All rewards are in the form of a gift card and are sent by mail. A full list of member rewards is on our website at kernfamilyhealthcare.com.

Source: Centers for Disease Control and Prevention



California Children's Services

California Children's Services (CCS) is a state program for children with certain health problems. Children up to 21 years old can get the special health care they need through CCS. CCS connects you with a medical team that knows how to care for your child with special health care needs.

If your child is approved for CCS, your child will still be a KFHC member while in this program.

Some of the health problems covered by CCS are:

- Cancer.
- Congenital heart disease.
- Cleft lip or palate.
- Other severe health problems.

Source: California Children's Services

TO LEARN MORE, talk to your child's primary care provider or call us at **800-391-2000**.

Kern Regional Center

Kern Regional Center (KRC) provides support to people with special needs, such as:

- Counseling.
- Help with family support and local resources.

The Kern Early Start program is also offered at no cost through KRC. It serves children under age 3 with special needs such as:

- Problems due to premature birth.

- Major learning or muscle tone problems.
- Down syndrome.
- Cerebral palsy.

Kern Early Start also helps children who have:

- Been seriously ill.
- A developmental delay.
- Parents in need of help due to their own special needs.

To learn more, call **661-327-8531**.

Get a ride to your next medical visit

KFHC has teamed up with Golden Empire Transit (GET) to offer our members rides in a wheelchair-accessible van to get to their medical visits.

This new service includes:

- New, clean vans.
 - Curb-to-curb pick-up and drop-off.
 - Wheelchair accessibility.
 - Safe rides with trained GET drivers.
- Rides are available within Bakersfield.

Safe travels

We are up-to-date with COVID-19 social distancing and cleaning guidelines. Remember to wear your face mask!

Who can get a ride?

You can use the GET Bus On-Demand service if you:

- Are a member of KFHC.
- Need transportation to a Medi-Cal covered service.

These rides are provided at no cost to KFHC members as part of their health care benefits.

To schedule a ride to your medical visit, call the KFHC Transportation Department at **800-391-2000** and choose **option 3**.

Health Education Corner

Q Does STI (sexually transmitted infection) testing vary by groups?

Yes. There are some groups of people who don't get tested for STIs. For example:

- People of color.
- People who are under- or uninsured.
- People with limited access to transportation.
- People who identify as lesbian, gay, bisexual, trans, queer or nonbinary (LGBTQ+).
- People who are undocumented.

In general, these groups have limited access to health care and therefore have limited access to testing or may be unaware of low- and no-cost options.

Flor Del Hoyo, MPH
Member Health Educator



Kern Family Health Care complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

ATTENTION: If you speak a language other than English, language assistance services, free of charge, are available to you. Call **800-391-2000** (TTY: **711**).

ATENCIÓN: Si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al **800-391-2000** (TTY: **711**).

注意：如果您使用繁體中文，您可以免費獲得語言援助服務。請致電 **800-391-2000** (TTY: **711**)。



Q Have dating sites increased STI rates?

Dating sites aren't the direct cause of increased STI rates. But they play a role in the way people meet each other. STIs are a higher risk during anonymous encounters. These are meetings between people who don't know each other. Technology and social media have made finding people to date as easy as the swipe of your finger. With more access comes more ways to engage with others. Anonymous meetings make it hard to inform your partners of being exposed to STIs. Plus, that partner can transmit an infection to others without knowing about it.

Carlos Bello, MPH, CHES
Senior Member Health Educator

Q What are the top STIs in our county and why?

In 2018, Kern County saw an increase in STIs. The top are chlamydia, gonorrhea, syphilis, congenital syphilis and HIV. Risky activities, like having more than one partner, can increase your risk. Many STIs can be treated if found early. Some STIs can be silent in the body. If you think you may have an STI, you should get tested. Knowing your status helps you to prevent the spread of STIs to others. We encourage you to learn more about STIs. Visit kernpublichealth.com/std.

Bernardo Ochoa, MPH
Member Health Educator

Medical identity theft: Protect yourself!

You could become a victim of medical identity theft at any time. This can happen by someone using your medical ID or Social Security number.

Here are some ways to protect yourself against medical identity theft:

- Do not trust strangers who offer free or discounted medical services.
- Keep your medical ID card and Social Security numbers in a safe place.
- Never share your information with persons who say they are calling to collect a bill. The person calling should have all your information.



Have diabetes? Get tested

Many of us have gained a few pounds during the quarantine months. Weeks went by with a treat here and a snack there to help pass the time. If you have diabetes, those extra few pounds can really be hard on the body.

One of the easiest ways to check for diabetes is the HbA1c. It's a simple blood test, and you don't need to go without eating beforehand. It reports the average level of sugar in your blood over three months. This is important for you and your doctor to know.

CALL YOUR DOCTOR TODAY to make a diabetes care visit. Don't forget to ask for your HbA1c test results at your next visit.

DO YOU THINK
someone is using your
medical identity?
Call our Member
Services Department
at **800-391-2000**.

FAMILY HEALTH

FAMILY HEALTH is published as a community service for the members, friends and patrons of Kern Family Health Care, 2900 Buck Owens Blvd., Bakersfield, CA 93308, telephone 800-391-2000.

Information in FAMILY HEALTH comes from a wide range of medical experts. If you have any concerns or questions about specific content that may affect your health, please contact your health care provider. Models may be used in photos and illustrations.


Editorial Board	
Chief Executive Officer	Douglas A. Hayward
Chief Medical Officer	Martha Tasinga, MD
Chief Operating Officer	Alan Avery
Chief Health Services Officer	Deborah Murr, RN
Director of Marketing and Public Relations	Louis Iturriria
Director of Health Education, Cultural & Linguistic Services	Isabel Silva

2021 © Coffey Communications, Inc. All rights reserved.

We post current health care news and tips to help you and your family stay healthy. You can also get important member updates and see what Kern Family Health Care is doing in your community.

 Like us on Facebook at facebook.com/KernFamilyHealthCare

 Follow us on Twitter at twitter.com/_KFHC

 Watch the Kern Family Health Care channel on YouTube

SUMMARY

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Friday, February 5, 2021

8:00 A.M.

COMMITTEE RECONVENED

Members: Martinez, Melendez, Rhoades
ROLL CALL: 3 Present; 2 Absent – Deats, McGlew

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

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

SUMMARY

Finance Committee Meeting
Kern Health Systems

Page 2
2/5/2021

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))
NO ONE HEARD
- CA-3) Minutes for KHS Finance Committee meeting on December 4, 2020 -
APPROVED
Melendez-Martinez: 3 Ayes; 2 Absent – Deats, McGlew
- 4) Report on Kern Health Systems investment portfolio for the fourth quarter ending December 31, 2020 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-Martinez: 3 Ayes; 2 Absent – Deats, McGlew
- 5) Report on 2020 annual review of the Kern Health Systems Investment Policy (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-Martinez: 3 Ayes; 2 Absent – Deats, McGlew
- 6) Report on 2020 Annual Travel Report (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-Martinez: 3 Ayes; 2 Absent – Deats, McGlew
- 7) Report on 2020 Annual Report of Disposed Assets (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-Martinez: 3 Ayes; 2 Absent – Deats, McGlew
- 8) Proposed Agreement with FluidEdge, LLC., for Population Health Consulting Services, from March 1, 2021 through May 31, 2021 (Fiscal Impact: \$160,000; Not-Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-Martinez: 3 Ayes; 2 Absent – Deats, McGlew
- 9) Request to Establish 2021 – 2022 Provider Grant Program (Fiscal Impact: Up to \$10 million; Not-Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-Martinez: 3 Ayes; 2 Absent – Deats, McGlew
- 10) Report on Kern Health Systems financial statements for November 2020 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-Martinez: 3 Ayes; 2 Absent – Deats, McGlew

SUMMARY

Finance Committee Meeting
Kern Health Systems

Page 2
2/5/2021

- 11) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for November 2020 and IT Technology Consulting Resources for the period ended November 30, 2020 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-Martinez: 3 Ayes; 2 Absent – Deats, McGlew

ADJOURN TO FRIDAY, APRIL 9, 2021 AT 8:00 A.M.

Rhodes

