



KERN HEALTH SYSTEMS

REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, December 19, 2024

at

8:00 A.M.

At

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

The public is invited.

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

AGENDA

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, December 19, 2024

8:00 A.M.

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

PLEASE SILENT CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING

BOARD TO RECONVENE

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

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –
- 2) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
(Government Code § 54956.9 (d) (4).) Number of cases: 1
Based on existing facts and circumstances, the Board of Directors has decided to initiate or is deciding whether to initiate litigation.

- 3) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
(Government Code § 54956.9 (e)(3).) Number of cases: Four (4)
Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on the receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection.

8:30 A.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DEPARTMENTAL MATTERS

- CA-6) Minutes for Kern Health Systems Board of Directors regular meeting on October 17, 2024 (Fiscal Impact: None) –
APPROVE
- CA-7) Minutes for Kern Health Systems Board of Directors special meeting on October 17, 2024 (Fiscal Impact: None) –
APPROVE
- CA-8) Minutes for Kern Health Systems Board of Directors special meeting on November 25, 2024 (Fiscal Impact: None) –
APPROVE
- 9) Proposed Contract Agreement with Moss Adams to perform Enterprise Risk Management Services, from January 1, 2025 through December 31, 2025 (Fiscal Impact: \$280,000; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-10) Report by Moss Adams on 2024 Audit Planning (Fiscal Impact: None) –
RECEIVE AND FILE
- 11) Report on Kern Health Systems Foundation (Fiscal Impact: None) –
RECEIVE AND FILE
- 12) Report on Kern Health Systems Healthcare Workforce Expansion Initiative (Fiscal Impact: None) –
RECEIVE AND FILE
- 13) Report on Kern Health Systems General Counsel Structure Discussion (Fiscal Impact: None) –
APPROVE RECOMMENDATIONS
- 14) Proposed Kern Health Systems 2025 Operating and Capital Budgets (Fiscal Impact: None) –
APPROVE

- 15) Proposed Budget Request for 2025 Project Consulting Professional Services, from January 1, 2025 through December 31, 2025 (Fiscal Impact: \$20,271,816 Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 16) Proposed revision to Employee Compensation Program effective January 1, 2025 (Fiscal Impact: None) – APPROVE
- 17) Proposed Triscend Employee Retention Program (Fiscal Impact: \$3.0 million cash investment an up to \$100,000 annually for the purchase of term life insurance policies) – HEAR PRESENTATION; APPROVE; AUTHORIZE CHAIRMAN AND CEO TO EXECUTE AGREEMENTS TO IMPLEMENT PROGRAM
- 18) Proposed Amendment No.2 to Employment Agreement with Emily Duran, for services as Chief Executive Officer (Fiscal Impact: \$67,500 annually) – APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA-19) Report on Kern Health Systems 2024 Health Equity Office Program Description (Fiscal Impact: None) – APPROVE
- CA-20) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2024 (Fiscal Impact: None) – RECEIVE AND FILE
- CA-21) Proposed reinsurance policy with Odyssey RE to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2025 through December 31, 2025 (Fiscal Impact: \$3,300,000 estimated; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-22) Proposed New Agreement with MedImpact Healthcare Systems, Pharmacy Benefit Management for D-SNP from January 1, 2025 through December 31, 2028 with a Not-to-Exceed amount of \$3,800,000 of administrative cost over the term of the contract. (Fiscal Impact: \$3,800,000; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-23) Proposed Contract Extension with Cotiviti for the Medical Record Retrieval (MRR) from December 5, 2024 through December 6, 2025 and increase the Not-To-Exceed amount by \$200,000 from \$199,000 to \$399,000. (Fiscal Impact: \$200,000; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-24) Proposed Contract Extension with Citius Tech, for Interoperability support, from December 15, 2024 through December 14, 2025. Increasing the Not-to-Exceed amount by \$102,575 from \$751,305 to \$853,880. (Fiscal Impact: \$102,575; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

- CA-25) Proposed Contract Extension with Gartner, for IT to research material and diagnostic tools, from January 1, 2025 through December 31, 2025. Increasing the Not-to-Exceed amount by \$211,600 from \$189,765 to \$401,365 over the term of the contract. (Fiscal Impact: \$211,600; Budgeted) –
 APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-26) Proposed Contract Extension with Gartner, for the Human Resource licenses to research material and diagnostic tools, from January 1, 2025 through December 31, 2025. Increasing the Not-to-Exceed amount by \$179,500 from \$184,800 to \$359,800 over the term of the contract. (Fiscal Impact: \$179,500; Budgeted) –
 APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 27) Report on Kern Health Systems financial statements for September 2024 and October 2024 (Fiscal Impact: None) –
 RECEIVE AND FILE
- CA-28) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for September 2024 and October 2024 and IT Technology Consulting Resources for the period ended September 30, 2024 (Fiscal Impact: None) –
 RECEIVE AND FILE
- CA-29) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
 APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-30) Kern Health Systems Chief Compliance and Fraud Prevention Officer report (Fiscal Impact: None) –
 RECEIVE AND FILE
- 31) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
 RECEIVE AND FILE
- 32) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
 RECEIVE AND FILE
- CA-33) Miscellaneous Documents –
 RECEIVE AND FILE
- A) Minutes for Kern Health Systems Physician Advisory Committee meeting on October 2, 2024
 - B) Minutes for Kern Health Systems Finance Committee meeting on October 4, 2024
 - C) Minutes for Behavioral Health Advisory Committee meeting on October 16, 2024
 - D) Minutes for Kern Health Systems Delegation Oversight Committee meeting on October 29, 2024
 - E) Minutes for Kern Health Systems Fraud, Waste, and Abuse Committee meeting on November 4, 2024

- F) Minutes for Kern Health Systems Physician Advisory Committee meeting on November 6, 2024
- G) Minutes for Kern Health Systems Compliance Committee meeting on November 20, 2024
- H) Minutes for Kern Health Systems Governance and Compliance Committee meeting on December 5, 2024

ADJOURN TO FEBRUARY 20, 2025 AT 8:00 A.M.

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

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

SUMMARY

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, October 17, 2024

8:00 A.M.

BOARD RECONVENED

Directors: Watson, Thygerson, Patel, Elliott, Acharya, Alva, Bowers, Hoffmann, Ma, McGlew, Meave, Singh, Tamsi, Turnipseed

ROLL CALL: 9 – Present; 4 Absent – Patel, Elliott, Alva, Bowers, Ma

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

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

BOARD ACTION SHOWN IN CAPS

ADJOURNED TO CLOSED SESSION

Hoffmann

NOTE: DIRECTOR ALVA ARRIVED DURING CLOSED SESSION

NOTE: DIRECTOR BOWERS ARRIVED DURING CLOSED SESSION

CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – SEE RESULTS BELOW.
- 2) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9 (d)(2): 1 case - Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed. SEE RESULTS BELOW
- 3) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW

8:45 A.M.

BOARD RECONVENED

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **INITIAL CREDENTIALING FOR SEPTEMBER 2024** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON ESPALIN; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON CARDWELL, KOTHARY; DIRECTOR BOWERS ABSTAINED FROM VOTING ON KOTHARY; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON ALBARRAN, BAEZ, YAZDI; DIRECTOR MEAVE ABSTAINED FROM VOTING ON ALBARRAN, BAEZ, YAZDI; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON GARCIA, NASEEM

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **INITIAL CREDENTIALING FOR OCTOBER 2024** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON SHOAR, ALI, AZADI, TABSH, TARLOV; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON VELASQUEZ; DIRECTOR BOWERS ABSTAINED FROM VOTING ON VELASQUEZ; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON GRINBERG, HASEEB, REDDY; DIRECTOR MCGLEW ABSTAINED FROM VOTING ON KAJIWARA; DIRECTOR MEAVE ABSTAINED FROM VOTING ON GRINBERG, HASEEB, REDDY; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON SINGLETARY, PERRY, RAMIREZ

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **RECREREDENTIALING FOR SEPTEMBER 2024** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON EAGAN, HUYNH, ABDIJADID, ABOEED, HUFFMAN; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON CBCC; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON IRENE, LEAL MENDOZA, VELAZQUEZ; DIRECTOR MEAVE ABSTAINED FROM VOTING ON IRENE, LEAL MENDOZA, VALEZQUEZ

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **RECREREDENTIALING FOR OCTOBER 2024** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON GARCIA, SRIVASTAVA; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON COFFEE SURGERY CENTER, SRIVASTAVA, SUADI; DIRECTOR BOWERS ABSTAINED FROM VOTING ON BOURELLE, SHARMA; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON BIRDI, DIEDRICH, SERBAN, TOVAR CASTRO; DIRECTOR MEAVE ABSTAINED FROM VOTING ON SERBAN, TOVAR CASTRO; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON MOLDAVSKIY, WALKER

Item No. 2 concerning a CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to Government Code Section 54956.9 (d)(2): 1 case - Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed. HEARD; NO REPORTABLE ACTION TAKEN

Item No. 3 concerning a PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DIRECTOR BOWERS REPORTED ON HIS TRIP TO MOREHOUSE SCHOOL OF MEDICINE (MSM) IN ATLANTA, GEORGIA. DIRECTOR BOWERS STATED THAT HE ALONG WITH SOME FELLOW KHS BOARD MEMBERS HAD THE OPPORTUNITY TO ATTEND THE 40TH CONVOCATION & WHITE COAT AND PINNING CEREMONY ON SEPTEMBER 20TH

DIRECTOR WASTON ALSO REPORTED ON THE TRIP TO MSM AND STATED THAT IT WAS A GREAT OPPORTUNITY AND THAT MSM IS BRINGING MORE PHYSICIANS TO KERN COUNTY AND CREATING PATHWAYS FOR OUR LOCAL YOUTH TO EXPLORE CAREERS IN HEALTHCARE

DIRECTOR TAMSI REPORTED ON HIS EXPERIENCE TO MSM AND HAVING THE OPPORTUNITY TO MEET SECRETARY OF THE DEPARTMENT OF HUMAN SERVICES, XAVIER BECERRA AND TO HEAR HIS POWERFUL SPEECH AT THE WHITE COAT CEREMONY ON HEALTH EQUITY AND EARLY INTERVENTIONS

DEPARTMENTAL MATTERS

- CA-6) Minutes for Kern Health Systems Board of Directors regular meeting on August 15, 2024 (Fiscal Impact: None) – APPROVED
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- 7) Appreciation recognition of Barbara Patrick for 13 years of dedicated service as a member of the Kern Health Systems Board of Directors (Fiscal Impact: None) – RECEIVED AND FILED
Tamsi-Hoffmann: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- 8) Proposed revision to Employee Compensation Program effective January 1, 2025 (Fiscal Impact: None) – ITEM REMOVED FROM THE AGENDA; TO BE PRESENTED AT THE DECEMBER 19TH BOARD MEETING
- 9) Proposed Triscend Employee Retention Program (Fiscal Impact: \$4.8 million cash investment) – ITEM REMOVED FROM THE AGENDA TO BE PRESENTED AT THE DECEMBER 19TH BOARD MEETING
- 10) Proposed Amendment No.2 to Employment Agreement with Emily Duran, for services as Chief Executive Officer (Fiscal Impact: \$67,500 annually) – ITEM REMOVED FROM THE AGENDA TO BE PRESENTED AT THE DECEMBER 19TH BOARD MEETING
- 11) Report on Kern Health Systems Healthcare Workforce Expansion Initiative (Fiscal Impact: None) – DR. OLGA MEAVE, CLINICA SIERRA VISTA, HEARD; KEN KELLER, BAKERSFIELD MEMORIAL HOSPITAL HEARD – RECEIVED AND FILED
McGlew-Bowers: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- DIRECTOR SINGH LEFT THE DAIS AT 9:47 AND DID NOT RETURN
- 12) Report on Kern Health Systems 2023 Managed Care Accountability Set (MCAS) Report (Fiscal Impact: None) – RECEIVED AND FILED
Tamsi-Meave: 10 Ayes: 4 Absent – Patel, Elliot, Ma, Singh
- CA-13) Proposed Increase in the Not-to-Exceed amount with Dell by \$1,419,541 from \$2,344,713 to \$3,764,254 for the Retroactive Approval of Payments and Projection of Additional Expenses to the Microsoft Enterprise Agreement from January 1, 2022 through December 31, 2024 (Fiscal Impact: \$1,419,541; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- CA-14) Proposed Contract Renewal with Dell for the Microsoft Enterprise Agreement from January 1, 2025 through December 31, 2027 (Fiscal Impact: \$7,321,888 over the term of the contract; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma

- CA-15) Proposed increase in the Not-to-Exceed amount with Cognizant by \$555,940 from \$5,889,582 to \$6,445,522 for the HPA Robot services from September 11, 2024 through September 10, 2025 (Fiscal Impact: \$555,940; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- CA-16) Proposed increase in the Not-to-Exceed amount with Zipari by \$722,838 from \$1,986,734 to \$2,709,572 for the Member and Provider Portal, from June 1, 2024 through December 31, 2025, which includes a contract extension for seven (7) months. (Fiscal Impact: \$722,838; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- CA-17) Proposed Increase in the Not-to-Exceed amount with MCG Health by \$1,249,525 from \$4,442,712 to \$5,692,237 for the Evidence Based Clinical Guidelines, from May 31, 2024 through August 4, 2025 (Fiscal Impact: \$1,249,525 over the term of the contract; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- CA-18) Proposed Contract Extension with The Periscope Group, for the In-Home Medical Assessments, from September 5, 2024 through September 4, 2025. Increasing the Not-to-Exceed amount by \$162,000 from \$142,025 to \$304,025 over the term of the contract. (Fiscal Impact: \$162,000; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- CA-19) Proposed New Contract with BG Healthcare Consulting, for the Clinical Consulting Services, from January 1, 2025 through December 31, 2027 (Fiscal Impact: \$1,500,000 over the term of the contract; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- CA-20) Proposed Contract Extension with Reliable Janitorial Services, for the Janitorial Services, from November 1, 2024 through October 31, 2026. Increasing the Not-to-Exceed amount by \$660,968 from \$250,000 to \$910,968 over the term of the contract. (Fiscal Impact: \$660,968; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- CA-21) Proposed Contract Extension with Harte Hanks Response Management, for the New Member Welcome Call Center, from January 1, 2025 through December 31, 2027. Increasing the Not-to-Exceed amount by \$750,000 from \$198,060 to \$948,060 over the term of the contract. (Fiscal Impact: \$750,000; Budgeted) - APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- 22) Report on Kern Health Systems financial statements for July 2024 and August 2024 (Fiscal Impact: None) – RECEIVED AND FILED
Acharya-Bowers: 10 Ayes: 4 Absent – Patel, Elliot, Ma, Singh

- CA-23) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for July 2024 and August 2024 and IT Technology Consulting Resources for the period ended July 31, 2024 (Fiscal Impact: None) – RECEIVED AND FILED
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- CA-24) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- CA-25) Proposed New Policy QP 23.XX Ongoing Monitoring and Sanction Activity Review and proposed revisions to Policy 23.1-P Delegated Credentialing and Policy 23.06-P Non-Physician Medical Practitioner (Fiscal Impact: None) – APPROVED
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- CA-26) Kern Health Systems Chief Compliance and Fraud Prevention Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- CA-27) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) – RECEIVED AND FILED
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- 28) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Meave-Tamsi: 10 Ayes: 4 Absent – Patel, Elliot, Ma, Singh
- 29) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Thygerson-Tamsi: 10 Ayes: 4 Absent – Patel, Elliot, Ma, Singh
- CA-30) Miscellaneous Documents – RECEIVED AND FILED
Bowers-Acharya: 11 Ayes: 3 Absent – Patel, Elliot, Ma
- A) Minutes for Behavioral Health Advisory Committee meeting on July 10, 2024
 - B) Minutes for Kern Health Systems Delegation Oversight Committee meeting on July 30, 2024
 - C) Minutes for Kern Health Systems Fraud, Waste, and Abuse Committee meeting on August 5, 2024
 - D) Minutes for Kern Health Systems Physician Advisory Committee meeting on August 7, 2024
 - E) Minutes for Kern Health Systems Finance Committee meeting on August 9, 2024
 - F) Minutes for Kern Health Systems Compliance Committee meeting on August 26, 2024
 - G) Minutes for Kern Health Systems Physician Advisory Committee meeting on September 4, 2024

- H) Minutes for Kern Health Systems Utilization Management Committee Meeting on September 11, 2024
- I) Minutes for Kern Health Systems Executive Quality Improvement Health Equity Committee Meeting on September 12, 2024
- J) Minutes for Kern Health Systems Health Equity Transformation Steering Committee meeting on September 12, 2024
- K) Minutes for Kern Health Systems Community Advisory Committee meeting on September 24, 2024
- L) Minutes for Kern Health Systems Governance and Compliance Committee meeting on September 27, 2024
- M) Minutes for Kern Health Systems Drug Utilization Review Committee meeting on September 30, 2024

ADJOURN TO DECEMBER 19, 2024 AT 8:00 A.M.

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

SUMMARY

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Special Meeting
Thursday, October 17, 2024

11:00 A.M.

BOARD RECONVENED

Directors: Watson, Thygerson, Patel, Elliott, Acharya, Alva, Bowers, Hoffmann, Ma, McGlew, Meave, Singh, Tamsi, Turnipseed
ROLL CALL: 11– Present; 3 Absent – Patel, Elliott, Ma

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

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

PUBLIC PRESENTATIONS

- 1) 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

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 2) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9
(d)(2): 3 cases
Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed. SEE RESULTS BELOW

11:45 A.M.

BOARD RECONVENED

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 2 concerning CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to Government Code Section 54956.9 (d)(2): 3 cases - Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed. HEARD; NO REPORTABLE ACTION TAKEN

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
NO ONE HEARD

BOARD MATTERS

- 4) Proposed Kern Health Systems Board Executive Committee (Fiscal Impact: None) –
ITEM DISCUSSED; PROVIDED DIRECTION TO STAFF

ADJOURN TO DECEMBER 19, 2024 AT 8:00 A.M.

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

SUMMARY

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Special Meeting
Monday, November 25, 2024

11:00 A.M.

BOARD RECONVENED

Directors: Watson, Thygerson, Patel, Elliott, Acharya, Alva, Bowers, Hoffmann, Ma, McGlew, Meave, Singh, Tamsi, Turnipseed

ROLL CALL: 11– Present; 3 Absent – Patel, Elliott, Bowers, Singh

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

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

PRELIMINARY MATTERS

- 1) Request by Director Turnipseed to participate remotely in the Special Meeting of the Kern Health Systems Board of Directors for “just cause” as a result of a childcare or caregiving need of grandchildren, in accordance with Government Code Section 54953 – APPROVED
Thygerson-McGlew - 9 Ayes; 1 Abstain – Turnipseed; 4 Absent – Patel, Elliot, Bowers, Singh

NOTE: DIRECTOR ELLIOTT ARRIVED AFTER ROLL CALL AND DID NOT VOTE ON ITEM 1

NOTE: DIRECTOR BOWERS ARRIVED AFTER ROLL CALL AND DID NOT VOTE ON ITEM 1

PUBLIC PRESENTATIONS

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

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 3) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code Section 54956.9 (e)(3)) Number of cases: Four (4)- Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection. SEE RESULTS BELOW

11:20 A.M.

BOARD RECONVENED

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 3 concerning CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code Section 54956.9 (e)(3)) Number of cases: Four (4)- Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection. **HEARD; NO REPORTABLE ACTION TAKEN**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DIRECTOR TURNIPSEED REPORTED THAT HE ATTENDED THE MOSS ADAMS HEALTHCARE CONFERENCE IN LAS VEGAS NOVEMBER 6-8

DIRECTOR ELLIOT APOLOGIZED FOR BEING LATE DUE TO TRAFFIC

OTHER MATTERS

- 5) Proposed establishment of Kern Health Systems Board Executive Committee (Fiscal Impact: None) – DISCUSSED; PROVIDED DIRECTION TO STAFF
- 6) Discussion regarding Kern Health Systems General Counsel and reporting relationship with Board of Directors (Fiscal Impact: None) – DISCUSS; PROVIDED DIRECTION TO STAFF

ADJOURN TO DECEMBER 19, 2024 AT 8:00 A.M.

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



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: Enterprise Risk Assessment
DATE: December 19, 2024

BACKGROUND

Enterprise risk management (ERM) is a methodology that looks at risk management strategically from the perspective of the entire organization whose purpose is to identify, assess, and prepare for potential harm that may interfere with an organization's operations and objectives.

Risks can be measured across several domains: compliance, legal, strategic, security, financial, and operational. It is the practices, policies, and framework for how our organization control the variety of risks it confronts.

KHS released a Request for Proposal (RFP) on August 28, 2024. Key components of the risk assessment include:

- Conduct a comprehensive risk assessment including stakeholder interviews and surveys, articulation of drivers, triggers and consequences, and clearly define risk ratings' impact and likelihood.
- Provide advice and recommendations for an ERM framework which provide standardized approaches to risk management.
- Assist KHS in developing a risk classification that can be used across the organization to provide a common understanding of the universe of risks.
- Provide training, skills, and knowledge transfer to help build a common understanding of risk.
- Provide an implementation roadmap that sets out the paths forward towards achieving each of the above-listed requirements that will be implemented as a risk management strategy.

A selection committee comprised of several internal departments reviewed, scored, and recommends a vendor from the three (3) proposals submitted to perform the risk assessment for KHS.

Criteria utilized for the scoring process include:

- Risk assessment process and implementation
- Department and Risk Classification Roadmap
- Project Management/Resources
- Training
- Delegation/Outsourcing Methodology
- Technology/Capabilities/Security
- Finance/Costs

Additional considerations for healthcare and California experience influenced relevance to requested scope of work and timelines.

Moss Adams provided a PowerPoint presentation outlining the proposed ERM approach for completion and will be available to answer questions.

REQUESTED ACTION

Approve; Authorize Chief Executive Officer to Sign and enter into the Enterprise Risk Management contract with Moss Adams, for a not to exceed amount of \$280,000 for a term of January 1, 2025 through December 31, 2025.

Enterprise Risk Assessment

KHS Board of Directors

December 19, 2024

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










Risk Assessment Importance

Risk Assessment is defined as the processes of identifying, analyzing, and evaluating the severity of risks

- Evaluation of an organization's well-designed compliance program is to understand how the company has identified, assessed, and defined its risk profile, and the degree to which the program devotes appropriate scrutiny and resources to the spectrum of risks
- Federal regulators recognize and emphasize the importance of assessing and managing risk
 - DOJ's Evaluation of Corporate Compliance Programs
 - OIG-HCCA's Measuring Compliance Program Effectiveness
 - U.S. Sentencing Guidelines §8B2.1 - Effective Compliance & Ethics Program



Enterprise-Wide Approach

	Domain	Description
	Operational	Operational risks relate to those risks resulting from inadequate or failed internal processes, people, or systems that affect business operations.
	Clinical/Patient Safety	Risks associated with the delivery of care to residents, patients, and other health care customers. Clinical risks include hospital acquired conditions (HAC), medication errors, etc.
	Strategic	Risks associated with the focus and direction of the organization. Risks included within the strategic domain are associated with reputation, joint ventures, competition, failure to adapt to changing times, or customer priorities.
	Financial	Decisions that affect the financial sustainability of the organization, access to capital or external financial ratings through business relationships, or the timing and recognition of revenue and expenses make up this domain.
	Human Capital	This domain refers to the organization's workforce. Included are risks associated with employee selection, retention, turnover, staffing, absenteeism, on-the-job work-related injuries, productivity, and compensation.
	Legal/Regulatory	Risk within this domain incorporate the failure to identify, manage and monitor legal, regulatory, and statutory mandates on local, state, and federal levels.
	Technology	This domain covers machines, hardware, equipment, devices, and tools; but can also include techniques, systems, and methods of organization.



Project Deliverables

- Conduct a comprehensive risk assessment including stakeholder interviews and surveys, articulation of drivers, triggers and consequences, and clearly defined risk ratings of magnitude and likelihood
- Advise and recommendations for an ERM framework, either internal framework or external framework to provide standardized approaches to risk management
- Develop a risk classification that can be used across the organization to provide a common understanding of the universe of risks
- Provide training, skills, and knowledge transfer to help build a common understanding of risk
- Prepare an implementation roadmap that sets out the paths forward towards achieving each of the above-listed requirements through:
 - Assessment framework
 - Risk register templates



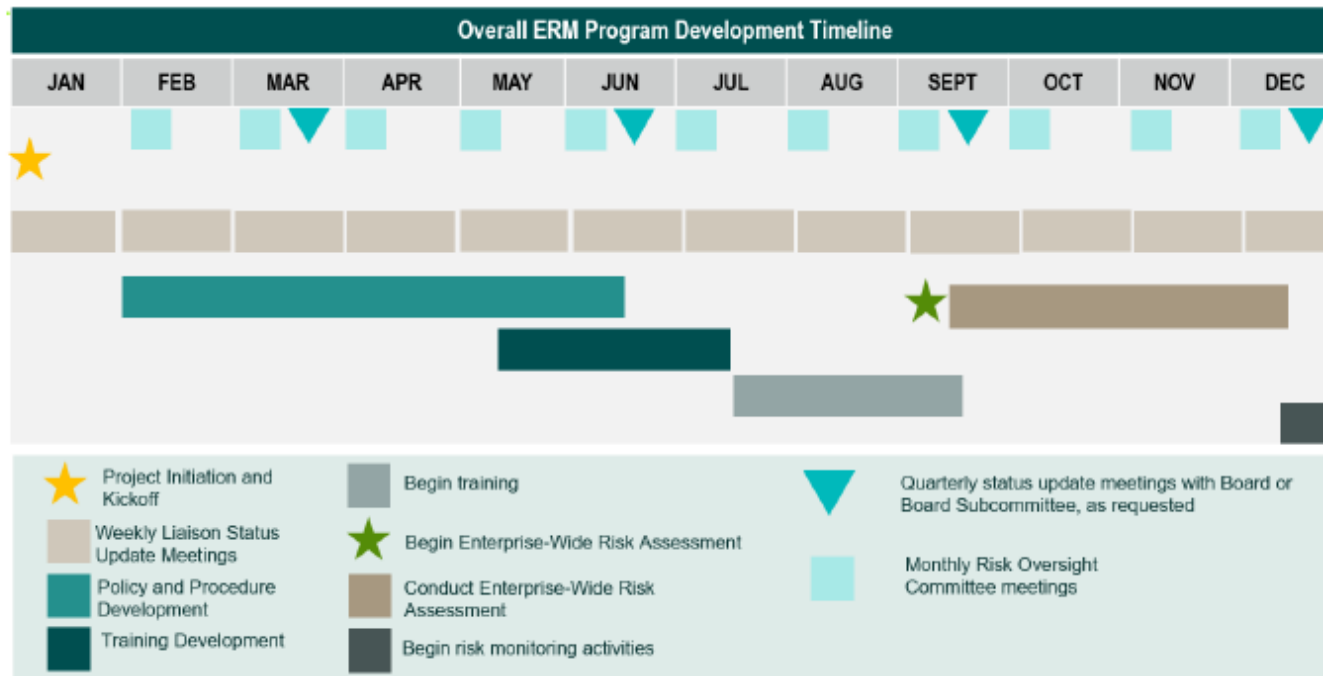
Process and Costs Comparison

RFP Section/Category	Vendor A	Vendor B	Vendor C
Risk Assessment Process and Implementation	65 hours	10 weeks	52 weeks
Department and Risk Classification Roadmap	Yes	Yes	Yes
Project Management/Resources	Yes	Yes	Yes
Managed Medi-Cal/CA footprint	No-Commercial focus; non healthcare	No-commercial focus; limited health care	Yes-12+ LHPC health plans CA
Training	Yes	Yes + \$4800 fee	Yes
Delegation /Outsourcing Use	Yes-GRC tool sister entity	Yes	No
Technology/ Capabilities/ Security	Yes	Yes	Yes
Finances /Costs	\$19,125.00	\$154,000	\$280,000
Score	3.8	4.4	4.9



ERM Timeline

Overall ERM Program Development Timeline



Board Request

Authorize the CEO to sign and enter into the Enterprise Risk Management contract with Moss Adams, not to exceed \$280,000. Term begins January 1, 2025, extending through December 31, 2025.



You + Us = a better day!

Questions

Deborah Murr, Chief Compliance and Fraud Prevention Officer

deborah.murr@khs-net.com

(661)664-5141





MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Veronica Barker, Controller
SUBJECT: 2024 Audit Planning
DATE: December 19, 2024

Background

Auditing standards require auditors to communicate with the Finance Committee regarding certain matters related to the conduct of an audit and to obtain certain information from the Finance Committee relevant to the audit. These standards also require that the auditor establish an understanding of the terms of the audit engagement with the Finance Committee.

Discussion

Moss Adams will be covering the following items in their 2024 Audit Entrance Meeting from the attached power-point presentation:

- Service Team
- Scope of Services
- Auditor's Responsibility in a Financial Statement Audit
- Significant Risks Identified
- Risks Discussion
- Consideration of Fraud
- Audit Timeline
- Audit Deliverables
- Expectations
- Documents Containing Audited Financial Statements and Independent Auditor's Report

Requested Action

Receive and File.

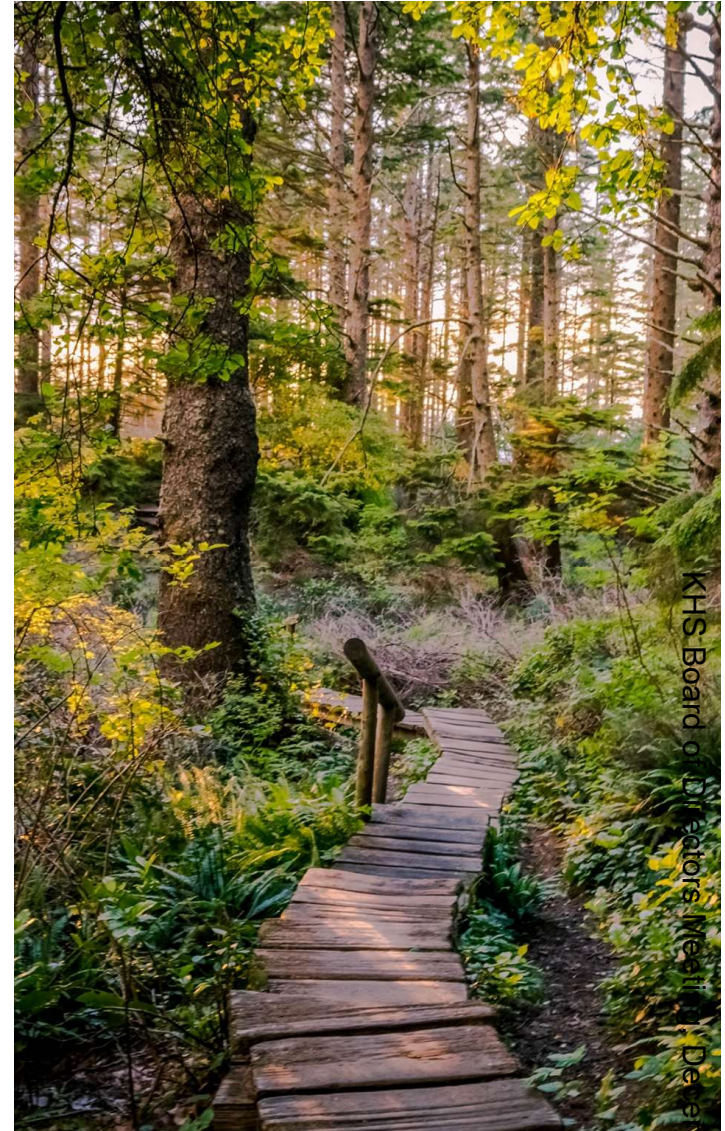


Kern Health Systems **2024 AUDIT PLANNING**

Discussion with Management and the
Executive Finance Committee

Agenda

1. Your Service Team
2. Scope of Services
3. Auditor's Responsibility in a Financial Statement Audit
4. Significant Risks Identified
5. Risks Discussion
6. Consideration of Fraud in a Financial Statement Audit
7. Audit Timeline
8. Audit Deliverables
9. Expectations
10. Documents Containing Audited Financial Statements and Independent Auditor's Report
11. About Moss Adams
12. Executive Session





Your Service Team



Stelian Damu
Audit Engagement Partner

Stelian.Damu@mossadams.com
[\(818\) 577-1914](tel:(818)577-1914)



Aparna Venkateswaran
Concurring Review Partner

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Ashley Merda
Audit Senior Manager

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[\(949\) 517-9431](tel:(949)517-9431)



Caitlyn McPherson
Audit In-Charge

caitlyn.mcpherson@mossadams.com
[\(310\) 295-3729](tel:(310)295-3729)

Other team members:

Desiree Osias
Audit Staff

Danila Antonin
Audit Staff

Scope of Services

Relationships between Moss Adams and Kern Health Systems:

Annual Audit



- Annual financial statement audit for the year ending December 31, 2024.

Non-Attest Services



- Assist management with drafting the financial statements for the year ending December 31, 2024, except for management's discussion and analysis section.
- Provide Claims Audit Tool (CAT) software maintenance and support services.



Auditor's Responsibility in a Financial Statement Audit

- Auditor is responsible for:
 - forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles
 - performing an audit in accordance with generally accepted auditing standards issued by the AICPA and GAGAS
 - communicating significant matters, as defined by professional standards, arising during the audit that are relevant to you
 - when applicable, communicating particular matters required by law or regulation, by agreement with you, or by other requirements applicable to the engagement
- The audit of the financial statements doesn't relieve management or you of your responsibilities.
- The auditor is not responsible for designing procedures for the purpose of identifying other matters to communicate to you.



Significant Risks Identified

During the planning of the audit, we have identified the following significant risks:

Significant Risks	Procedures
Medical claims liability and claims expense	<ul style="list-style-type: none">• Test the internal controls for claims payments and provider capitation systems• Test the data used by the actuary to estimate the claims liability and review the experience and qualifications of the actuary• Perform a retrospective review of the prior year's claims liability
Capitation revenue and receivables	<ul style="list-style-type: none">• Develop independent expectations of revenue using membership data and rates• Obtain an understanding of Management's reserve methodology and validate key inputs through our audit procedures• Verify subsequent receipt of cash and other substantive procedures
Amounts due to the State of California or DHCS	<ul style="list-style-type: none">• Test the provider capitation and other accrual calculations and agree amounts accrued to subsequent payments• Obtain an understanding of the nature of the amounts payable to the State of California• Test inputs into the estimates used to calculate the amounts due





Risks Discussion

1. What are your views regarding:




- Kern Health Systems' objectives, strategies, and business risks that may result in material misstatements
- Significant communications between the entity and regulators
- Attitudes, awareness, and actions concerning
 - Kern Health Systems' internal control and importance
 - How those charged with governance oversee the effectiveness of internal control
 - Detection or the possibility of fraud
 - Other matters relevant to the audit

2. Do you have any areas of concern?



Consideration of Fraud in a Financial Statement Audit

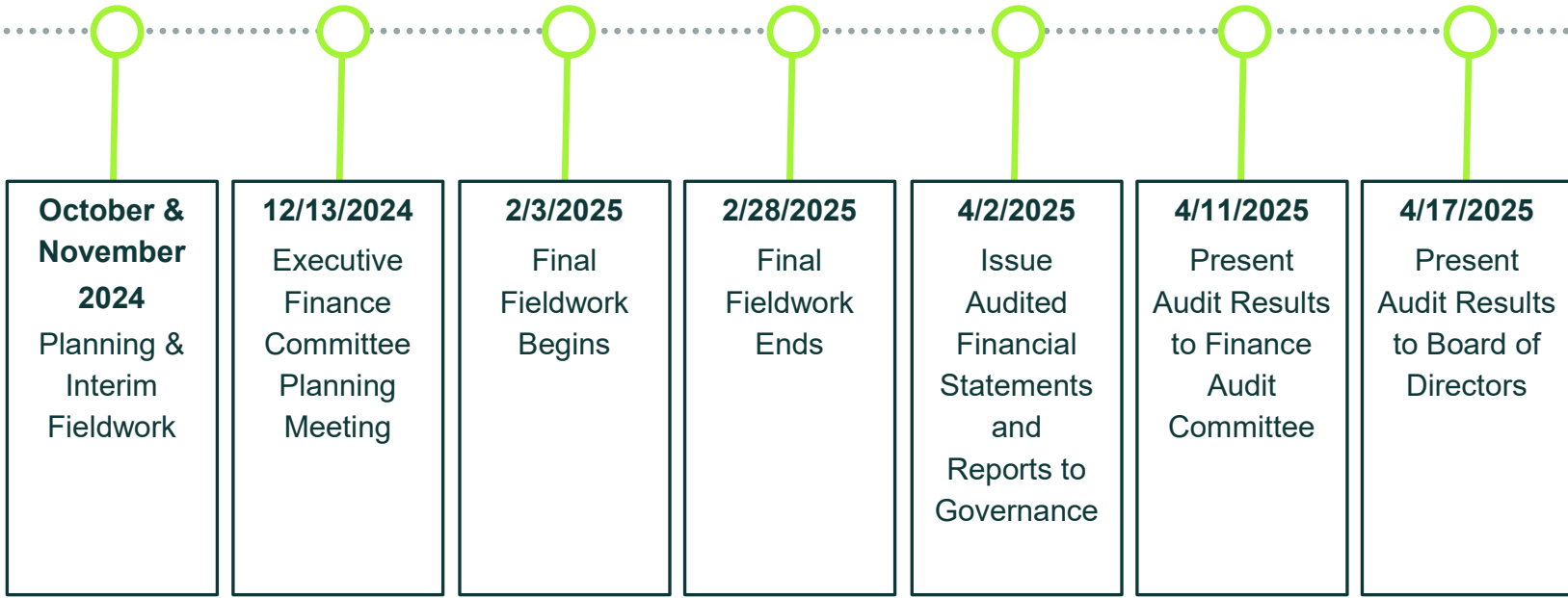
Auditor's responsibility: Obtain reasonable assurance the financial statements as a whole are free from material misstatement – whether caused by fraud or error

	Procedures to address the risk of fraud	Engagement team discussion
	Identify the risks of material misstatement due to fraud	<ul style="list-style-type: none">• Perform procedures to address identified risks• Inherent limitation of an audit
	Unavoidable risk exists that some material misstatements may not be detected	





Audit Timeline



Audit Deliverables



Report of Independent Auditors

- On financial statements as of and for the year ending December 31, 2024
- On *Internal Control over Financial Reporting* and on *Compliance and Other Matters*



Report to Management

(Communicating internal control-related matters identified in an audit)



Report to Those Charged with Governance

(Communicating required matters and other matters of interest)





Expectations

Client will:



- Have no significant adjusting journal entries after beginning of field work.
- Close books and records before beginning of field work.
- Provide auditor requested information in CAP schedule by requested due dates.

Moss Adams will:



- Communicate proposed adjustments with Management when identified.
- Communicate control deficiencies with Management when identified.
- Discuss any additional fees over estimate in engagement letter with Management.

Documents Containing Audited Financial Statements and Independent Auditor's Report



Our responsibility under generally accepted auditing standards.



Request for advance notification when you intend to include audited financial statements and the independent auditor's report in a document.



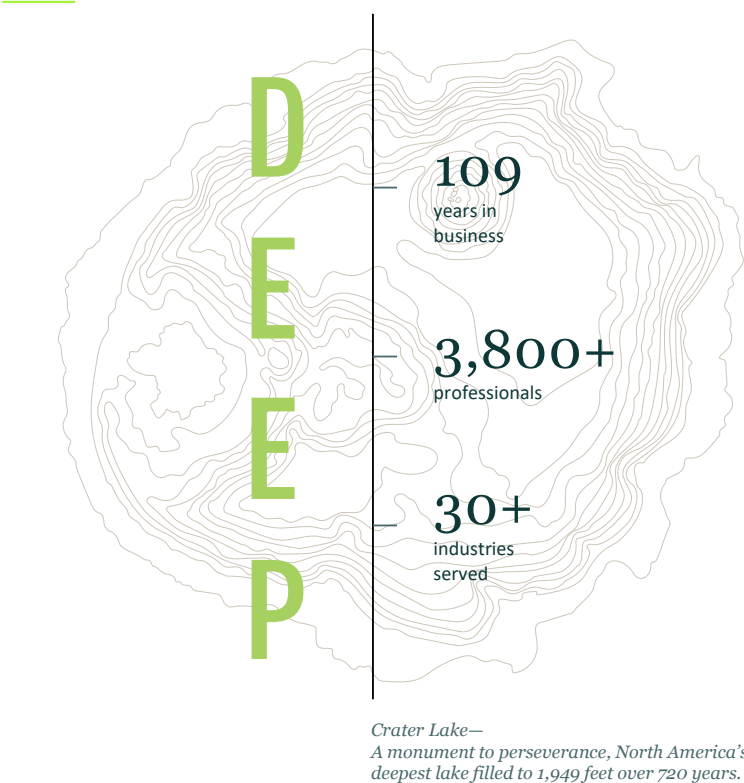
Arrangements to obtain the other information prior to report issuance.



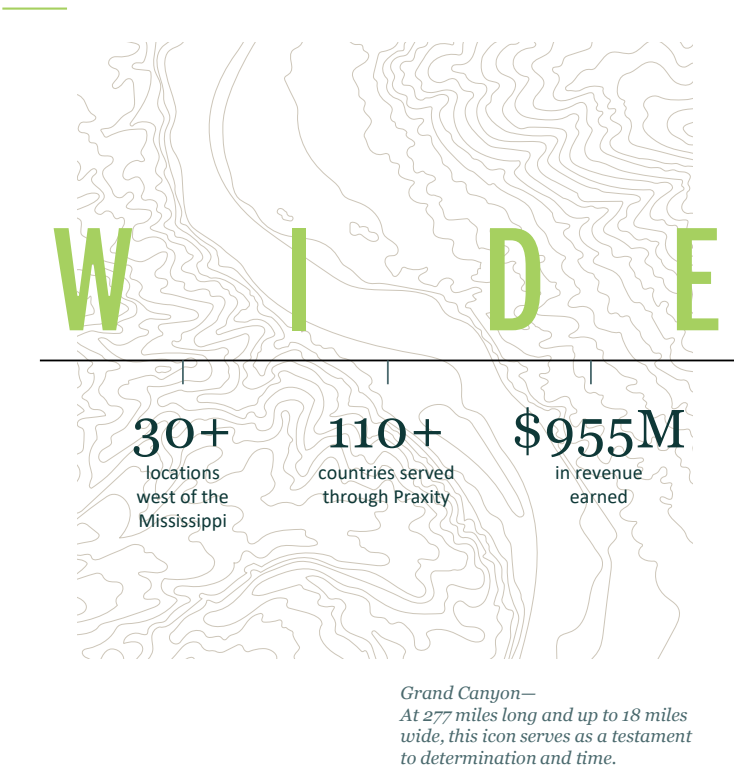
About Moss Adams



Our Expertise



Our Reach

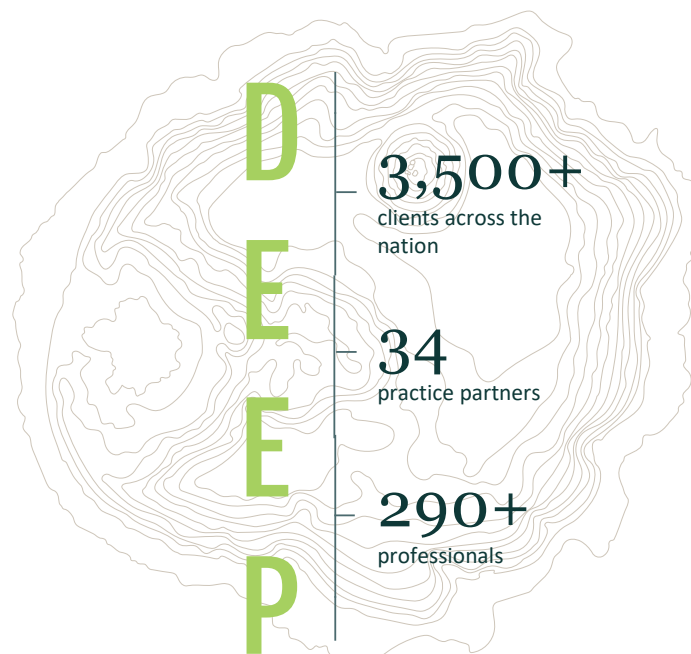


Health Care Industry Experience

Our health care professionals dedicate their careers to serving the industry.

We cover the full spectrum of health care including:

- Hospitals and health systems
- Independent practice associations
- Medical groups
- Community health centers
- Behavioral health organizations
- Long-term care
- Surgery centers
- Knox Keene licensed health plans
- Health care ancillary services



*Crater Lake—
A monument to perseverance, North
America's deepest lake filled to 1,949 feet over
720 years.*



Health Plans, Insurance & Risk-Bearing Organizations

In today's health care landscape, managed care risk-bearing organizations (RBOs) come in many different forms including health plans, accountable care organizations, independent physician associations, and integrated delivery networks.

We serve the needs of over 230 clients ranging in size and structure from large, billion-dollar member insurers to small, captive insurers. In addition to tax and assurance services, we also focus on operational and systems infrastructure, and our services and knowledge of the insurance managed care market have been used for numerous litigation matters involving payers and providers. There's opportunity for fresh approaches due to mounting financial pressures affecting profitability, increased federal and state regulations, and shifting patient populations.

WHO WE SERVE:

Self-funded medical professional liability insurance	Captive Insurers	Exclusive Provider Organizations
Risk Pools	Self-insured Pools	TPAs
Medicare Advantage Plans	Medicaid Health Plans	ACOs
CCOs	Knox-Keene Plans	Dental Plans
HMOs	Stock Insurance Companies (public & private)	Insurance Exchanges



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230+
insurance company clients ranging in premiums from \$15M to \$5B annually



Health Care Consulting		
COST REIMBURSEMENT	GOVERNMENT COMPLIANCE	OPERATIONAL IMPROVEMENT
Medicare & Medicaid	Regulatory Compliance	Revenue Cycle Enhancement
Provider-Based Licensure & Certification	Coding Validation	Claims Recovery
Medical Education	Coding Department Redesign	Litigation Support
Uncompensated Care	EHR Internal Controls	Employer Health Benefits
Wage Index Reviews	Corporate Compliance	Lean Consulting
Contract Compliance		Operational Assessments & Process Improvement
STRATEGY & INTEGRATION	INFORMATION TECHNOLOGY	Valuations
Provider Risk Analysis, Contracting, & Operational Design	HIPAA Security & Privacy	Performance Improvement
M&A Support	Network Security & Penetration Testing	
Feasibility Studies	Disaster Recovery Planning	
Market Intelligence & Benchmarking	PCI DSS Audits	
Strategic Planning & Implementation	SOC Pre-Audit Gap Analysis & Readiness	
Managed Care Assessment & Negotiation	SOC Audits	
Service Line Enhancement & Analyses		

Health Care Consulting

Audit and tax are vital. But you have complex needs that go beyond these core functions. Our dedicated health care consulting team provides a range of services to address all emerging needs—both now and in the future.

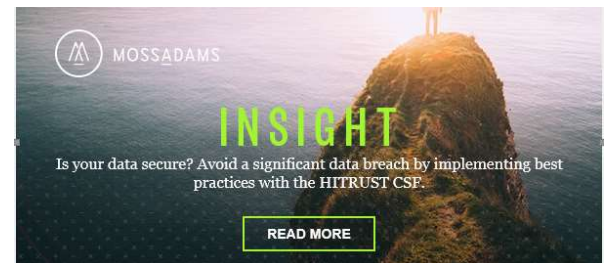
Insights and Resources

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and is presented in the format that fits your life.

We'll keep you informed to help you stay abreast of critical industry issues.

Moss Adams closely monitors regulatory agencies, participates in industry and technical forums, and writes about a wide range of relevant accounting, tax, and business issues to keep you informed.

We also offer CPE webinars and events which are archived and available on demand, allowing you to watch them on your schedule.





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Executive Session





THANK
YOU



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Emily Duran, Chief Executive Officer
SUBJECT: Kern Family Foundation
DATE: December 19, 2024

BACKGROUND

As part of the Kern Health Systems (KHS) Strategic Plan, KHS and the KHS Foundation Committee are working to create a non-profit foundation to further its mission in the community. The KHS Foundation will be organized and operated for charitable purposes of promoting the health status of residents in Kern County, developing partnerships with community-based organizations, and supporting local workforce development for healthcare careers.

The purpose of this presentation is to update the Board of Directors on the analysis and current status of this strategic goal, key initiatives for the KHS Foundation in year 2025, and status of documents associated therewith. After review of key strategies and objectives, KHS and the KHS Foundation Committee met on several occasions with our outside law firm to finalize the KHS Foundation Bylaws and other necessary formational documents.

REQUESTED ACTION

Receive and File; Update regarding status of KHS Foundation, finalized KHS Foundation Bylaws, and documents necessary to establish the KHS Foundation.



Emily Duran, MSA
Chief Executive Officer
Kern Health Systems



KERN HEALTH SYSTEM'S STRATEGIC GOAL

Strategic Goal: Explore the opportunity for KHS to create a non-profit foundation to further its mission in the community.

Strategies and Key Activities:

Conduct exploratory analysis of the necessary major components needed for the creation of a KHS non-profit foundation.

- 1) Conduct internal analysis of requirements, structure, and financing mechanism
- 2) Determine feasibility and develop implementation roadmap recommendation
- 3) Review recommendation with the Board of Directors to determine next steps



PURPOSE

The Kern Family Foundation will be organized and operated for charitable purposes of promoting the health status of residents in Kern County through the following activities:

Providing funding for regional community-based organizations

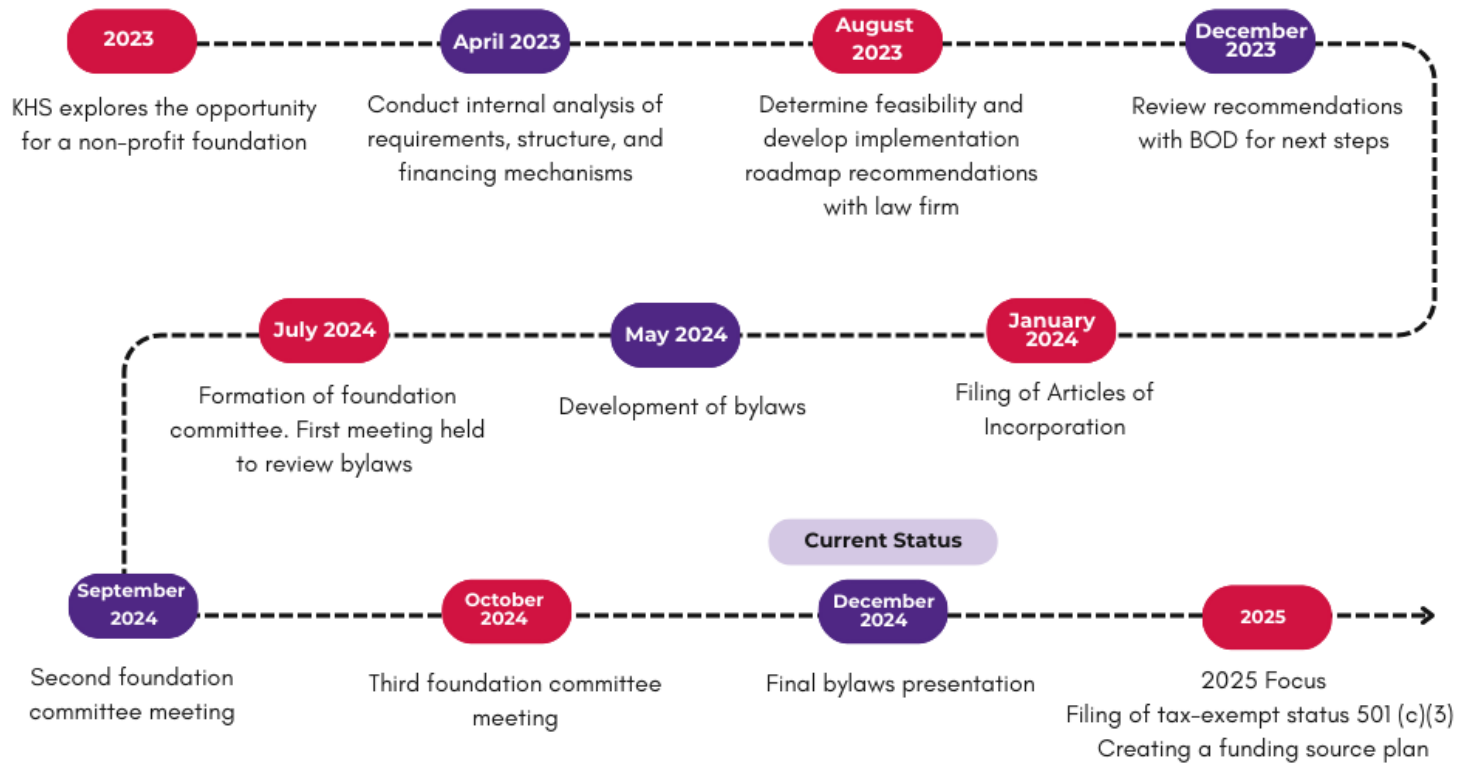
- Develop health and wellness education campaigns
- Member navigation outreach and education to retain Medi-Cal coverage
- Nutrition campaign for children and adolescents.

Supporting workforce development for health-related careers

- Expansion of Residency Programs
- Expansion of Nursing programs and Clinical rotations
- Development and implementation of a Physician Assistant (PA) program



FOUNDATION TIMELINE





2025 KEY ACTIVITIES

Looking ahead, 2025 will be focused on critical operational activities, including:

- Appointment of initial Directors
- Selection of a Certified Public Accountant (CPA)
- Convening of organizational meetings
- Development of a funding strategy
- Filing for 501(c)(3) tax-exempt status



REQUESTED ACTION

- **Receive and File**
- **Attachment A: Foundation Bylaws**



THANK YOU

Emily Duran
Chief Executive Officer

BYLAWS OF KERN FAMILY FOUNDATION

A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

**BYLAWS
OF
KERN FAMILY FOUNDATION
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

RECITALS

WHEREAS, there is a compelling need in the greater Kern County metropolitan area for a non-profit and non-governmental entity to ensure access to quality and innovative healthcare by supporting objectives that focus on community health and clinical excellence, including housing insecurity, mental health, substance abuse, and food insecurity; and

WHEREAS, the creation of Kern Family Foundation will allow the Foundation to implement the aforementioned objectives for the betterment of the greater Kern County community.

ARTICLE I: NAME AND OFFICES

Section 1.1. Name. The name of the Foundation is **KERN FAMILY FOUNDATION** (the "Foundation").

Section 1.2. Offices of the Foundation. The principal office for the transaction of the activities and affairs of the Foundation is located at 2900 Buck Owens Blvd., Bakersfield, California. The board of directors of the Foundation (the "Board") is granted full power and authority to change said principal office from one location to another in the City of Bakersfield or the County of Kern, and this section may be amended to state the new location. Any such change shall be noted by the Secretary in these Bylaws but shall not be considered an amendment of these Bylaws. The Board may at any time establish branch or subordinate offices, within or without Kern County, as its business may require and as the Board may designate.

ARTICLE II: OBJECTIVES AND PURPOSES

Section 2.1. Purpose. The Foundation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law (Corporations Code Sections 5110, *et seq.*) for charitable purposes. The specific purposes of the Foundation are to:

- (a) Conduct charitable activities to provide financial and other forms of support in Kern County and surrounding communities;
- (b) Promote activities and programs that meet and innovate healthcare needs and ensure the availability of quality healthcare;
- (c) Engage in any other activities in the furtherance of the purposes for which the Foundation is formed; and

- (d) Receive, invest and utilize funds and in-kind materials or services acquired through the solicitation of contributions, donations, grants, gifts and bequests for the purposes for which the Foundation is formed.

Section 2.2. Limitation on Corporate Activities. The Foundation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “IRC”). The Foundation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under IRC Section 501(c)(3), or (b) by a corporation, contributions to which are deductible under IRC Section 170(c)(2).

Section 2.3. Dedication of Assets. The property of the Foundation is irrevocably dedicated to charitable purposes. No part of the net earnings of the Foundation shall ever inure to the benefit of any of its directors, trustees, officers, members, or to the benefit of any private persons. Upon the dissolution or winding up of the Foundation, none of the assets of the Foundation shall be distributable to any director, trustee, officer, member, or to any private person. After paying or adequately providing for the debts, obligations, and liabilities of the Foundation, any remaining assets of the Foundation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes, and which has established and maintained its tax-exempt status under IRC Section 501(c)(3).

ARTICLE III: MEMBERSHIP

The Foundation shall have no members as that term is defined by Section 5056 of the California Corporations Code (the “Corporations Code”) and shall be governed solely by its Board in accordance with these Bylaws. Pursuant to Section 5310(b) of the Corporations Code, any action which would otherwise require approval by a majority of all members shall only require the approval of the Board. The Foundation may refer to persons or entities associated with it as “members” even though those persons or entities are not voting members, but no such reference shall constitute anyone a member within the meaning of Section 5056 of the Corporations Code.

ARTICLE IV: DIRECTORS

Section 4.1. Powers of Directors. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law (Corporations Code section 5110, *et seq.*) and any other applicable laws, and subject to any limitations of the Articles of Incorporation or these Bylaws, the activities and affairs of the Foundation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the activities and affairs of the Foundation to any person or persons or committees however composed, provided that the activities and affairs of the Foundation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to the foregoing general powers, and subject to the same limitations, the Board shall have the power to:

- (a) Select and remove all officers, agents, and employees of the Foundation; prescribe any powers and duties for them that are consistent with law, the Articles of Incorporation, and with these Bylaws;

fix their compensation, if any; and require from them security for faithful service;

- (b) Change the principal office or the principal business office in the State of California from one location to another; and cause the Foundation to be qualified to do business in any other state, territory, dependency or country and conduct business within or outside the State of California;
- (c) Adopt, make, and use a corporate seal and to alter the form of the seal;
- (d) Borrow money and incur indebtedness on behalf of the Foundation, and cause to be executed and delivered for the Foundation 's purposes, in the Foundation name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities; and
- (e) Exercise the Foundation's rights as a member or shareholder of any other corporation, venture or entity in which this Foundation has an interest as a member, shareholder or otherwise. In doing so, the Board may, by resolution authorize one (1) or more officers of this Foundation to represent this Foundation with respect to any matter to be acted upon by this Foundation as a member, shareholder or otherwise.

Section 4.2. Number of Directors. The authorized number of directors ("Directors") of the Board of Directors of the Foundation (the "Board") having all powers described in Section 4.1 above shall be seven (7) until changed by a duly adopted amendment to these Bylaws.

Section 4.3. Selection and Term of Office of Directors.

Section 4.3.1. Ex-Officio Directors. Two (2) Directors (each an "Ex-Officio Director") shall be *ex-officio* and consist of the acting CEO and the acting CFO of Kern Health Systems, a local public entity licensed under the Knox-Keene Act and a leading Medicaid and Medicare-Medicaid health plan in the Kern County region ("KHS"), and each shall hold office for the time periods in which the particular Director is within the *ex-officio* class of directors.

Section 4.3.2. At Large Directors. The remaining five (5) Directors shall be deemed "At Large Directors." No At Large Director shall be an acting member of the governing board of KHS nor an acting employee or officer of KHS. Except with respect to At Large Directors appointed by the incorporator, the At Large Directors shall be elected at each Annual Meeting.

Section 4.3.3. Nomination of At Large Directors. After the appointment of the initial At Large Directors by the incorporator, any person qualified to be an At Large Director may be nominated by any method of nomination authorized by the Board or by any other method authorized by law.

Section 4.3.4. Term of Office. Except as provided herein, each At Large Director shall hold office for a three-year term, with the term of at least one At Large Director expiring each year. At Large Directors may serve multiple terms. The incorporator may initially designate terms of less than three (3) years for the initial At Large Directors in order to stagger the terms of such directors so that they do not all expire at the same time. Each At Large Director shall hold office until the expiration of the term for which elected, designated or appointed and until such director's successor is elected, designated, or appointed and qualified.

Section 4.4. Interested Persons. None of the individuals serving on the Board may be "interested persons." As used in this Section 4.4, an "interested person" is:

- (a) Any person compensated by the Foundation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a Director for his/her service as Director; and
- (b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person. Any violation of the provisions of this Section 4.4 shall not affect the validity or enforceability of any transaction entered into by the Foundation.

Section 4.5. Advisory Directors. In addition to the Directors selected pursuant to Sections 4.2 and 4.3, there shall be two (2) individuals designated by the governing Board of KHS to serve as advisory directors (an "Advisory Director" or "Advisory Directors"), which Advisory Directors may include members of the governing Board of KHS. No Advisory Director shall be a "director" of the Foundation as the term is defined under §5047 of the Corporations Code. Advisory Directors shall serve in a purely advisory capacity and shall have no authority to vote on any matter. Advisory Directors shall have the right to receive notice of and to attend and participate at meetings of the Board, and shall have the same rights to reimbursements provided to Directors pursuant to Section 4.9, and to inspect the books and records of the Foundation pursuant to Section 4.10 below. Advisory Directors shall serve at the pleasure of the governing board of KHS and may be removed and replaced with or without cause from time to time by the governing board of KHS.

Section 4.6. Resignations of Directors. Except as provided in these Bylaws, any Director may resign by giving written notice to the Chairperson or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation becomes effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. A Director may not resign when the Foundation would then be left without at least one Director in charge of the Foundation's affairs.

Section 4.7. Removal of Directors. Any Director may be removed from office, with or without cause, by the approval of a majority of the Board; provided, however, that an *Ex-Officio* Director shall only be removed for cause as provided in section 4.7 subparagraph (b) below.

Section 4.8. Vacancies. A vacancy on the Board shall exist on the occurrence of the following:

- (a) The death, disqualification, resignation, suspension, removal, expulsion, or termination of any Director;
- (b) The declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of any court, convicted of a felony, found by final order of judgment of any court to have breached a duty under Article 3 of Chapter 2 of Division 3 of the Corporations Code, or who has failed to attend three (3) consecutive meetings of the Board or more than five (5) meetings in any one (1) year; or
- (c) The increase in the authorized number of Directors.

Removal of a Director for one or more of the reasons listed in this Section 4.8, subsection (b), may be initiated by any member of the Board. A vacancy on the Board shall be filled in the same manner of selection as that used to select the Director whose office is vacant for the balance of the unexpired term and until a successor has been elected or designated and qualified. In the event of a vacancy in the office of an *Ex-Officio* Director, the governing Board of KHS shall designate the person to fill the vacancy until the corresponding office of KHS which has led to the vacancy has been filled. No reduction in the authorized number of Directors shall have the effect of removing any Director prior to the expiration of the Director's term of office.

Section 4.9. No Compensation of Directors. Directors will not be paid any compensation for their services other than for the reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine.

Section 4.10. Inspection Rights of Directors. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Foundation during normal weekday business hours. If a Director wishes to be accompanied by an attorney during such inspection, then the inspection will be scheduled at a time when the Foundation's attorney will be present.

Section 4.11. Standard of Care. A Director shall perform the duties of a director, including duties as a member of any committee of the Board on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the Foundation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared and presented by:

- (a) One or more officers or employees of the Foundation whom the Director believes to be reliable and competent in the matters presented;

- (b) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
- (c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, as long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

A person who performs the duties of a Director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions that exceed or defeat a public or charitable purpose to which the Foundation or its assets are dedicated.

ARTICLE V: MEETINGS OF THE BOARD

Section 5.1. Place of Meetings. Unless specified otherwise, meetings of the Board shall be held at the principal office of the Foundation.

Section 5.2. Annual Meetings. An annual meeting of the Board ("Annual Meeting") shall be held each year for the purpose of organization, election of Directors and officers and the transaction of such other business as may properly be brought before the meeting. The annual meeting shall be held at such place that has been designated by the Board, and unless otherwise so designated, and unless otherwise so designated, shall be held during the month of July of each year on a date and at a time designated by resolution of the Board.

Section 5.3. Regular Meetings. Regular meetings of the Board shall be held on such date and time as the Board shall determine from time to time. Notice is not required for a regular meeting.

Section 5.4. Special Meetings. Special meetings of the Board for any purpose or purposes may be called by the Chairperson, Secretary or a majority of the Directors.

Section 5.5. Notice of Special Meetings. Notice of the time and place of special meetings shall be given to each Director and Advisory Director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the Director's or Advisory Director's address or telephone number as shown on the Foundation's records. Notices sent by first-class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone or electronic transmission shall be delivered, telephoned or sent, respectively, at least forty-eight (48) hours before the time set for the

meeting. The notice shall state the time of the meeting and the place, if the place is other than the Foundation's principal office.

Section 5.6. Waiver of Notice. Written notice may be dispensed with as to any Director who, at or prior to the time the meeting convenes, files with the Secretary a written waiver of notice, a written consent to the holding of the meeting, an approval of the minutes of the meeting, or who is actually present at the meeting when it convenes. All such waivers, consents and approvals shall be made a part of the minutes of the meeting.

Section 5.7. Meetings by Telecommunications Equipment. Members of the Board may participate in a meeting through use of a conference telephone or electronic video screen communication. Participation in a meeting by this means constitutes presence in person at such meeting as long as all members participating are able to hear one another.

Section 5.8. Conduct of Meetings. Meetings of the Board shall be presided over by the Chairperson, or in his or her absence, by the Vice-Chairperson.

Section 5.9. Quorum. A majority of the authorized number of Directors then in office shall constitute a quorum for the transaction of any business except adjournment.

Section 5.10. Required Vote of Directors.

5.10.1. In General. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to the provisions contained in these Bylaws or provided for by the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to: (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest; (b) approval of certain transactions between corporations having common directorships; (c) creation of and appointments of committees of the Board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting or such greater number as is required by the Articles of Incorporation, these Bylaws or by law. In the event of a tie vote by the Board of Directors, no action will be taken on the subject matter of the vote.

5.10.2. Greater Vote Required. The approval of at least three-quarters (3/4) of the number of Directors present at a duly held meeting at which a quorum is present, which must also include both Ex-Officio Directors, is required for any of the following actions for the action to be the act of the Board:

- (a) An amendment or restatement to the Articles.
- (b) An amendment to the Bylaws if that amendment, subject to the requirements of section 10.2 of these Bylaws:
 - i. Alters the rights of an Ex-Officio Director;

- ii. Alters the rights of the Advisory Directors or the selection or removal process for the Advisory Directors;
 - iii. Creates a membership in the Foundation or bestows any right or power of a member on any person;
 - iv. Alters the mission or business purpose of the Foundation;
 - v. Alters the size of the Board, the selection or removal process for Directors or the powers or functions of the Board; or
 - vi. Alters this Section pertaining to "Board Action."
- (c) A material change to the structure of the Foundation, including its merger, disposition of all or substantially all of its assets, voluntary bankruptcy or dissolution.
- (d) The occurrence or assumption of, or the amendment to the terms of, any debt in excess of \$1,000,000.
- (e) The adoption of, or the amendment to, a conflict of interest or other policy governing any transaction or other matter in which one (1) or more Directors or other related or interested persons has a financial interest.

Section 5.11. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned more than twenty-four (24) hours, in which case notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

ARTICLE VI: COMMITTEES OF THE BOARD

Section 6.1. Committees.

6.1.1. Generally. The Board may by resolution adopted by a majority of the Directors then in office, designate one or more committees for any purposes and delegate to such committees any of the powers and authorities of the Board to the extent permitted by Section 5212 of the Corporations Code. All such committees shall consist of a number of Directors that will be determined by the Board as committees are established.

6.1.2. Committee Members. The chairperson and members of each special or advisory committee, except as otherwise provided by the Board or by these Bylaws, shall be appointed annually by the Board and may be removed by majority vote of the Directors then in office. Vacancies on any committee may be filled for the unexpired portion of the term in the same manner as provided in the case of original appointment.

6.1.3 Quorum; Meetings. Each committee shall meet as often as necessary to perform its duties, at such times and places as directed by its chairperson or by the Board. A majority of the members of a committee shall constitute a quorum of such committee and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee shall keep accurate minutes of its meetings, the chairperson designating a secretary of the committee for this purpose, and shall make periodic reports and recommendations to the Board.

6.1.4. Expenditures. Except as may otherwise be provided by the Board or by these Bylaws, any expenditure of corporation funds by a committee shall require prior approval of the Board.

Section 6.2. Limitation on Delegation. In accordance with the Corporations Code, the Board may not delegate any power of final action to any committee not composed entirely of Directors, and may not delegate to any committee the following powers:

- (a) The filling of vacancies on the Board or on any committee which has the authority of the Board;
- (b) The fixing of compensation of the Directors for serving on the Board or on any committee;
- (c) The amendment or repeal of Bylaws or the adoption of new Bylaws;
- (d) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) The appointment of committees of the Board or the members thereof;
- (f) The expenditure of corporate funds to support a nominee for Director after there are more persons nominated for Director than can be elected; or
- (g) The approval of any contract or transaction to which the Foundation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the Corporations Code.

Section 6.3. Advisory Committees. Advisory committees may be appointed from time to time by the Board. Advisory committees' membership may consist of Directors only, both Directors and nondirectors, or nondirectors only. Advisory committees have no legal authority to act for the Foundation, shall serve only in an advisory capacity and shall report their findings and recommendations to the Board.

ARTICLE VII: CERTAIN TRANSACTIONS

Section 7.1. Loans. Except as permitted by Section 5236 of the California Nonprofit Public Benefit Corporation Law, this corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer; provided, however, that

this corporation may advance money to a Director or officer for expenses reasonably anticipated to be incurred in performance of the duties of such Director or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

ARTICLE VIII: OFFICERS

Section 8.1. Officers. The officers of this Foundation shall be a Chairperson, Vice-Chairperson, Secretary and Chief Financial Officer. The Board may establish such other offices as it shall deem advisable. Additional officers so elected shall hold office for such period and shall have such powers and duties as the Board may authorize from time to time. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as the Chairperson. No officer shall execute, acknowledge, or verify any instrument in more than one capacity, if such instrument is required to be executed, acknowledged or verified by two (2) or more officers.

8.1.1. Chairperson. The Chairperson shall direct the business of the Board and shall preside at all meetings of the Board. The Chairperson shall exercise and perform such other powers and duties as the Board may assign from time to time and shall have, subject to the control of the Board, general supervision, direction, and control of the business, affairs, officers and employees of the Foundation. The Chairperson shall have the general powers, duties and responsibilities of management usually vested in the chief executive officer and/or general manager of a corporation, and such other powers, duties and responsibilities as may be prescribed by the Board or these Bylaws. The Chairperson shall be appointed by the Board, and may be terminated or removed by the Board, subject to any applicable contract of employment. The Chairperson shall at all times be a duly elected and acting Director of the Foundation.

8.1.2. Vice-Chairperson. The Vice-Chairperson shall assist the Chairperson in the performance of any duties or responsibilities which might be delegated or assigned to him or her from time to time by the Chairperson or the Board. In the absence of the Chairperson, the Vice-Chairperson shall preside at meetings of the Foundation and shall exercise and perform such other powers and duties as the Board may assign from time to time. If the office of Chairperson is vacated, the Vice-Chairperson shall assume the duties of, and shall have all the power of, the Chairperson and shall act as such until a new Chairperson is otherwise appointed by the Board or for the remainder of the applicable term. The Vice-Chairperson shall at all times be a duly elected and acting Director of the Foundation.

8.1.3. Secretary. In the absence of the Chairperson and the Vice-Chairperson, the Secretary shall preside at meetings of the Foundation. The Secretary shall keep or cause to be kept, at the Foundation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings and actions of the Board, and of meetings of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular or special, and if special, how authorized; the notice given; and the names of persons present at Board and committee meetings. The Secretary shall keep or cause to be kept written waivers of notice of meetings; written consents to holding meetings, written approval of minutes of meetings; and unanimous written consents of action of the Board without a meeting. The Secretary

shall keep or cause to be kept, at the principal office of the Foundation, a copy of the Articles of Incorporation and Bylaws, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board that these Bylaws require to be given. The Secretary shall have such other powers and perform such other duties as the Board or these Bylaws may require.

8.1.4. Chief Financial Officer. The Chief Financial Officer shall keep and maintain, or cause to be kept, and maintained adequate and correct books and accounts of the Foundation's properties and transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The Chief Financial Officer shall send, or cause to be given, to the Directors such financial statements and reports as are required to be given by law, by these Bylaws or by the Board. The books of account shall be open to inspection by any Director at all reasonable times. The Chief Financial Officer shall (i) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Foundation with such depositories as the Board may designate; (ii) disburse the Foundation's funds upon a check or draft of the foundation signed pursuant to the order of the Board; (iii) render to the Chairperson and the Board, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the Foundation; and (iv) have such other powers and perform such other duties as the Chairperson, Board or these Bylaws may require. The Chief Financial Officer may also be designated by the alternate title "Treasurer."

8.2 Term of Office. Each officer shall hold office for a term of one (1) year.

8.3. Resignations of Officers. Any officer may resign at any time upon written notice to the Board, and such resignation is effective upon receipt of the written notice by the Board unless the notice prescribes a later effective date or unless the notice prescribes a condition to the effectiveness of the resignation.

ARTICLE IX: INDEMNIFICATION

Section 9.1 Right of Indemnity. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, the Foundation shall indemnify its Directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is defined in that section, and including an action by or in the right of the Foundation, by reason of the fact that the person is or was a person described in that section. The term "expenses," as used herein, shall have the same meaning as in Corporations Code Section 5238(a).

Section 9.2. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Corporations Code Sections 5238(b) or 5238(c), the Board shall promptly determine under Corporations Code Section 5238(e) whether the applicable standard of conduct set forth in Corporations Code Sections 5238(b) or 5238(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the determination of whether the

indemnification shall be authorized shall be made by the court in which such proceeding is or was pending upon application made by the Foundation, or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Foundation

Section 9.3. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 9.1 and 9.2, and defending any proceeding covered by those sections, shall be advanced by the Foundation before final disposition of the proceeding, on receipt by the Foundation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Foundation for those expenses.

Section 9.4. Insurance. The Foundation shall have the right to purchase and maintain insurance on behalf of its officers, directors, employees, and other agents of the Foundation against any liability asserted against or incurred by any such person in such capacity or arising out of such person's status as such whether or not the Foundation would have the power to indemnify the agent against such liability under the provisions of this Article IX; provided, however, that a corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Corporations Code Section 5233.

ARTICLE X: AMENDMENTS

Section 10.1. Amendment of Articles. The amendment or restatement of the Articles of Incorporation of the Foundation is provided for by California state law and requires the approval of a supermajority of the Directors of the Foundation as provided in subsection 5.10.2 of these Bylaws and the filing of a certificate of amendment with the Secretary of State.

Section 10.2. Amendment of Bylaws. These Bylaws may be amended or repealed, or new bylaws may be adopted, only as provided in subsection 5.10.2 of these Bylaws. Any conflict between these Bylaws and the Articles of Incorporation shall be resolved in favor of the Articles of Incorporation.

ARTICLE XI: RECORDS

Section 11.1 Minute Book. The Foundation shall keep or cause to be kept a minute book which shall contain:

- (a) The record of all meetings of the Board including date, place, those attending and the proceedings thereof, a copy of the notice of the meeting and when and how given, written waivers of notice of meeting, written consents to holding meeting, written approvals of minutes of meeting, and unanimous written consents to action of the Board without a meeting, and similarly as to meetings of committees of the Board established pursuant to these Bylaws;

- (b) A copy of the Articles of Incorporation, and all amendments thereof, and a copy of all certificates filed with the Secretary of State; and
- (c) A copy of these Bylaws, and all amendments hereof, duly certified by the Secretary.

Section 11.2. Financial Statements; Annual Report.

11.2.1. Financial Statements. Financial statements shall be prepared as soon as reasonably practicable after the close of the fiscal year, but not later than the fifteenth (15th) day of the fourth (4th) month after the close of said fiscal year. The financial statements shall contain in appropriate detail the following: (i) a balance sheet for the Foundation as of the end of the fiscal year; (ii) an income statement for the same period; and (iii) a statement of cashflows for that same period.

11.2.2. Annual Report to Directors. An annual report, including the financial statements prescribed by Section 11.2.1 of these Bylaws, shall be furnished annually to all Directors within One-Hundred Eighty (180) days after the end of the Foundation's fiscal year and shall include any information required by Section 11.3 of these Bylaws. The financial statements included with the annual report shall be accompanied by a report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Foundation that such statements were prepared without audit from the books and records of the Foundation. If the Board approves, the Foundation may send the report and any accompanying material sent pursuant to this Section 11.3 by electronic transmission.

11.2.3. Exception. Notwithstanding Sections 11.2.1 and 11.2.2, the requirement of a financial statement and an annual report shall not apply if the Foundation receives less than Ten Thousand Dollars (\$10,000) in gross revenues or receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors who request it in writing.

Section 11.3. Report of Transactions and Indemnifications. As part of the annual report to all Directors required by Section 11.2.2 of these Bylaws, or a separate document if no annual report is issued, the Foundation shall annually prepare and mail, deliver or send by electronic transmission to all Directors a statement of any transaction between the Foundation and one of its officers or Directors or of any indemnification paid to any officer or Director. The statement shall be mailed within One-Hundred Twenty (120) days after the close of the fiscal year. The statement required by this Section shall describe briefly:

11.3.1. Covered Transactions. Any covered transaction during the previous fiscal year involving more than Ten Thousand Dollars (\$10,000), or which was one of a number of covered transactions in which the same "interested person" had a direct or indirect material financial interest, and which transactions in the aggregate involved more than Ten Thousand Dollars (\$10,000). The names of the "interested persons" involved in such transactions, stating such person's relationship to the Foundation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

11.3.2. Indemnification. The statement shall describe briefly the amount and circumstances of any indemnifications or advances aggregating to more than Ten Thousand Dollars (\$10,000) paid during the fiscal year to any officer or Director of the Foundation pursuant to Section 5238 of the Corporations Code.

For purposes of this Section 11.3, an “interested person” is (i) any Director or officer of the foundation, or its parent or subsidiary; and (ii) any holder of more than ten percent (10.0%) of the voting power of the Foundation, its parent or subsidiary.

Section 11.4. Periodic Regulatory Filings.

11.4.1. Secretary of State. In accordance with Section 6210 of the Corporations Code, the Foundation shall file a Statement of Information, in the form required by the Secretary of State, every two (2) years from the date of its incorporation. The statement must be filed no earlier than December 1 and no later than May 31 of the year in which the filing is required. In addition, the Foundation must also file a statement if at any time before the required biennial filing is due the information provided in the previously filed statement has changed.

11.4.2. Attorney General. Within thirty (30) days of first receiving property, the Foundation shall file with the Attorney General an initial registration form, setting forth such information and attaching documents prescribed in accordance with rules and regulations of the Attorney General. Thereafter, the Foundation shall renew its registration annually within four (4) months and fifteen (15) days after the end of the fiscal year.

ARTICLE XII: MISCELLANEOUS PROVISIONS

Section 12.1. Accounting Year. The accounting year of the Foundation shall end on the 31st of December each year.

Section 12.2. Self-Dealing. In the exercise of voting right by Directors, no Director shall vote on any issue, motion or resolution which directly or indirectly inures to his or her benefit financially, except that such Director may be counted in order to qualify a quorum and, except as the Board may otherwise direct, may participate in a discussion on such an issue, motion or resolution if he or she first discloses the nature of his or her interest subject to the applicable provisions of the Corporations Code.

Section 12.3. Gifts and Donations. The Board may accept on behalf of the Foundation any contributions, gifts, bequests or devises for the general purpose or for any special purpose of the Foundation not in violation of the Foundation’s Articles of Incorporation.

Section 12.4. Contracts. Unless otherwise set forth in these Bylaws the Board may authorize any officer or officers, agent or agents of the Foundation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances.

Section 12.5. Checks and Other Forms of Payment. Except as otherwise set forth in these Bylaws, all checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Foundation, shall be signed by such officer or officers, agent or agents, of the Foundation and in such manner as shall from time to time be determined by resolution of the Board.

Section 12.6. Conflicts of Interest. The Foundation, through its Board, may promulgate from time to time a conflict-of-interest policy and other policies according to the current law then in effect to be adhered to by its officers and Directors.

Section 12.7. Inspection of Articles and Bylaws. The Foundation shall keep at its principal executive office in California the original or a copy of its Articles of Incorporation endorsed and certified by the Secretary of State and its Bylaws certified by the Secretary, as amended or otherwise altered to date, which shall be open to inspection by Directors at all reasonable times during office hours.

Section 12.8. Interpretation and Construction. Any conflict between these Bylaws and the Articles of Incorporation shall be resolved in favor of the Articles of Incorporation. Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

Section 12.9. Dissolution. The Foundation shall not be voluntarily dissolved, except by approval of the Board. In the event of dissolution of the Foundation in any manner and for any cause, after the payment or adequate provision for the payment of all of its debts and liabilities, all of the remaining funds, assets and properties of the Foundation shall be paid or distributed as provided for in the Articles of Incorporation.

Section 12.10. Job Descriptions and Policies. Notwithstanding any other provision in these Bylaws to the contrary, the Board may, at its option, implement job descriptions and policies for Directors, committee members, officers and other employees.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of KERN FAMILY FOUNDATION, a California nonprofit public benefit corporation (the "Foundation"); and
2. That the foregoing Bylaws to which this certificate is attached, comprising _____ (__) pages, constitute the original Bylaws of said Foundation, as duly adopted at the meeting of the Incorporator and approved by the Board of Directors of said Foundation.

IN WITNESS WHEREOF, I have subscribed my name and affixed the seal of said Foundation effective this _____ day of _____ 2024.

***, Secretary



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Emily Duran, Chief Executive Officer
SUBJECT: Healthcare Workforce Initiative
DATE: December 19, 2024

BACKGROUND

In August 2023, the Kern Health Systems Board of Directors approved the Healthcare Workforce Expansion initiative allocating \$10 million to educational institutions and health care providers that will work together to expand local nursing and physician professionals in Kern County.

The investment of this initiative is to grow our own local professional medical talent by cultivating the professional interests of students at a younger age and removing obstacles that give them a chance for higher education and ultimately post-graduate employment opportunities in Kern County. This Expansion initiative will also increase the number of primary care physician residents allowing for a larger, more robust, residency program in our community.

Kern Medical will provide a presentation on their project that was funded at \$4,000,000.

REQUESTED ACTION

Receive and File.



**UNDERGRADUATE &
GRADUATE
MEDICAL
EDUCATION**

**KERN MEDICAL
2024-2025**

Residencies & Fellowships

- Kern Medical has over **65** years of Medical Education experience

**36**

Internal
Medicine

**28**

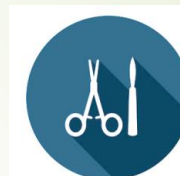
Emergency
Medicine

**28**

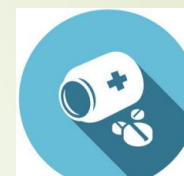
General
Psychiatry

**16**

Obstetrics &
Gynecology

**12**

General
Surgery

**3**

Clinical
Pharmacy

**6**

Child &
Adolescent
Psychiatry

**2**

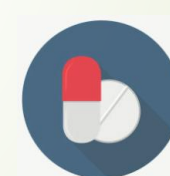
Infectious
Disease
Fellowship

**24**

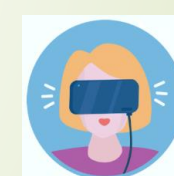
Rio Bravo
Family
Medicine

**1**

Addiction
Medicine
Fellowship

**2**

Addiction
Psychiatry
Fellowship

**2**

SIM
Fellowship

240 + Medical Students, Residents, & Fellows

3

Incoming 2024 Class of Residents & Fellows



Academic Programs

2024-2025 Recruitment

Residency	Applications	Interviews	PGY-1 Positions
Internal Medicine	3,135	217	12
Psychiatry	1,014	72	7
General Surgery	673	100	4 (2 Five-Year) (2 One-Year)
Ob-Gyn	522	60	4
Emergency Medicine	491	100	7

5

Background



- We invest our clinical profit margin as the primary source of funding for all our academic programs
- Current Resident Salary: \$70,300 Base (\$107,315 with Benefits)
- Current Reimbursement from Direct & Indirect Medical Education sources (DGME/IME) is only \$35,715 per Resident
- We currently educate 112 Residents plus 125 Medical Students
- Started a "Pathway" Program to identify and prepare local high schoolers through Bakersfield College (BC), Cal State University Bakersfield (CSUB), and Western University Health Sciences (a DO medical school in Pomona & Oregon)

Academic Challenges



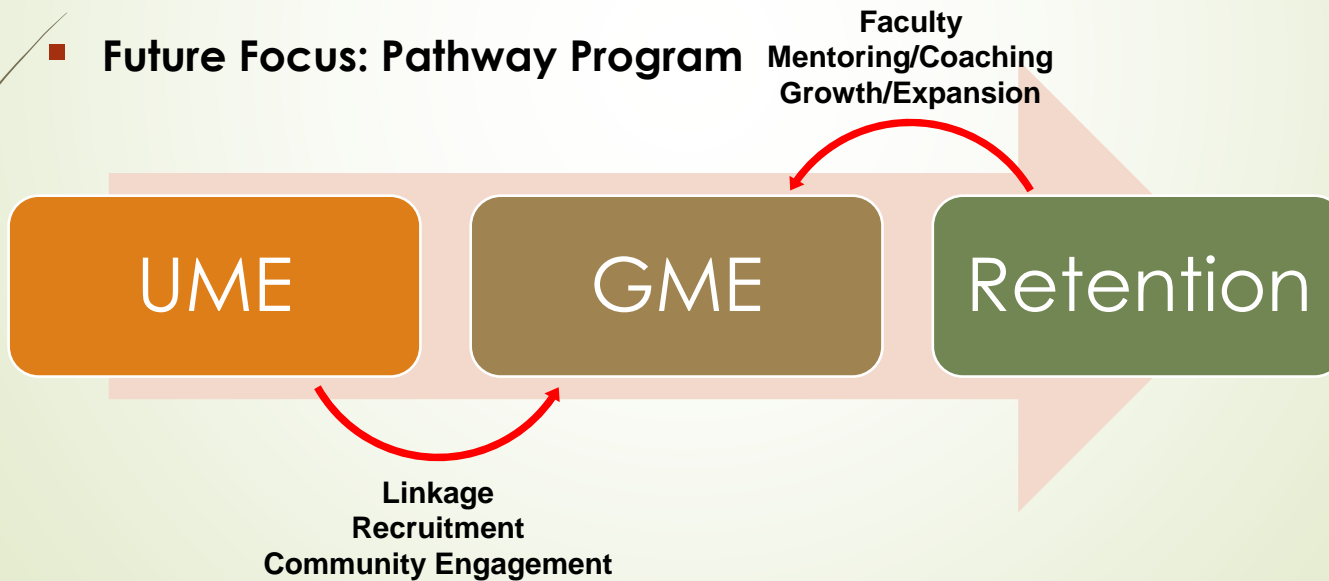
- Attracting top Resident Candidates
- Branding (despite UCLA Affiliation)
- No local Medical School to source from
- Kern County is medically underserved
 - 47 Primary Physicians per 100K (Need 60-80 per US Dept. of HHS)
 - 81 Specialists per 100K (Need 85-105 per US Dept. of HHS)
- Assembly Bill 2357 requires a sizeable Endowment & UC commitment to build a Kern County Medical School
- We propose a phased approach to establish a Medical School Satellite Campus of Western University in Kern County for considerably lower cost over 7 years

7

Future Academic Programs

- Transitional Year Program 2025
- Family Medicine by 2027
- Endocrine, Diabetes & Metabolism by 2028
- Nephrology by 2029
- Pulmonary by 2030

- **Future Focus: Pathway Program**



Phase 1 CSUB & BC College Linkage Program

- Timeline: Fall 2024
- Participants: 5-10 Pre-Med Students Annually
- Preferential access to medical school w/ 3rd year clinical rotation at Kern Medical
- Actively recruiting now

Phase 1Phase
2Phase
3Phase
4Phase
5

9



Phase 2 COMP-Central Valley Underserved Track

- Timeline: Fall/Winter 2024
- Participants: 8-10 First-year Medical Students
- Longitudinal track
- Virtual lectures
- In-Person Workshops
- 3rd Year Clinical Rotation @ Kern Medical

Phase 1

**Phase
2**Phase
3Phase
4Phase
5

Phase 3 Addition of Summer Clinical Immersion Program



Timeline: Fall 2025



**10-15 First Year Students on
COMP Underserved Track**



**Place in a 4-week clinical
immersion program at Kern
Medical**

3rd Year Clinical Rotation

Add 4-Week Summer Immersion
program @ Kern Medical

- Primer in Cardiology, Pulmonology, and Nephrology
- Hands-on Clinical Experience
- AM Rounds + Classroom Instruction

Phase 1

Phase
2

**Phase
3**

Phase
4

Phase
5

11

Phase 4

2nd Year of Medical School in Bakersfield



- Timeline Fall 2028
- 20-30 medical students from class of 2032
- Spend 1st year in Pomona
- Relocate to Kern for 2nd-3rd year
- Curriculum delivered locally
- Supported by COMP & Kern Faculty, Staff, and Administrators

Phase 1

Phase
2Phase
3**Phase
4**Phase
5



Phase 5

Western-Kern Medical Center for Medical Education

- Timeline: 2032-2035
- Co-create a center for medical education & community use
 - Classrooms
 - Skill Labs/Clinical Space
 - Expanded Simulation
 - Office/Study Space
 - Community Education Rooms
 - Childcare
 - Wellness Center (Gym & Exercise Classes)

Phase 1

Phase
2

Phase
3

Phase
4

Phase
5

13

The Academic Experience

- POCUS Training
- SIM Lab Training
- Didactic Lectures
 - Lectures Per Year: ~590
 - EM: 45
 - IM: 210
 - Psych: 93
 - Child & Adolescent: 40
 - Addiction Psych: 40
 - Surgery: 80
 - OB/GYN: 80
- Departmental Morbidity & Mortality (M&M) Conferences
- Nursing & Ancillary Education
- Leadership Training
- Monthly Lunch w/ the DIO, CMO, CEO



14

Medical Student Union Building



Accessible Around the Clock
Kitchen & Lounge Area
Collaborative Learning Space
Backpack Cubbies & Lockers
17 Computer/Study Stations
High-Tech Conference Room
Network Color Copier & Printer

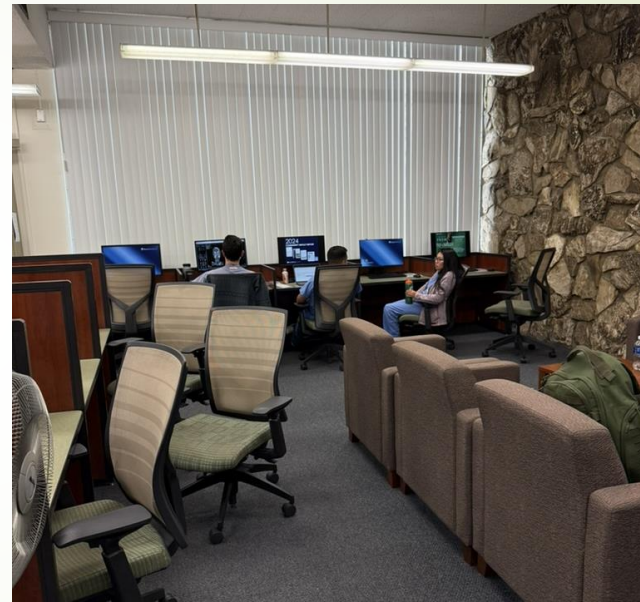


15

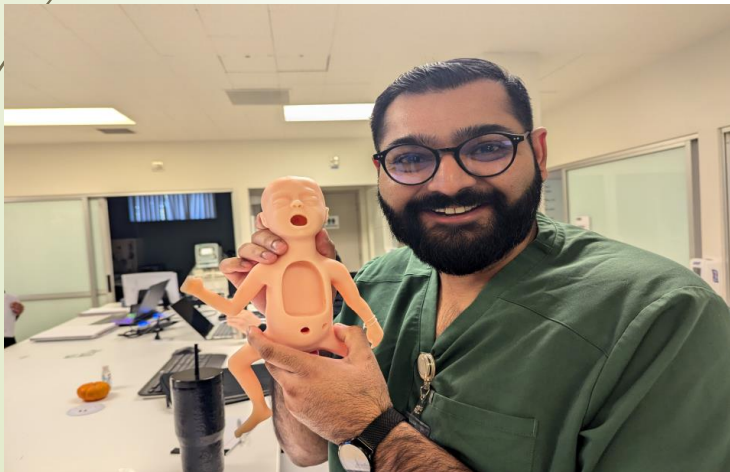
Kern Medical Library



1958



2024



Kern Medical Simulation Center Quarterly Activity

SIM	Dept	# of SIMs	# of Students
ACLS Drills	SIM Center	10	56
Surgery OSCE's	Surgery	15	55
OB Nurse SIMs	OB/Gyn	12	52
RA Workshop	SIM Center	5	29
IM MS3 SIMs	Int Medicine	5	21
De-Escalation	Behavioral	3	16
IM Procedures	Int Medicine	4	12
IM OSCE's	Int Medicine	4	9
Psych OSCE's	Psychiatry	4	8
Lerdo Jail SIMs	Lerdo Jail	2	6
EM MS4 SIMs	Emergency	1	4
Peds OSCE's	Pediatrics	1	2

17

The Academic Experience



- Monthly Graduate Medical Education (GME) Committee
- Affiliated with David Geffen School of Medicine at UCLA
 - Access to UCLA Medical Library and Literary Resources
- Academic Clinical Faculty have UCLA Faculty Appointments
 - Emergency Department Chair is Vice Dean of EM at UCLA
- Distance Learning with Medical Schools
- IRB Sponsored Research
 - Providing GME Research for >30 Years
- Southern San Joaquin Valley Regional Research Forum
 - Forum is in it's 6th Year now
 - Grown to Renegade Ballroom @ Bakersfield College
 - 94 Projects in 2024
 - 3,961 Patients included
 - ~60-65 Publications from our Residents & Faculty Annually
- Medical Library
- Medical Student Union



Clinical Rotation Sites

- Emergency Medicine
 - Cedars-Sinai for invasive Cardiology
 - Valley Children's for Pediatric Critical Care
 - Ronald Reagan UCLA Medical Center for Toxicology
 - CHLA for Pediatric Emergency Medicine
- Internal Medicine / Infectious Disease
 - Greater Los Angeles VA for Ambulatory Care
 - Olive View/UCLA for Clinical Microbiology & ID Transplant Care
 - LA County Harbor for various fellowship rotations
 - Ronald Reagan for Inpatient Transplant Care

Clinical Rotation Sites

- Addiction Medicine Fellowship
 - Community Action Partnership – M Street Navigation Center for Shelter Medicine
 - Lerdo Justice Facility for Correctional Medicine and Medication Assisted Rx
 - Kern BHRS for Medication Assisted Rx & Behavioral Disorders
 - James Bowles Youth Detention Center for Confinement Care
- OB/GYN Residency
 - USC Arcadia Hospital for Minimally Invasive Surgery
 - Global Premier Fertility – Inland Empire for Advanced Reproductive and Fertility
 - San Gabriel Valley Medical Center for Minimally Invasive Surgery

Clinical Rotation Sites

- Psychiatry Residency & Addiction Psychiatry Fellowship
 - Kern BHRS for Outpatient Care
 - Greater Los Angeles VA for Chemical Dependency Clinic & Consultation – Liaison Services
 - Olive-View UCLA for Neurology
 - UCLA Neuropsychiatric Hospital & UCLA Resnick Neuropsychiatric Hospital for Child & Adolescent Partial Hospitalization & Intensive Outpatient Program Rotation
- Surgical Residency Program
 - Ronald Regan UCLA Medical Center for Transplant Rotation
 - Community Regional Medical Center in Fresno for Burn Management Rotation
 - Valley Children's Hospital in Madera for Pediatric Surgery Rotation
 - Central California Heart & Lung Surgery in Clovis for Cardiothoracic Care
 - City of Hope in Duarte for Surgical Oncology





MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Kern Health Systems Governance and Compliance Committee
SUBJECT: KHS General Counsel Structure Discussion
DATE: December 19, 2024

Introduction

On October 17, 2024, the Kern Health Systems (KHS) Board of Directors (Board) made a referral to the Governance and Compliance Committee to discuss and make recommendations to the Board on the following:

1. Whether the Chief Legal Officer/General Counsel should report directly to the KHS Board;
or
2. Whether the KHS Board should retain its own outside legal counsel

The Governance and Compliance Committee (Committee) met on December 5, 2024, to take up this referral.

Discussion

During its discussion, the Committee received information from staff regarding the changes and increased legal workload of the organization over the past three years. During this time, the KHS employee-base has nearly doubled in size. KHS has also grown in the number of contractual documents requiring legal review to a count of approximately 700. The plan continues to need both in-house and outside legal support on regulatory and compliance issues. KHS also anticipates additional growth in the legal workload with the continued progress of establishing the KHS Foundation and the implementation of the Medicare D-SNP line of business. All of these needs were central to Chief Executive Officer (CEO) Duran's decision to create an in-house legal department to manage and perform this work.

The Committee also reviewed the organizational structure of the four other Local Health Plans of California (LHPC) who have in-house legal counsel.

CenCal Health has a general counsel for the organization that reports to their CEO but does not have separate outside Board counsel (Model A). This model is similar to KHS's existing structure. L.A. Care has general counsel report directly to its Board and not to its CEO (Model B).

Two other LHPC plans have in-house legal counsel reporting directly to their respective CEOs and their Boards retain separate legal counsel, creating a hybrid structure model (Model C). These plans are Inland Empire Health Plan and the Health Plan of San Joaquin. Both of these plans have Board counsel provided through one of their counties' County Counsel's Office.

Committee Recommendation

After a robust discussion, the Committee recommends that the Board adopt the hybrid structure provided by Model C and take the following actions:

1. Approve the Model C organizational structure.
2. Issue an RFP for outside Board counsel.
3. Establish and appoint a temporary ad hoc committee of the KHS Board to prepare a scope of services for the RFP and serve as the RFP evaluation committee.

Attachment: KHS General Counsel Discussion PowerPoint Presentation



**KERN HEALTH
SYSTEMS**

KHS General Counsel Discussion

December 19, 2024



Agenda

- Background
- LHPC Plan Survey
- General Counsel Models
- Committee Recommendations and Next Steps

Background



Background

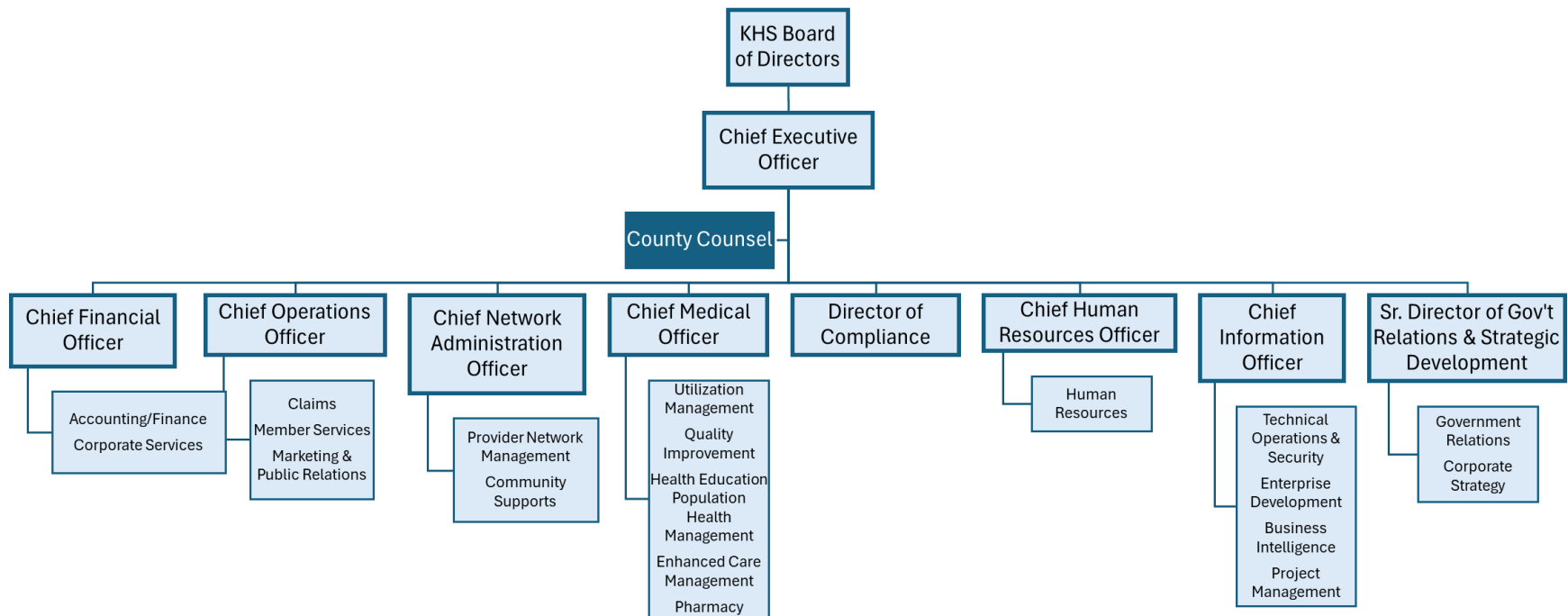
- Historically, legal counsel was provided through outside sources (See Historical Org Chart).
 - Attorney assigned by Kern County Counsel to provide Board meeting support and contract review.
 - CEO engaged specialty outside counsel.
 - Employment law – Klein DeNatale Goldner
 - Healthcare law – Daponde, Simpson, and Rowe
 - Nonprofit foundation creation – LeBeau Thelen
 - KHS did not employ in-house attorneys.



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Historical Org Chart



Background (cont.)



- KHS's legal workload expanded significantly over time.
 - Administrative contract and procurement legal review now at approximately 700 contractual documents.
 - Additional number of Brown Act committees established (BOD, Finance, Compliance, EQIHEQ, PAC, CAC).
 - Requiring greater number of agendas to review and meetings to attend.
 - Employment litigation increased (overall FTE count has doubled since 2022).
 - Greater level of support for witness and documentation preparation.
 - Attendance at depositions, mediations, and trial.
 - Ongoing legal support needed for KHS Foundation.
 - Legal support for compliance issues with DMHC and DHCS grew.
 - Additional conflict of interest and Form 700 legal advice.



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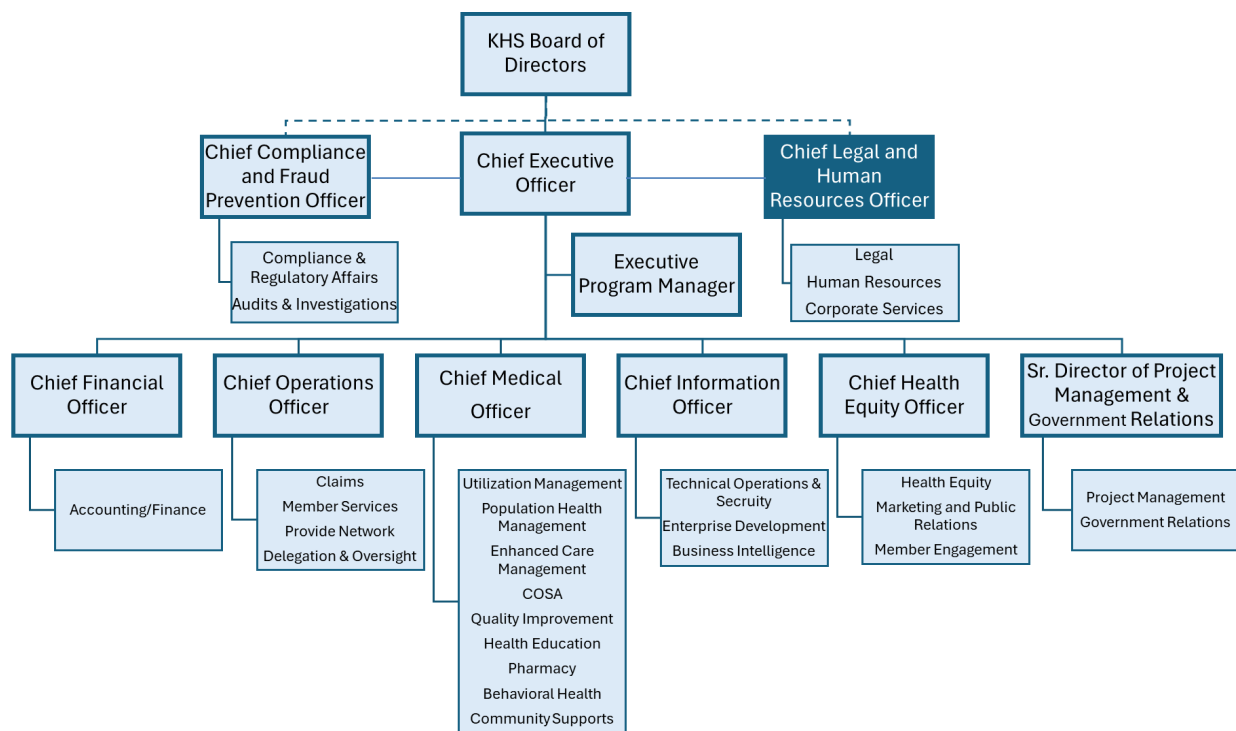
Background (cont.)

- The increased workload led to development of In-house Legal Department (see Current Org Chart).
 - Temporarily combined CHRO and General Counsel roles into Chief Legal and HR Officer to provide oversight over new department.
 - Hired Assistant General Counsel in June to handle day-to-day legal workload.
 - KHS continues to use specialty outside counsel for complex employment and healthcare legal matters.





Current Org Chart





Board Referral

- On October 17, 2024, the KHS Board of Directors made a referral to the Governance and Compliance Committee to make recommendations on:
 - Whether the Chief Legal Officer/General Counsel should report directly to the KHS Board of Directors; OR
 - Whether the KHS Board of Directors should retain its own outside legal counsel.



LHPC Plan Survey



LHPC Plans with CLO/GC

- A survey of all LHPC plans found that five plans have in-house Chief Legal Officer/General Counsel.
- The reporting relationships fell into one of three different models.
 - Model A – Direct report to CEO (KHS and CenCal).
 - Model B – Direct FTE report to Board (L.A. Care).
 - Model C – Hybrid reporting structure (IEHP and HP of San Joaquin).
 - In-house attorney report to CEO.
 - Board utilizes County Counsel for its legal counsel.



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General Counsel Models



Model A – Direct Report to CEO

- Model A represents our status quo reporting structure (See Current KHS Org Chart).
- The attorneys in the Legal Department report to the CEO, but act as counsel to the entirety of KHS, including the Board of Directors through dotted line.



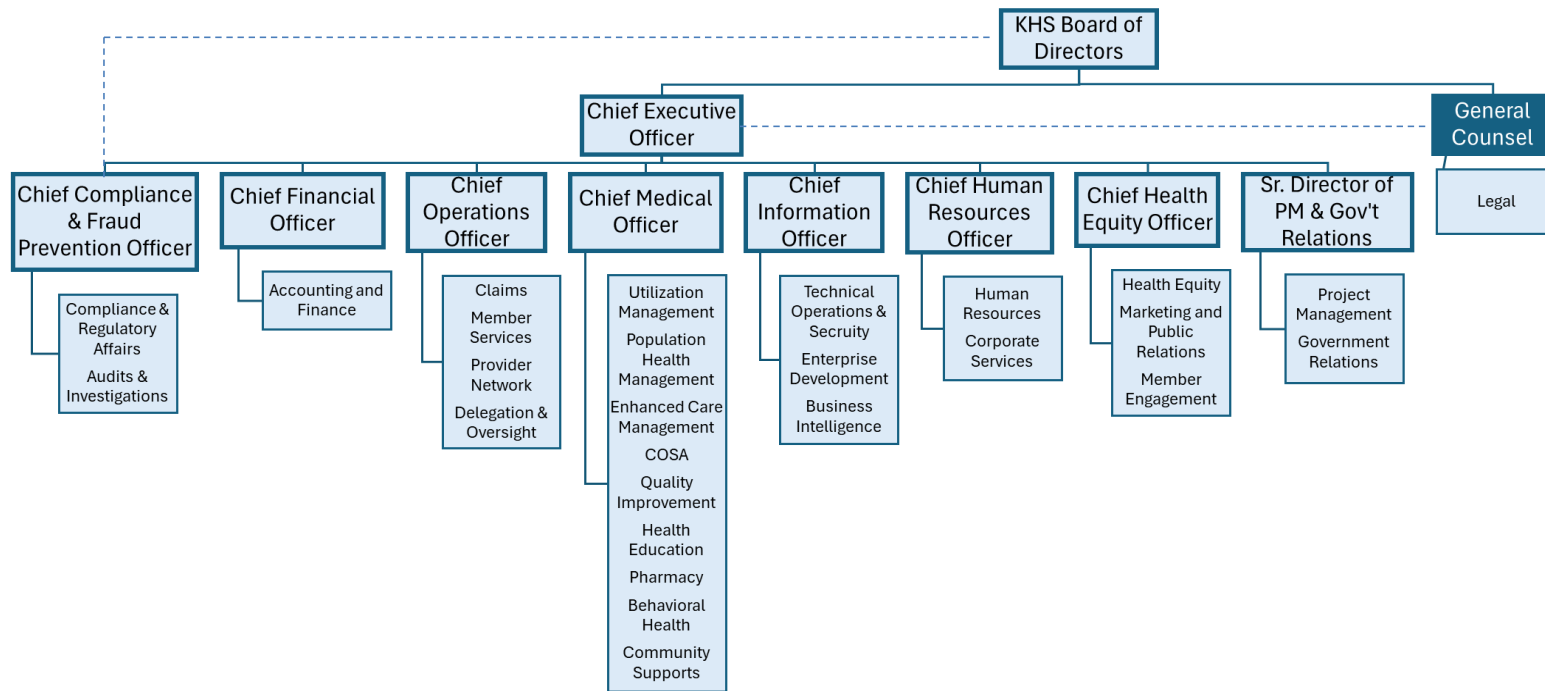


Model B – Direct FTE Report

- The Direct FTE model unifies leadership of the legal department under the supervision of the Board (See Model B Org Chart).
- The model does not foreclose the continued ability to retain outside specialty counsel through its FTE.
- If selected, the Board would need to establish a separate Chief Legal Officer/General Counsel position and fill through a recruitment.
- Existing Assistant General Counsel and future legal staff would report to this individual.



Model B Org Chart



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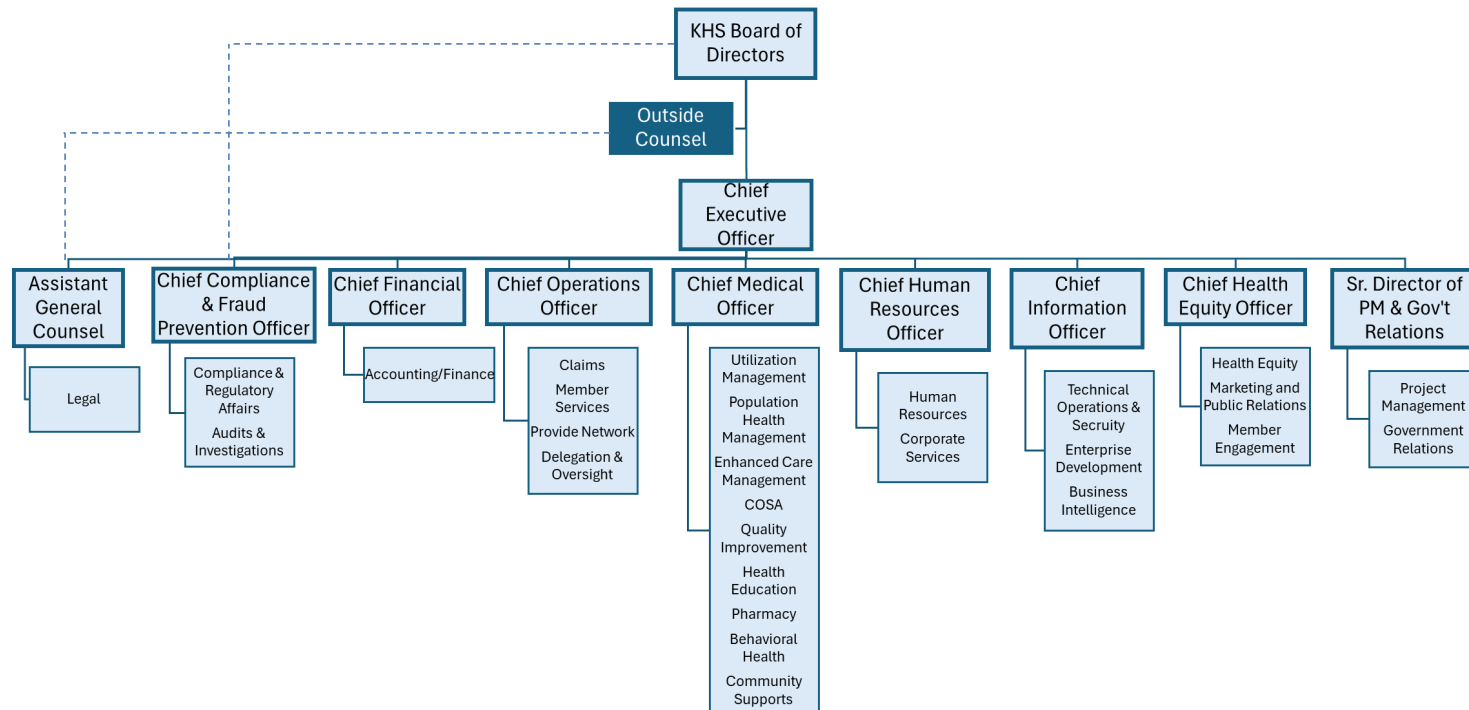
Model C – Hybrid Structure

- The hybrid structure allows KHS to continue to employ in-house legal counsel under the direct supervision of its CEO and provide separate legal counsel to its Board (See Model C Org Chart).
- Legal counsel to the Board could be retained through Kern County Counsel or an outside law firm.
- Retainer of outside counsel requires establishing scope of service and completion of procurement process to select a firm.
- Existing Assistant General Counsel and future legal staff would continue to report to the CEO.





Model C Org Chart



Recommendations & Next Steps



Committee Recommendation

- On December 5, the Governance and Compliance Committee met and voted to recommend the following to the KHS Board of Directors:
 - Proceed with Model C – Hybrid Structure
 - Approve Model C Organizational Chart
 - Issue an RFP for Outside Board Counsel
 - Appoint an Ad Hoc Committee of the Board to develop the scope of services for the RFP and serve as the RFP evaluation committee.





MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Robert Landis, Chief Financial Officer

SUBJECT: 2025 Budget

DATE: December 19, 2024

Background

The 2025 Budget supports the KHS 2023-2025 Strategic Plan Initiatives (“Initiatives”) and prioritizes the continued support afforded to the Safety Net and Community Providers. The scope of the Initiatives reflect the expanded role Medi-Cal Managed Care health plans will be responsible for under the CalAIM initiative continuing during 2025.

Specifically, CalAIM has three primary goals:

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

Major CalAIM initiatives that will continue during 2025 include:

- Enhanced Care Management (ECM) is a comprehensive approach to address the clinical and non-clinical needs of high-need, high-cost members through coordination of services and comprehensive care management. Over the years, more Medi-Cal members will qualify for Enhanced Care Management through expansion among existing qualified enrollees or adding of new member eligibility categories.
- Community Support Services (CSS) also formerly referred to as In Lieu of Services or ILOS, are services provided as a substitute for, or used to avoid, other more costly covered services, such as a hospital or skilled nursing facility admission or a discharge delay. Such service may or may not be medically related but by their proper use should reduce medical cost. These services are unfunded with expected savings to be realized by lower medical expenses, if any.

To: KHS Finance Committee
Re: 2025 Budget
Page 2

- D-SNP requires significant preparations for all Managed MCAL plans to align enrollment of dually (Medicare and Medi-Cal) eligible members to promote seamless integrated care coordination and wrap-around services for the most vulnerable population. An integrated D-SNP provides a more coordinated approach to managing a person's care while ensuring all aspects of care are aligned and managed by a single health plan which will reduce gaps and improve health outcomes. Regulatory requirements for CMS are substantially different than Medi-Cal which will result in **unfunded start- up costs** expected to approximate \$10 million in capital expenditures and operating expenses for 2025. D-SNP efforts include:
 - KHS filed a Service Area Expansion request with the Department of Managed Health Care (DMHC) which is a requirement of a Knox Keene licensed health plan requesting to offer a D-SNP line of business. KHS' request was approved by the DMHC in November. The DMHC requires a second filing, Medicare Medi-Cal Plans (MMP) Product and Benefit Expansion Filing, which was submitted November 15th. Both filings must be approved by the DMHC prior to submitting our CMS contract request in February 2025 to operate a Medicare Advantage/D-SNP line of business in 2026.
 - Regulatory filing for Notice of Intent to Apply to CMS for D-SNP product submitted which paves the way for the formal CMS application in 2025
 - D-SNP Consultant and Readiness Review will continue in 2025 in preparation of going live with a D-SNP line of business on January 1, 2026
 - Medicare Model of Care incorporating NCQA, DHCS, and CMS requirements to ensure quality and holistic care for dually eligible population
 - Medicare Part D Pharmacy System implementation
 - Medicare Enrollment (Eligibility), Billing, and Quality Oversight System
 - Delegation oversight of all functions to ensure compliance with CMS, DHCS, and DMHC regulatory requirements
 - Clinical Care Management System Updates including Medicare utilization review and appeal requirements
 - Provider Contracting for D-SNP line of business. Network needs to be secured and meet CMS network adequacy by February 2025
 - Development of D-SNP Product and Bid including supplemental benefits due to CMS in June 2025
- NCQA accreditation preparation standardizing quality assurance and clinical practice protocols across all Managed MCAL plans to comply with state and federal requirements for both health and health equity accreditation.

At its conclusion, CalAIM will transform Medi-Cal Managed Care health plans to provide a more equitable and broader range of benefits through an integrated delivery system comprised of traditional medical services, behavior health services (including specialty mental health) substance use disorder services (detox and therapeutic) and dental care.

Since 2012, we have witnessed an increase in membership from expansion in eligibility, adoption of the affordable care act and inclusion of a variety of new coverage categories and programs like Seniors and Persons with Disabilities (SPDs), Community Based Adult Services (CBAS), childless adults, children with autism and undocumented children and young adults.

To: KHS Finance Committee
Re: 2025 Budget
Page 3

Newly eligible populations present unique challenges. KHS expanded its network of providers, both in scope and depth, so that the appropriate level and type of services would be available to treat new members often with medically complex conditions. Much of what has been developed and implemented over the past 10 years relates to the creation and administration of these new programs and the additional benefits and expanded services that accompany them. Enrollment in KHS has increased over 300% during that time to where today, KHS serves approximately 400,000 of Kern County's residents.

Recently Enacted California Legislation Impacting the KHS 2025 Budget

The increase in the minimum wage for health care workers to \$25 an hour over the next several years along with a \$20 an hour minimum wage for fast food workers will cause KHS to increase some of the salaries for certain job positions. Additionally, our providers might seek rate increases to offset these additional staffing costs. We do not believe our 2025 rates received from DHCS have taken the impact of these salary increases into effect.

Additionally, certain Medi-Cal provider rates have been increased to at least **87.5% of Medicare** for primary care and certain specialty care providers, maternity care and non-specialty mental health services. Much of the funding for these rate increases comes from the reinstatement of the MCO Tax. The calculations/methodologies used to determine the 87.5% of Medicare Rate are quite complex.

Implementation by DHCS of a New Quality Score Withhold Methodology and a New Community Reinvestment Requirement.

In addition to an increase in fines and sanctions relating to quality measures being levied by DHCS and DMHC, DHCS will be withholding 1% (up from ½% from 2024) of Managed Care Plans (MCPs) monthly revenue (approximately \$1,200,000 a month, which is up from \$600,000 a month from 2024 for KHS) that is to be earned back by MCPs upon meeting certain quality measures.

MCPs with positive net income will now also be required to allocate 5% to 7.5% of its profits (depending on the level of their profit) to local community activities that develop community infrastructure to support Medi-Cal members. If MCPs do not meet certain quality outcome metrics as defined by DHCS, MCPs shall set aside an additional 7.5% of net income for community reinvestment.

MCPs will be required to annually submit a Community Reinvestment Plan and Report that details how the community will benefit from the reinvestment activities and the outcomes of such investments.

To: KHS Finance Committee
Re: 2025 Budget
Page 4

Implementation by DHCS of a New Transitional Rent Program

DHCS is requiring Medi-Cal managed care plans to provide coverage of rent/temporary housing to members who are experiencing or at risk of homelessness and meet certain additional eligibility requirements. This new benefit will be known as “Transitional Rent” and is expected to be effective January 1, 2026.

2025 Key Initiatives for KHS

Besides these State mandated changes impacting the 2025 budget, several internal initiatives are scheduled for next year including:

- Continued implementation of two provider grant programs totaling \$8 million comprising a Provider Recruitment & Retention Program for \$3 million and a Quality Grant Program focusing on developing innovative partnerships with network providers to elevate the quality of care delivered to KHS members for \$5 million.
- Continued implementation of two Strategic Initiatives totaling \$12 million comprising a Healthcare Workforce Expansion Program partnering with contracted healthcare providers and the local education institutions to expand the nursing and physician medical professionals for \$10 million and a Community Based Organization Program that will create innovative social service delivery models that will focus on reducing barriers to care and focus on wellness and healthy living for \$2 million.
- Expansion of the Transition of Care Services Program currently serving only highest risk members will now be required for all members that experience a transition under the new DHCS mandate.
- Development of an orthopedic education program for members undergoing elective joint replacement aimed at decreasing the need for postoperative acute care hospitalization.
- Expand the Enhanced Care Management network to include new sites and operational models to ensure that all Populations of Focus (POF) are being focused on in 2025. The county adult and juvenile facilities along with the state California Department of Corrections and Rehabilitation (CDC-R) facilities intend to launch pre-release services in Kern County in 2025.
- Enhance member outcomes and engagement through continued development of a comprehensive CRM platform and an improved Member Rewards Program in 2025. This initiative is part of our three-horizon roadmap to enable real-time rewards fulfillment, reporting, and a more engaging member experience.
- Operationalize new 2025 Contract with DHCS designed to transform KHS’s Managed Care Model through multiple channels including CalAIM alignments for children and behavioral health services expansion, increased operational transparency for accountability compliance and administrative reporting and efficiency, quality improvement and health equity activities, community investment plans, and multiple Memoranda of Understandings with third parties for coordinated and integrated care. Requires KHS to update a significant number of policies and procedures that more align with CMS standards.

To: KHS Finance Committee
 Re: 2025 Budget
 Page 5

- Health Services staffing restructure to support Population Health Management (PHM) program. PHM staffing restructure is based on the following additional requirements. Enhancing Complex Care Management to meet NCQA standards, implementing Transition of Care Services for all members who experience any change in any level of care, completing the operationalization of providing Long Term Care services, and providing case management support to all pregnant and postpartum women.
- The KHS Behavioral Health (BH) team continues to increase the number of members that receive coordination of specialty behavioral health and non-specialty behavioral health in conjunction with physical health needs. In addition, the BH team will increase collaboration for coordinating KHS member's behavioral health needs through implementing no wrong door, widespread utilization of screening tools with appropriate care coordination, and the Children and Youth Behavioral Health Initiative (CYBHI). Through the CYBHI "whole child" approach KHS will partner with local educational agencies to support children's behavioral health. Additionally, the KHS BH team will focus on improving coordination with Kern County Behavioral Health and Recovery to improve efficiency and operationalize the executed MOU. Current processes are mostly manual while data exchange is being developed.
- Broad focus on healthcare equity, inclusion, and diversity across the health plan and network, i.e., reporting, population identification, provider training and program implementation to address specific population needs based on race, ethnicity, and other social determinants of health that improve the clinical outcomes for our members.
- Over fifteen (15) corporate projects for improving processes, initiating new programs or enhancing services such as:
 - Accounting System upgrade to ensure robust capabilities to support the Medicare line of business and growing needs of KHS.
 - Enterprise Risk Management Assessment conducted by an enterprise risk management team to minimize organizational-wide risk and identify unique opportunities.
 - Member & Provider Portal Implementation to ensure that KHS has an engaging cost-effective system capable of providing quality access to members and provider for Medi-Cal and Medicare needs.
 - New Community Support Services (CCS) Program benefits being added in 2025, including Transitional Rent and Community Integration Programs (Tattoo Removal) benefit if approved by DHCS.
 - JIVA Medical Management System Upgrade to integrate new and improve existing functionality as our clinical platform for population management. New modules and other integrative functions will improve KHS ability to approach care coordination through a holistic lens in support of CalAIM, Population Health and preparation for the D-SNP population.

To: KHS Finance Committee
Re: 2025 Budget
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- Milliman Clinical Guidelines (MCG) Update performed annually to align with current evidence-based standards of care and new technologies and treatments, required for clinical authorizations and provider oversight.
- Expanding Health Information Exchange (HIE) capabilities to enhance the sharing of patient medical information among healthcare professionals and KHS. This data will give KHS a comprehensive view of the member's health status and care history, allowing for more support in the members healthcare needs, improve outcomes, and tailored interventions.
- Annual cyber security InfoSec audit with continued work to achieve HighTrust CSF certification.
- Continued Business Intelligence (BI) system updates and improvements to promote data integrations with trading partners (i.e., Kern Medical; Clinica Sierra Vista, Omni, and Costal Kids, etc.)
- Various technology updates and systems upgrades to ensure software maintenance and support contracts remain valid.
- NCQA Consultant and Readiness Review will continue in 2025 to bring in field expertise to assist KHS with document preparation, mock audit, and final submissions in its pursuit of NCQA accreditation on or before 2026.
- D-SNP Consultant and Readiness Review will continue in 2025 in preparation of going live with a D-SNP line of business on January 1, 2026
- Consultants will continue in 2025 to bring field expertise to assist KHS with implementing the New Era and embedding diversity, equity, inclusion and belonging into the organizational culture.
- Continued development of Provider Performance Based reimbursement arrangements.
- Expansion of Member incentive program across new or existing programs for enterprise-wide eligibility including a solution for real-time delivery of incentives and robust tracking mechanisms
- Identify and mitigate social determinants of health and reduce health disparities or inequities.
- Expansion of department dashboards for operational metric transparency.
- Define/refine Medical Loss Ratio dashboard for monitoring and Executive transparency for budgeting considerations.
- Comply with State mandated coordination of benefits to help mitigate unwarranted cost and recovery including retro eligibility activity based on state information.

Support for Existing Programs and Initiatives in 2025

In 2025 there were several new or modified Department of Health Care Services (DHCS) and Department of Managed Health Care (DMHC) requirements that impact the 2025 Budget including:

- Continued support of KHS members in the annual redetermination process including continued collaboration with Kern County Department of Human Services staff, member mailings, robo calls, text messaging and personal calls to assist members in completing their annual redetermination paperwork on time.

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- Homeless Management Information System, (HMIS), KHS was awarded to be the lead agency to manage the data software to track and monitor the homeless data for Kern County. Effective October 1, 2023, KHS has a team that will manage the system and will assign licenses to all the Community Based Organizations, CBOs, who serve the Homeless individuals in Kern County.
- School-Based Behavioral Health (SBHIP) is an additional Incentive Program that was initiated in 2022 to increase access to preventive, early intervention, and behavioral health services by school-affiliated behavioral health providers for TK-12 children in schools through coordination and partnership with the Local Education Agency (LEA), KHS, Kern County Behavioral Health and Recovery Services (KHBRs), and other community-based organizations and health plans in Kern County. The Governor's budget allocated \$398 million for Medi-Cal plan incentives with Kern County receiving up to \$13.2 million from January 2022 to April 2025. This initiative will be the foundation for a broader focus on developing and maintaining a school-linked fee schedule for outpatient behavioral health and substance use disorder services for ages 25 and younger by in 2025 under the Children and Youth Behavioral Health Initiative (CYBHI).
- School Wellness Grant Program will support awarded public schools in the county with funding to implement wellness programs that improve the physical, emotional, social and behavioral health and wellbeing of students.
- Expansion of member and community-based wellness initiatives aimed at promoting and enhancing the health and wellness of members and the community. This effort includes the assembly of region-specific teams, preventive care campaigns, and implementation of programs aimed at childhood injury and illness prevention.
- Enhance the quality and accessibility of cultural and linguistic services to meet the diverse needs of members. This includes development of an interpreter basics training program for providers office staff and ongoing training and professional development opportunities for KHS staff involved in delivering linguistic services.
- Telehealth Services has shown to be an effective method for maintaining the physician/ patient relationship during the pandemic. DHCS modified its benefits to include telehealth as an alternative to office visits during the COVID Public Health Emergency. During 2023 DHCS made permanent many of the telehealth flexibilities allowed during the Public Health Emergency. This will enable continued expansion of synchronous, asynchronous, audio-visual, and telephonic provision of care to meet network adequacy, foster member satisfaction, and strengthen health equity for rural populations.
- Population Health Management preparation will continue through 2025 to develop and maintain a whole system, person centered population health management strategy for addressing member needs across the continuum of care based on data driven risk stratification, predictive analytics, and standardized assessment processes for 2025 readiness.

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- Expanded Regulatory Oversight for quality-of-care measures and timely access to care standards in service of greater health equity. DHCS and DMHC are releasing an increasing volume of guidance/directives/reporting requirements – with increased complexity - both through and outside of All Plan Letters (APLs). Along the same lines, increased scrutiny/oversight from regulators (through Audits, other DHCS/DMHC oversight activities), which requires Corrective Action Planning, follow up, and internal audits.
- New or Expanded Data and Analytic Reporting Requirements, including integration of various data sources not historically captured for member risk stratification and segmentation. Most of these data collection requirements are driven by NCQA Health Equity Accreditation factors and KHS value-based goals. DHCS is also requiring integration and participation in a universal Medical platform to capture social determinants of health with further alignment for a count specific Health Information Exchange
- Increase in the Application of Supplemental Payments pertaining to Hospital Directed Payments, as well as other supplemental payment arrangements for physician and hospitals.
- Continue work with Kern Medical through the joint operations committee to explore collaboration opportunities and address operation issues and development of new chronic condition programs for Population Health
- Continue to work with Dignity hospitals (Memorial, Mercy & Mercy Southwest) to ensure mutual success assuming risk via DRG agreement.
- Expand the Transitional Care Program with local hospitals and the KHS provider network as DHCS is requiring a transitions of care services program for all members who experience any transition.
- Palliative Care program expansion.
- Continue with managing the Long-Term Care benefit that became the responsibly of managed care plans (MCPs) effective January 1, 2023.
- Continue with managing the Major Organ Transplant benefit that took place on January 1, 2022, with the inclusion of Heart, Lung, Liver and Pancreas transplants.
- Refine the transportation and meal reimbursement program to ensure appropriate allocation of funds for members traveling for Major Organ Transplant clinical support.
- Expand Telehealth Specialty Care services to all eligible service sectors.
- Continue SNFist program to provide transparency for member placement in appropriate levels of care.
- Implement efficiencies across the health services departments through automation and robot technology to streamline process and reduce manual intervention.
- Development of a chronic kidney disease management program.
- Expand ER Navigation Program aimed at reducing avoidable inpatient admissions to additional local acute hospitals.
- Develop and implement a provider education program of evidence-based management of patients with diabetes and hypertension.

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- Ongoing support for the school-based Wellness Programs
- Implement School-based Vision Programs
- Continued collaboration with Kern County with the Tobacco Free Coalition of Kern County, Kern County Asthma Coalition, Black Infant Maternal Health Initiative, and the Kern County Breastfeeding Coalition.
- Execute new MOUs with Local Government Agencies (LGA), including KBHRS, KCDPHS, KCDA, KCDHS, KRC and WIC (CAPK & CSV). Prepare for execution of 2025 MOUs with additional LGAs such as Jails, Probation and Juvenile Facilities and Local Education Agencies, First 5 Programs, Indian Health Services/Tribal Entities, Jails, HCBS Agencies and Caregiver Resource Centers.
- Expand the Population Health Management Programs, including homelessness outreach, ER overutilization, and care coordination efforts to support CalAIM and low utilization members.
- Enhancing Managed Care Accountability Set (MCAS) Tracking and Reporting, including expanded electronic data collection and stratification by various diversity segment (race, ethnicity, etc.)
- Continued expansion of mobile services for preventative care and gaps in care closures
- Continue year-round direct member outreach program to bring awareness to members, educate members about benefits associated with completing the measures and scheduling appointments all in order to improve minimal performance levels (MPL) requirements for MCAS measures.
- Evaluate and revise Pay for Performance to reward providers who demonstrate improved MCAS performance and include other non-MCAS preventative care measures.
- Expand pregnancy related programs to improve pre and postnatal compliance to promote healthy babies with increased focus on maternal mental health and depression.
- Continue to pilot specific incentive programs to drive performance in MCAS measures such as Diabetes, Behavioral Health, outside of the traditional primary care setting.
- Expand provider support and education for collection of data for social determinants of health (SDoH) and provision of Basic Population Health Management through preventative screenings and assessments, e.g., PHQ-2; PHQ-9 (psychiatric health questionnaire), ACE (Adverse Childhood Events), EPSDT (Early Prevention Screening and Diagnostic Testing), IHA (Initial Health Assessment), HRA (Health Risk Assessment), etc.
- Transition the in-house Medication Therapy Management Program for eligible members not deemed eligible in an Enhanced Care Management provider setting to a Comprehensive Pharmacy Program to allow broader reconciliation of member's medication and care coordination with providers and facilities.
- Use the Care Gradient Analysis Predictive Modeling tool to identify populations for diagnoses specific engagement schemes to differentiate care requirements for enhanced, complex, basic, and unmet healthcare needs of our members.
- Continue to monitor and measure member and provider satisfaction independently via satisfaction surveys.

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- Expand design and implementation of department specific outcome metrics.
- Strengthen audits across all departments to proactively identify process or performance gaps to allow for corrective actions to foster compliance with DHCS and DMHC requirements.
- Standardize risk assessment process across the organization to identify potential risks related to provider contracts, vendor relations, and data exchanges.
- Continue monitoring of Fraud, Waste, and Abuse and delegated oversight of contracted providers and community partners.
- Strengthen departmental policy and procedures review process to ensure the documents reflect current or new processes accurately.
- Expand Population Health Management program offerings to include other chronic cardio-pulmonary diagnoses such as Congestive Heart Failure (CHF) and Hypertension (HTN)
- Continued recruitment and retention of talent to meet the ongoing changes and initiatives with CalAIM.
- Develop and provide training and support for KHS staff into each new phase of CalAIM.

Budget - Resources for Programs Designed to Enhance Member or Provider Experience

Finally, the 2025 budget will provide resources to support a variety of programs administered either directly or through collaboration with outside organizations. Examples include:

- Autism Spectrum Disorder Behavioral Therapy, including non-Autism diagnoses.
- California Children's Services Coordination of Care
- Kern Regional Center Coordination of Care
- Kern County Public Health Department for new or existing public health issues such as Black Infant Health, preventative care and immunizations, and communicable and sexually transmitted disease
- Vision Services Plan for optometric diabetic screenings
- Program awareness of Mental Health benefit, including coordination with Kern County Public Health for Emergent Mental health services, including 9-8-8 hotline and Mental Evaluation Team (MET) and Medication Assisted Therapy (MAT).
- Hospitalist program expansion
- Low Income Housing through the Kern County Housing Authority and other partners.
- Respite Services for our members and their care givers.
- Community-Based Organizations that support Medically Supportive Food/Meals/Medically Tailored Meals for members.
- Nursing Facility Transition/Diversion, Community Transition Services/Nursing Facility Transition to a Home and Personal Care & Homemaker Services for our older adult populations of focus.

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2025 Budget Documents

Attached are the following documents relating to the 2025 Budget:

- 1) Consolidated Operating Budget
- 2) Operating Budget by Aid Category
- 3) Enrollment Assumptions
- 4) Revenue Assumptions
- 5) Medical Expense Assumptions
- 6) Administrative Expense Assumptions
- 7) Budgeted FTE by Department
- 8) Capital Budget for 2025
- 9) Preliminary 2024 Year-end and Projected 2025 TNE and Minimum Liquidity Calculations

Requested Action

Approve.

**KERN HEALTH SYSTEMS
P & L BY MAJOR CATEGORY OF SERVICE
2025 BUDGET**

				PMPM	PMPM	PMPM	PMPM %
	2025 BUDGET	EST. ANNUAL	DIFFERENCE	2025 BUDGET	2024 ANNUAL	DIFFERENCE	DIFFERENCE
	\$	\$	\$	4,869,000	4,863,708	5,292	0%
REVENUE							
Capitation (excludes Prop 56 & GEMT)	1,586,495,742 (11)	1,366,503,909	219,991,833	325.84	280.96	44.88	16%
Maternity Kick Supplemental Payment	45,855,840	43,219,800	2,636,040	9.42	8.89	0.53	6%
Enhanced Care Management	54,681,595 (5)	47,479,793	7,201,802	11.23	9.76	1.47	15%
Major Organ Transplant	12,034,590	12,031,372	3,218	2.47	2.47	(0.00)	0%
CalAIM Incentive Program	- (4)	20,543,444	(20,543,444)	-	4.22	(4.22)	-100%
Proposition 56 Supplemental Payments	18,831,990	18,823,355	8,635	3.87	3.87	(0.00)	0%
Ground Emergency Medical Transportation (GEMT) Payment	7,422,234	7,469,486	(47,252)	1.52	1.54	(0.01)	-1%
Total MCAL Revenue	1,725,321,991	1,516,071,159	209,250,832	354.35	311.71	42.64	14%
Add-Ons (Directed Provider Payments)	292,996,650	295,388,870	(2,392,220)	60.18	60.73	(0.56)	-1%
MCO Tax Revenue	720,563,310 (9)	719,780,147	783,163	147.99	147.99	(0.00)	0%
Interest	24,000,000	35,669,877	(11,669,877)	4.93	7.33	(2.40)	-33%
Reinsurance	3,300,000	1,009,267	2,290,733	0.68	0.21	0.47	227%
TOTAL REVENUE	2,766,181,951	2,567,919,320	198,262,631	568.12	527.98	40.15	8%
MEDICAL							
Inpatient Hospital	408,691,306 (10)	383,991,711	24,699,595	83.94	78.95	4.99	6%
Outpatient Facility	185,508,413	176,440,644	9,067,769	38.10	36.28	1.82	5%
Emergency Room Facility	81,853,090	76,477,113	5,375,977	16.81	15.72	1.09	7%
Primary Physician Services	97,985,906	84,437,944	13,547,962	20.12	17.36	2.76	16%
Urgent Care	46,031,787	38,675,940	7,355,847	9.45	7.95	1.50	19%
Physician Specialty	298,953,711	275,150,879	23,802,832	61.40	56.57	4.83	9%
Behavioral Health Treatment and Mental Health	42,196,343	38,276,464	3,919,879	8.67	7.87	0.80	10%
Other Medical Professional	28,927,723	37,124,945	(8,197,222)	5.94	7.63	(1.69)	-22%
Enhanced Care Management	51,947,515 (5)	44,799,060	7,148,455	10.67	9.21	1.46	16%
Major Organ Transplant	11,432,861	11,427,901	4,960	2.35	2.35	(0.00)	0%
DME	23,872,284	21,570,635	2,301,649	4.90	4.44	0.47	11%
Home Health and CBAS	15,838,046	15,572,943	265,103	3.25	3.20	0.05	2%
Other- Ambulance and Non-Emergent Transportation	60,676,021	54,948,953	5,727,068	12.46	11.30	1.16	10%
Other - LTC (Short-Term), SNF, Hospice	138,259,019	132,676,101	5,582,918	28.40	27.28	1.12	4%
Pay for Performance Quality Incentive	7,303,500	7,295,552	7,948	1.50	1.50	0.00	0%
CalAIM Incentive Program	- (4)	31,443,949	(31,443,949)	-	6.47	(6.47)	-100%
Provider Enhancement Expense - Prop 56	17,890,391	17,879,046	11,345	3.67	3.68	(0.00)	0%
Provider Enhancement Expense - GEMT	7,051,122	8,694,797	(1,643,675)	1.45	1.79	(0.34)	-19%
Add-Ons Directed Provider Payments	292,996,650	295,388,870	(2,392,220)	60.18	60.73	(0.56)	-1%
Reinsurance Premium	3,300,000	1,346,953	1,953,047	0.68	0.28	0.40	145%
Member Quality Incentives	4,454,720 (6)	3,976,514	478,206	0.91	0.82	0.10	12%
Medical Department Compensation - MLR Allocation	62,641,619 (7)	45,821,313	16,820,306	12.87	9.42	3.44	37%
UM/QA Costs (including Utilization & Quality Review)	17,377,190 (8)	11,230,908	6,146,282	3.57	2.31	1.26	55%
Total Medical Costs	1,905,189,217	1,814,649,134	90,540,082	391.29	373.10	18.19	5%
GROSS PROFIT/(LOSS)	860,992,734	753,270,186	107,722,549	176.83	154.88	21.96	14%

ADMINISTRATIVE	98,254,120	89,595,697	8,658,423	20.18	18.42	1.76	10%
NET PROFIT/(LOSS) BEFORE MCO TAX	762,738,614	663,674,489	99,064,126	156.65	136.45	20.20	15%
MCO TAX EXPENSE	720,563,310 (9)	719,780,147	783,163	147.99	147.99	(0.00)	100%
NET PROFIT/(LOSS) AFTER MCO TAX	42,175,304	(56,105,658)	98,280,962	8.66	(11.54)	20.20	-175%
D-SNP EXPENSES	4,805,266 (3)	2,009,843 (3)					
STRATEGIC AND PROVIDER GRANT EXPENSES	10,000,000 (12)	10,000,000					
NET PROFIT/(LOSS) AFTER GRANT EXPENSE	27,370,038	(68,115,501) (1)(2)			11,850,548.00		
MEDICAL LOSS RATIO (EXCLUDING MCO TAX, GRANTS, DIRECTED PAYMENTS AND D-SNP)	91.99%	97.84%					
ADMIN RATIO (EXCLUDING MCO TAX, GRANTS, DIRECTED PAYMENTS AND D-SNP)	5.61%	5.77%					

- (1) 2024 has been adjusted to remove approximately \$14.9 million of net favorable adjustments related to prior periods including retro capitation adjustments and IBNR and paid claims adjustments recognized as of September.
- (2) The 2024 annual amounts are estimated amounts using the YTD September Financials, the 2024 Budget, and other adjustments due to timing differences and availability of updated current information.
- (3) These expenses are preparation expenses related to D-SNP/MediCare implementation with a scheduled go-live date of January 1, 2026.
- (4) The 2025 budget assumes significant decreases in CalAIM programs due to programs ending.
- (5) The 2025 budget assumes a significant increase in program revenue due to ECM rate increases included in the preliminary rate information for provided for CY 2025.
- (6) The 2025 budget assumes additional expenses for improving quality outcome measures for members.
- (7) The 2025 budget reflects budgeted salary increases for medical department FTEs needed to support healthcare MLR initiatives, new programs, and a full year compensation for positions hired during the 2024 year.
- (8) The 2025 budget reflects increases in clinical technology fees, professional resources, and staff training and professional development expenses for medical departments.
- (9) The 2025 reflects the MCO rates included in the CY 2024 Final rates received 9/24/2024 which are pending CMS approval. MCO tax revenue and expenses are budgeted to be neutral.
- (10) The CY 2025 Budget reflects an expected reduction of \$5.00 pmpm for Inpatient Hospital expense due to initiatives being implemented by the Clinical team through 2025.
- (11) The CY 2025 budgeted capitation revenue is based on draft CY 2025 base rates received 10/21/2024 and assumes an additional 11.5% increase based on recent communication from DHCS in consideration of utilization changes to be factored in updated rate setting assumptions. Projected membership for CY 2025 is assumed to consistent with CY 2024.
- (12) The 2023-2025 KHS Grant Program of \$20 million was approved by the BOD on June 15, 2023. The 2025 budget assumes the remaining balance of grants awarded under the program will be distributed in 2025.

KERN HEALTH SYSTEMS

P & L BY MAJOR CATEGORY OF SERVICE
2025 BUDGET

	ALL COAs		FAMILY & OTHER		SPD/LTC		EXPANSION	
	4,869,000		\$ 2,943,000		\$ 570,000		\$ 1,356,000	
REVENUE								
Capitation	1,586,495,742	325.84	584,659,903	198.66	466,129,748	817.77	535,706,091	395.06
Maternity Kick	45,855,840	9.42	40,544,205	13.78			5,311,635	3.92
Enhanced Care Management	54,681,595	11.23	21,159,539	7.19	12,178,369	21.37	21,343,687	15.74
Major Organ Transplant	12,034,590	2.47	2,866,230	0.97	4,093,020	7.18	5,075,340	3.74
Proposition 56 Supplemental Payments	18,831,990	3.87	14,111,550	4.79	342,300	0.60	4,378,140	3.23
GEMT	7,422,234	1.52	2,197,830	0.75	2,086,104	3.66	3,138,300	2.31
Total MCAL Revenue	1,725,321,991	354.35	665,539,257	226.14	484,829,541	850.58	574,953,193	424.01
Add-Ons (Directed Provider Payments)	292,996,650	60.18	116,327,270	39.53	62,131,283	109.00	114,538,097	84.47
MCO Tax Revenue	720,563,310	147.99	435,534,570	147.99	84,354,300	147.99	200,674,440	147.99
Interest	24,000,000	4.93	8,881,770	3.02	7,096,856	12.45	8,021,374	5.92
Reinsurance	3,300,000	0.68	2,095,295	0.71	199,064	0.35	1,005,641	0.74
TOTAL REVENUE	2,766,181,951	568.12	1,228,378,162	417.39	638,611,044	1,120.37	899,192,745	663.12
MEDICAL								
Inpatient Hospital	408,691,306	83.94	134,383,795	45.66	107,677,304	188.91	166,630,207	122.88
Outpatient Facility	185,508,413	38.10	56,424,813	19.17	49,041,187	86.04	80,042,413	59.03
Emergency Room Facility	81,853,090	16.81	45,586,289	15.49	9,334,555	16.38	26,932,245	19.86
Primary Physician Services	97,985,906	20.12	65,183,501	22.15	9,646,692	16.92	23,155,713	17.08
Urgent Care	46,031,787	9.45	31,206,511	10.60	2,956,171	5.19	11,869,106	8.75
Physician Specialty	298,953,711	61.40	127,819,382	43.43	62,248,570	109.21	108,885,759	80.30
Behavioral Health Treatment and Mental Health	42,196,343	8.67	22,538,281	7.66	15,196,714	26.66	4,461,348	3.29
Other Medical Professional	28,927,723	5.94	13,927,143	4.73	5,177,738	9.08	9,822,842	7.24
Enhanced Care Management	51,947,515	10.67	20,101,562	6.83	11,569,451	20.30	20,276,503	14.95
Major Organ Transplant	11,432,861	2.35	2,722,919	0.93	3,888,369	6.82	4,821,573	3.56
DME	23,872,284	4.90	7,311,274	2.48	10,737,773	18.84	5,823,237	4.29
Home Health and CBAS	15,838,046	3.25	1,620,548	0.55	10,849,172	19.03	3,368,326	2.48
Other- Ambulance and Non-Emergent Transportation	60,676,021	12.46	14,269,593	4.85	28,798,550	50.52	17,607,878	12.99
Other - LTC, SNF, Hospice	138,259,019	28.40	6,921,636	2.35	118,605,530	208.08	12,731,852	9.39
Pay for Performance Quality Incentive	7,303,500	1.50	4,414,500	1.50	855,000	1.50	2,034,000	1.50
Provider Incentive Payments - Prop 56 & GEMT	24,941,513	5.12	15,493,911	5.26	2,306,984	4.05	7,140,618	5.27
Add Ons Directed Provider Payments	292,996,650	60.18	116,327,270	39.53	62,131,283	109.00	114,538,097	84.47
Reinsurance Premium	3,300,000	0.68	2,095,295	0.71	199,064	0.35	1,005,642	0.74
Member Quality Incentives	4,454,720	0.91	1,648,575	0.56	1,317,271	2.31	1,488,874	1.10
Medical Department Compensation - MLR Allocation	62,641,619	12.87	23,182,019	7.88	18,523,273	32.50	20,936,326	15.44
Other Utilization & Quality Review Expenses	17,377,190	3.57	6,430,842	2.19	5,138,476	9.01	5,807,873	4.28
Total Medical Costs	1,905,189,217	391.29	719,609,661	244.52	536,199,125	940.70	649,380,430	478.89
GROSS PROFIT/(LOSS)	860,992,734	176.83	508,768,501	172.87	102,411,919	179.67	249,812,315	184.23
ADMINISTRATIVE	98,254,120	20.18	45,567,370	15.48	19,832,089	34.79	32,854,661	24.23
NET PROFIT/(LOSS) BEFORE MCO TAX	762,738,614	156.65	463,201,131	157.39	82,579,830	144.88	216,957,654	160.00
MCO TAX EXPENSE	720,563,310	147.99	435,534,570	147.99	84,354,300	147.99	200,674,440	147.99
NET PROFIT/(LOSS) AFTER MCO TAX	42,175,304	8.66	27,666,561	9.40	(1,774,470)	(3.11)	16,283,214	12.01
MEDICAL LOSS RATIO (EXCLUDING MCO TAX AND DIRECTED PROVIDER PAYMENTS)	91.99%		89.17%		96.33%		91.59%	
ADMIN RATIO (EXCLUDING MCO TAX AND DIRECTED PAYMENTS)	5.61%		6.74%		4.03%		5.63%	

**KERN HEALTH SYSTEMS
BUDGETED MEMBER MONTHS
CY 2025**

MEDICAL

**Increased
Amt**

JAN'25 FEB'25 MAR'25 APR'25 MAY'25 JUN'25 JUL'25 AUG'25 SEP'25 OCT'25 NOV'25 DEC'25 CY 2025

Child SIS (1)	500	162,000	162,500	163,000	163,500	164,000	164,500	165,000	165,500	166,000	166,500	167,000	167,500	1,977,000
Child UIS	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
Adult SIS	0	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	672,000
Adult UIS	0	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	228,000
Expansion SIS	0	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	1,176,000
Expansion UIS	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
SPD SIS	0	21,050	21,050	21,050	21,050	21,050	21,050	21,050	21,050	21,050	21,050	21,050	21,050	252,600
SPD UIS	0	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	2,010	24,120
SPD FULL DUAL SIS	0	23,790	23,790	23,790	23,790	23,790	23,790	23,790	23,790	23,790	23,790	23,790	23,790	285,480
SPD FULL DUAL UIS	0	150	150	150	150	150	150	150	150	150	150	150	150	1,800
TOTAL KHS	500	403,000	403,500	404,000	404,500	405,000	405,500	406,000	406,500	407,000	407,500	408,000	408,500	4,869,000

SIS = Satisfactory Immigration Status

UIS = Unsatisfactory Immigration Status

(1) Assumes additional 500 births each month for Child

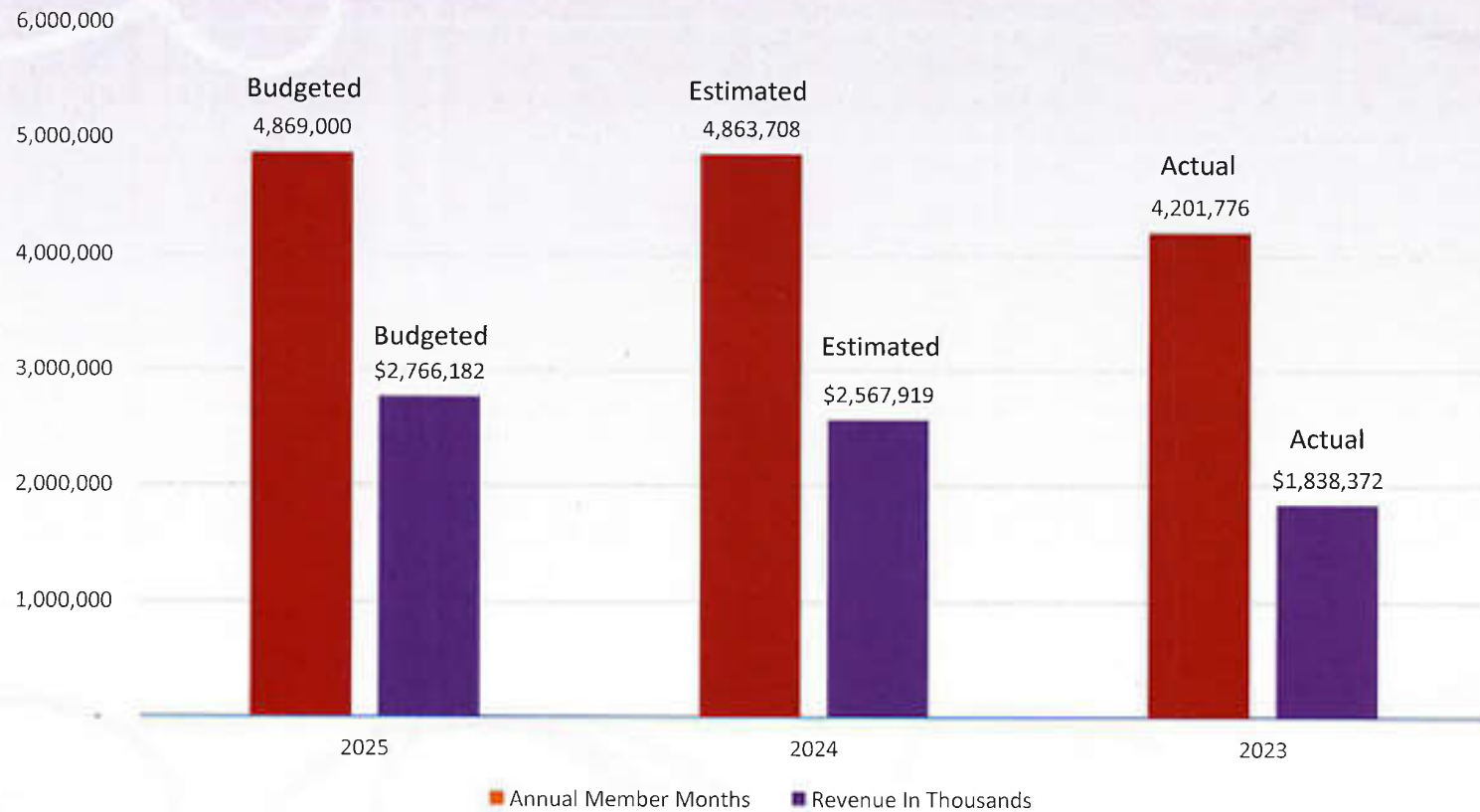
KERN HEALTH SYSTEMS		
MEDI-CAL		
2025 REVENUE BUDGET		
E N R O L L M E N T		
Family Members		2,943,000
SPD/LTC & Other Members		570,000
MCAL Expansion Members		1,356,000
Total Members - MCAL		4,869,000
R E V E N U E S		P M P M
Medicaid Adult/Child		226.14
Medicaid Seniors & Persons w/Disabilities and Medicaid Long-Term Care & Other		850.58
Medicaid Expansion		424.01
SUBTOTAL PREMIUM REVENUE		354.35
Directed Payment Revenue	(1-6)	60.18
Title XIX - Medicaid - MCO Tax	(7)	147.99
TOTAL MEDICAID REVENUE	(10)	562.51
Interest Revenue	(8)	4.93
Reinsurance Recoveries	(9)	0.68
TOTAL REVENUES		568.12

\$
665,539,257
484,829,541
574,953,193
1,725,321,991
292,996,650
720,563,310
2,738,881,951
24,000,000
3,300,000
2,766,181,951

REVENUE ASSUMPTIONS

- 1) ESTIMATED PREMIUM REVENUE IS BASED ON DRAFT CY 2025 BASE RATE INFORMATION RECEIVED 10/21/2024 AND ASSUMES AN ADDITIONAL 11.5% INCREASE BASED ON RECENT COMMUNICATION FROM DHCS IN CONSIDERATION OF UTILIZATION CHANGES TO BE FACTORED IN UPDATED RATE SETTING ASSUMPTIONS. PROJECTED MEMBERSHIP FOR CY 2025 IS ASSUMED TO BE CONSISTENT WITH CY 2024 MEMBERSHIP.
- 2) MATERNITY KICK REVENUE INCLUDED IN PREMIUM REVENUE INCLUDES A MONTHLY DELIVERY ASSUMPTION OF 500 DELIVERIES PER MONTH AND NEWBORNS ACCOUNT FOR A PORTION OF THE MONTHLY MEMBERSHIP INCREASE
- 3) PROP 56 ADD-ON REVENUE IS BUDGETED WITH CY 2024 RATES AS PLACEHOLDER RATES. PROP 56 EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 4) GEMT ADD-ON REVENUE IS BUDGETED USING CY 2024 RATES AND ASSUMES NO SIGNIFICANT PROGRAM CHANGES. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 5) ENHANCED CARE MANAGEMENT PROGRAM ADD-ON REVENUE INCLUDED IN PREMIUM REVENUE IS BUDGETED USING DRAFT CY 2025 RATES. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 6) MAJOR ORGAN TRANSPLANT ADD-ON REVENUE INCLUDED IN PREMIUM REVENUE IS BUDGETED WITH CY 2024 RATE INFORMATION. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 7) DIRECTED PAYMENT ADD-ON REVENUE INCLUDING PHDP, EPP, AND QIP IS BUDGETED USING ESTIMATED CY2023 RATES AS A PLACEHOLDER AS CURRENT RATES HAVE NOT BEEN PROVIDED BY DHCS. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 8) BUDGETED INTEREST REVENUE IS BASED ON A \$600 MILLION AVERAGE INVESTMENT BALANCE AT AN ASSUMED 4% INTEREST RATE. POTENTIAL UNKNOWN MARKET GAINS OR LOSSES ARE NOT INCLUDED.
- 9) FOR CY 2025, THE REINSURANCE POLICY DEDUCTIBLE HAS BEEN INCREASED FROM \$350,000 TO \$750,000 AND WILL NO LONGER HAVE ANY AVERAGE DAILY MAXIMUM LIMITS. REINSURANCE RECOVERIES ARE ASSUMED AT 100% OF PREMIUM.
- 10) MCO TAX REVENUE IS BASED ON CY 2024 PRELIMINARY BASE RATE INFORMATION RECEIVED 12/5/2023 AND UPDATED 2025 MEMBERSHIP ASSUMPTIONS. EXPENSE IS BUDGETED TO OFFSET REVENUE.

Revenue and Annual Member Months



**KERN HEALTH SYSTEMS
2025 BUDGET
UTILIZATION AND UNIT COST ASSUMPTIONS**

FAMILY & OTHER

Inpatient Hospital
Outpatient Facility
Emergency Room
Long Term Care/Hospice
Urgent Care
Physician Primary Care
Physician Specialty
Other Medical Professional
Mental Health
Laboratory and Radiology
Home and Community Based Services
Other, Ambulance, and Non-Emergency Medical Transportation

Annualized Increase	
Unit Cost	Utilization
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	1.00%
3.00%	2.00%

SENIORS & PERSONS WITH DISABILITIES (SPD)

Inpatient Hospital
Outpatient Facility
Emergency Room
Long Term Care/Hospice
Urgent Care
Physician Primary Care
Physician Specialty
Other Medical Professional
Mental Health
Laboratory and Radiology
Home and Community Based Services
Other, Ambulance, and Non-Emergency Medical Transportation

Annualized Increase	
Unit Cost	Utilization
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	1.00%
3.00%	2.00%

EXPANSION

Inpatient Hospital
Outpatient Facility
Emergency Room
Long Term Care/Hospice
Urgent Care
Physician Primary Care
Physician Specialty
Other Medical Professional
Mental Health
Laboratory and Radiology
Home and Community Based Services
Other, Ambulance, and Non-Emergency Medical Transportation

Annualized Increase	
Unit Cost	Utilization
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	1.00%
3.00%	2.00%

LTC

Inpatient Hospital
Outpatient Facility
Emergency Room
Long Term Care/Hospice
Urgent Care
Physician Primary Care
Physician Specialty
Other Medical Professional
Mental Health
Laboratory and Radiology
Home and Community Based Services
Other, Ambulance, and Non-Emergency Medical Transportation

Annualized Increase	
Unit Cost	Utilization
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	2.00%
3.00%	1.00%
3.00%	2.00%

Note 1: The above percentages were based on paid claims cost history for the 6 month period January 2024 through June 2024 paid as of August 2024. Percentages are rounded to the nearest whole percentage.

2025 ADMINISTRATIVE BUDGET ASSUMPTIONS

KERN HEALTH SYSTEMS MEDI-CAL ADMINISTRATIVE EXPENSES		2025 BUDGET		2024 ESTIMATED		DIFFERENCE	
Administrative:		PMPM	\$	PMPM	\$	PMPM	\$
Compensation		10.26	49,937,588	9.53	46,372,675	0.72	3,564,913
Purchased Services		5.77	28,117,715	5.37	26,130,724	0.40	1,986,991
Supplies		0.60	2,932,038	0.37	1,808,959	0.23	1,123,079
Depreciation		1.89	9,201,024	1.78	8,651,759	0.11	549,266
Other Administrative Expenses		1.66	8,065,755	1.36	6,631,580	0.29	1,434,175
Total Administrative Expenses		20.18	\$ 98,254,120	18.42	\$ 89,595,697	1.76	\$ 8,658,424
Member Months			4,869,000		4,863,708		5,292

COMPENSATION

COMPENSATION EXPENSE WAS BASED ON STAFFING LEVELS NEEDED TO SUPPORT THE GRADUAL ENROLLMENT OF 4,869,000 MEMBER MONTHS AND FOR THE CONTINUED ADMINISTRATION AND MANAGEMENT OF MEMBER BENEFITS AND PROGRAMS REQUIRED BY DHCS.

- 1.) THE 2025 BUDGETED COMPENSATION ASSUMES STAFFING LEVELS FOR 2025 WILL REMAIN CONSISTENT WITH 2024.
- 2.) IN 2024 UNEXPECTED VACANCIES AND EMPLOYEE TURNOVER RESULTED IN APPROXIMATELY \$465K IN COMPENSATION SAVINGS FROM THE 2024 BUDGET.
- 3.) THE 2025 BUDGETED COMPENSATION AMOUNT INCLUDES AN INCREASE OF APPROXIMATELY \$1.2 MILLION FOR A 4% AVERAGE MERIT ADJUSTMENT AND PROMOTIONS.
- 4.) THE 2025 EXPENSE INCLUDES APPROXIMATELY \$1.9 MILLION FOR SALARY ADJUSTMENTS BASED ON THE MERCER COMPENSATION STUDY.

PURCHASED SERVICES

- 5.) THE 2025 BUDGET INCLUDES APPROXIMATELY \$730K INCREASES IN ANNUAL SYSTEM MAINTENANCE EXPENSES INCLUDING PURCHASES OF NEW LICENSES, INCREASES IN CYBER SECURITY SYSTEM EXPENSES, AND EQUIPMENT MAINTENANCE AND REPAIRS AND \$800K INCREASE FOR THE MICROSOFT AZURE VMWARE.
- 6.) THE 2025 BUDGET INCLUDES AN INCREASE APPROXIMATELY \$210K IN ADVERTISING AND PROMOTIONS AND \$250K FOR LEGAL EXPENSES RELATING TO HEALTHCARE AND REGULATORY COMPLIANCE MATTERS.

SUPPLIES

- 7.) THE 2025 BUDGETED EXPENSE FOR SUPPLIES INCLUDES AN INCREASE OF APPROXIMATELY \$147K FOR SUCH OFFICE ITEMS AS LETTERHEAD, ENVELOPES, AND OFFICE EQUIPMENT PURCHASES.
- 8.) THE 2025 BUDGETED EXPENSE FOR MEMBER MATERIALS INCLUDES AN INCREASE OF APPROXIMATELY \$336K FOR MEMBER ID CARDS, MEMBER HANDBOOKS, MEMBER ORIENTATION, MEMBER NEWLETTERS, MEMBER EDUCATIONAL MATERIAL, AND \$640K FOR POSTAGE/MAILING SERVICES.

DEPRECIATION

- 9.) THE 2025 DEPRECIATION EXPENSE IS EXPECTED TO INCREASE APPROXIMATELY \$550K DUE TO A FULL YEAR OF EXPENSE FOR CAPITALIZED ASSETS COMPLETED AND PUT INTO PRODUCTION IN 2024.

OTHER ADMINISTRATIVE EXPENSES

- 10.) THE 2025 BUDGETED EXPENSE FOR OTHER ADMINISTRATIVE EXPENSES REFLECTS INCREASES OF APPROXIMATELY \$200K FOR CONTINUOUS STAFFING EXPENSES AND \$32K FOR TRAINING & DEVELOPMENT EXPENSES.
- 11.) THE 2025 BUDGET INCLUDES EXPECTED INCREASES OF APPROXIMATELY \$370K IN PROPERTY & LIABILITY INSURANCES, \$340K IN OCCUPANCY, REGULATORY LICENSE FEES \$130K, AND \$153K IN MISCELLANEOUS OTHER EXPENSES.
- 12.) THE 2025 BUDGETED EXPENSE FOR OTHER ADMINISTRATIVE EXPENSES FOR PROVIDERS REFLECTS INCREASES OF APPROXIMATELY \$56K FOR PROVIDER DIRECTORIES AND \$154K FOR PROVIDER TRAINING, EDUCATION, AND CREDENTIALING EXPENSES.

ATTACHMENT 6

Expenses

In Thousands



KERN HEALTH SYSTEMS
2025 BUDGETED FTE BY DEPARTMENT
EXPECTED MEMBERSHIP

		404,000		408,500			
CC	DEPARTMENT	FILLED POSITIONS AS OF 10/31/2024	PROJECTED DECEMBER 2024	2024 BOARD APPROVED FTE COUNT	MARCH 2025	TOTAL 2025	TOTAL 2025 FTE ADDITIONS (2)
ADMINISTRATIVE FTES:							
110	EXECUTIVE	6	6	6		6	-
112	GOVERNMENT RELATIONS	2	2	2		2	-
210	FINANCE	20	23	21		23	-
220	INFORMATION TECHNOLOGY	16	22	19		22	-
221	BUSINESS INTELLIGENCE	24	26	23		26	-
222	ENTERPRISE DEVELOPMENT	21	24	23		24	-
223	ENTERPRISE CONFIGURATION	10	10	10		10	-
226	TECHNICAL ADMINISTRATIVE SERVICES	1	1	9		1	-
230	CLAIMS	67	70	72		70	-
240	PROJECT MANAGEMENT	14	15	16		15	-
320	PROVIDER NETWORK MANAGEMENT	24	25	37		25	-
321	HIMS	4	4	3		4	-
322	DELEGATION OVERSIGHT (NEW)	4	6	0	4	10	4
340	CORPORATE SERVICES	15	15	15		15	-
360	COMPLIANCE & REGULATORY AFFAIRS	15	18	14		18	-
420	MARKETING	7	8	7		8	-
510	HR	19	20	20		20	-
520	LEGAL (NEW)	2	2	0		2	-
603	D-SNP/MEDICARE (1)	0	0	2		0	-
MEDICAL FTES:							
310	UTILIZATION MANAGEMENT	61	62	92		62	-
311	QI	17	19	23		19	-
312	HEALTH ED	31	32	34		32	-
313	PHARMACY	8	8	10		8	-
314	ENHANCED CARE MANAGEMENT	40	43	46		43	-
316	POPULATION HEALTH MANAGEMENT	47	48	50		48	-
317	COMMUNITY SUPPORT SERVICES	13	14	14		14	-
330	MEMBER SERVICES	122	129	116		129	-
331	MEMBER OUTREACH	13	14	21		14	-
410	MEMBER ENGAGEMENT	9	12	16		12	-
401	BEHAVIORAL HEALTH	16	17	19		17	-
602	HEALTH EQUITY	5	6	5		6	-
604	CLINICAL OPS STRAT & ANALYTICS	11	11	10		11	-
605	QUALITY PERFORMANCE	26	29	3		29	-
TO BE DETERMINED			15			15	
TOTAL		690	756	758	4	760	4

(1) REFLECTS REDUCTION IN FORCE 2 FTE'S

(2) DOES NOT INCLUDE ADDING A DEPUTY CMO AND A DEPUTY COO AS SUCCESSION PLANNING WILL BE DISCUSSED IN MORE DETAIL AT A FUTURE BOARD MEETING.



ATTACHMENT #7

2025 New Employee Requests

Background

Budget period 2025 is a continuation of the major transformation occurring with the Medi-Cal Managed Care Plans throughout California. The CalAIM initiatives will add several new benefits along with the implementation of specific initiatives.

Discussion

The KHS CEO and CFO met with each department to review all budgets and staffing requests. After the review was completed, **4 new additional FTEs** are being requested for the 2025 Budget.

The addition of full-time employees (FTEs) will be prioritized by focusing on:

- 2026 NCQA Accreditation
- D-SNP Readiness for 2026
- Focus on member Quality scores and overall regulatory compliance
- Succession Planning

Department Specific Staffing Needs

- **Delegation Oversight (D-SNP)**

The positions below are necessary to fulfill CMS and DHCS contractual performance standards and service requirements. The Delegation Oversight Department requires **4 FTEs** to perform the regulatorily required aspect of Care Coordination oversight for a dually integrated Medicare and Medi-Cal plan. To adequately monitor all aspects of care coordination (Health risk assessment, individualized care planning, individualized care team conferences, preservice utilization management, inpatient utilization management and transitional care services) required by the CMS matrix and the DHCS State Medicaid Agency Contract, the following staffing below is being requested:

2 FTEs for the DSNP Delegation Care Management and Care Coordination (RN/LVN). These positions will be responsible for assisting the IPA or Independent provider groups with the resources needed to perform the assessment and development and implementation of the care plan by providing care management/care coordination services, member education, assisting in the development of the ICP, and facilitating safe care transitions between settings.



1 FTE for the Risk Adjustment Oversight Manager. Risk adjustment is used to calculate the annual cost of treatment for patients and is based on each patient's specific health conditions. KHS will need to ensure accurate medical coding is conducted annually which drives appropriate reimbursement from CMS to treat the medical conditions identified. KHS will need to ensure the contracted/delegated vendors are operating within CMS regulatory requirements and are able to pass CMS Risk Adjustment Data Validation (RADV) audits. Having a dedicated Risk Adjustment Oversight Manager will provide the necessary oversight needed for KHS to ensure maximum financial viability and supporting our mission to provide high-quality health care to all members.

1 FTE for the HEDIS/Stars Oversight Manager. CMS uses Star Ratings to evaluate the quality-of-care health plans provide to members. CMS uses data from various sources including clinical data and surveys to rate health plans annually on several factors including patient experience, services covered, preventative services and hospital readmissions, and health outcomes. Health Plan Star Ratings are published annually and are used by Medicare beneficiaries when choosing a health plan. KHS will need to have a dedicated Stars Oversight Manager to ensure the contracted/delegated providers are focusing on quality care for both Medicare and Medi-Cal quality measures.

Succession Planning

Succession planning will be discussed in more detail at a future board meeting. Senior Management has identified the need for a Deputy Chief Medical Officer and a Deputy Chief Medical Officer due the anticipated retirement of the Chief Operating Officer in 2026 and the Chief Medical Officer in 2027.

2025 Capital Budget

KERN HEALTH SYSTEMS

CAPITAL BUDGET 2025			
ITEM	CORPORATE PROJECTS	TYPE ¹	COST
1	Behavioral Health 2025	N	\$ 786,197
2	Closed Loop Referral (CLR) Mgmt	N	\$ 1,510,968
3	Medicare Advantage DSNP Software Modules	C	\$ 5,845,553
4	Accounting System Upgrade/Implementation	C	\$ 1,051,757
5	Member & Provider Portal Implementation	N	\$ 2,365,903
6	Member Engagement	C	\$ 1,110,314
7	Text Messaging - Automate and Customize	N	\$ 615,138
8	Webex Calling Migration	N	\$ 644,373
CORPORATE PROJECT SUBTOTAL			\$ 13,930,203

PRIOR YEARS CAPITAL SPEND 2024-2022				
2024 ²	2023	2022	TOTAL ³	CalAIM
\$ -	\$ -	\$ -	\$ 786,197	Yes
\$ -	\$ -	\$ -	\$ 1,510,968	Yes
\$ 554,044	\$ 108,727	\$ -	\$ 6,508,324	Yes
\$ 135,938	\$ -	\$ -	\$ 1,187,694	No
\$ -	\$ -	\$ -	\$ 2,365,903	No
\$ 938,521	\$ 712,271	\$ -	\$ 2,761,106	Yes
\$ -	\$ -	\$ -	\$ 615,138	No
\$ -	\$ -	\$ -	\$ 644,373	No
\$ 1,628,503	\$ 820,998	\$ -	\$ 16,379,704	

ITEM	BUILDING IMPROVEMENTS, OFFICE FURNITURE, & EQUIPMENT	TYPE ¹	COST
9	Building Enhancements	N	\$ 107,000
10	Office Furniture and Equipment	N	\$ 63,000
OFFICE FURNITURE & EQUIPMENT SUBTOTAL			\$ 170,000

2024 ²	2023 ⁴	2022 ⁴	TOTAL	CalAIM
\$ 98,334	\$ 521,038	\$ -	\$ 726,372	No
\$ 862,453	\$ 388,930	\$ 57,199	\$ 1,371,581	No
\$ 960,787	\$ 909,968	\$ 57,199	\$ 2,097,954	

ITEM	TECHNOLOGY	TYPE ¹	COST
11	Services Management Software ⁵	N	\$ 635,000
12	Hardware Replacement ⁵	N	\$ 643,000
13	New and Replacement Equipment ⁵	N	\$ 807,500
14	Core System Licensing ⁵	N	\$ 717,800
TECHNOLOGY SUBTOTAL			\$ 2,803,300

2024 ²	2023 ⁴	2022 ⁴	TOTAL	CalAIM
\$ 873,494	\$ -	\$ 1,652,999	\$ 3,161,493	No
\$ 995,783	\$ 1,135,053	\$ 1,422,496	\$ 4,196,332	No
\$ -	\$ -	\$ -	\$ 807,500	No
\$ -	\$ -	\$ -	\$ 717,800	No
\$ 1,869,277	\$ 1,135,053	\$ 3,075,495	\$ 8,883,125	

TOTAL CAPITAL ITEMS \$ 16,903,503

\$ 4,458,567 \$ 2,866,019 \$ 3,132,694 \$ 27,360,783

1.Type C is Continuation, Type N is New

2. Actual through September 2024

3. Does not include ongoing maintenance and support that is expected not to exceed 10% of the total project cost during the initial five years

4. Actual EOY Expenditures

5. New and replacement equipment, along with core system licensing listed for 2025, are consolidated under "Services Management Software" and "Hardware Replacement" categories in the PY Spend.

2025 Capital Summary

Corporate Projects

1. Behavioral Health

In 2025, KHS will advance Behavioral Health services through data exchange, treatment support for young members, and enhancements to opioid addiction care. The Behavioral Health Data Exchange will enable the collection and sharing of clinical data with providers, supporting oversight and coordination of member care. The Applied Behavior Analysis - Behavioral Health Treatment (ABA-BHT) initiative will transition authorization processes to Behavioral Health, focusing on children and adolescents and establishing contracts with local education agencies for school-linked services. Finally, the Medication Assistance Treatment (MAT) program will address opioid dependency through enhanced provider training, data monitoring, and integrated support, helping ensure members receive comprehensive, high-quality behavioral health services.

(Budgetary Impact: \$786,197.)

2. Closed Loop Referral (CLR) Management

The Closed Loop Referral (CLR) Management project aims to strengthen KHS' ability to track and complete referrals between Community Services & Social (CSS) and providers, ensuring members receive necessary community services that address Social Determinants of Health. This initiative will resolve existing data exchange issues, enabling efficient, reliable sharing of clinical member data between KHS, CSS Providers, and Community-Based Organizations (CBOs). By implementing this enhanced data exchange, CSS will improve member outreach, effectively monitor referral progress, and close the loop on member referrals. The project is a high priority to ensure compliance with the KHS Closed-Loop Referral Implementation Guidance and to fulfill essential requirements for effective referral management.

(Budgetary Impact: \$1,510,968.)

3. Medicare Advantage DSNP

The Medicare Advantage Dual Eligible Special Needs Plan (MA D-SNP) Implementation Project is a required initiative to establish a new line of business dedicated to dual-eligible beneficiaries. This project focuses on building a comprehensive infrastructure to support the D-SNP program, including configuring systems, securing data integrations, and ensuring all technical and operational components meet CMS regulatory requirements. Operational readiness across KHS departments is a key priority, with Quality Improvement (QI) and Pharmacy teams preparing oversight processes, such as onboarding a new audit vendor for DSNP Medicaid providers and developing workflows for delegated pharmacy functions. Additionally, the project will complete essential regulatory filings, submit the Model

2025 Capital Summary

of Care (MOC), and prepare the bid submission. These efforts ensure that KHS is fully equipped for a successful go-live on January 1, 2026, with all systems, processes, and teams ready to manage and expand the MA D-SNP program. (Budgetary Impact: \$5,845,553.)

4. Accounting System Upgrade and Implementation

To support the new Medicare line of business and improve financial operations, KHS will either upgrade or replace its current accounting system based on consultant recommendations. The project aims to enhance the Finance department's capabilities by adopting a solution that meets both current and future accounting needs. This includes implementing a system with advanced features, such as real-time data analysis, task automation, and seamless integration with other business platforms, providing a comprehensive view of financial health. The updated system will enable more efficient and accurate accounting processes, supporting KHS in effectively managing the Medicare line of business and making informed financial decisions.

(Budgetary Impact: \$1,051,757.)

5. Member and Provider Portal Implementation

The Member and Provider Portal 2.0 project will enter its final implementation phase in 2025, following the vendor selection completed last year. This project will bring both portals to full operational status with enhanced functionality, designed to improve access and communication for providers and members. Key features include modernized tools and interfaces, providing a more comprehensive platform for user interaction. Additionally, non-contracted Community Based Organizations (CBOs) will gain access to the Provider Portal, allowing them to refer members, exchange clinical data, and receive referral status updates. This access aligns with the CalAIM initiative's goals of broadening coordinated care efforts, enabling CBOs to send, receive, and track referrals within the network and streamline communications. The 2025 implementation will include integration with existing systems, process enhancements, and training for providers, members, and KHS staff to promote efficient use of the new portals.

(Budgetary Impact: \$2,365,903.)

6. Member Engagement

To enhance member health outcomes and engagement, KHS will continue building a comprehensive and engaging member experience through an advanced Customer Relationship Management (CRM) platform and an enhanced Member Rewards Program. Initiated in 2023 and expanded in 2024, the CRM development is advancing through a three-phase roadmap, with a focus in 2025 on integrating new

2025 Capital Summary

functionalities to understand, serve, and support members more effectively. This year's initiatives include completing up to three business use cases within the CRM to personalize communications, predict member needs, and simplify access to support. Additionally, the Member Rewards Program will be completed with InComm, enabling members to self-attest rewards via the InComm Member Portal for instant fulfillment and providing real-time reporting to empower effective monitoring by the Member Engagement Department. Through these efforts, KHS aims to know more about each member, do more to address individual needs, and help more by encouraging proactive participation in health management. (Budgetary Impact: \$1,110,314.)

7. *Text Messaging – Automate and Customize*

The Text Messaging – Automate and Customize project aims to streamline and enhance KHS's outreach campaigns by automating the scheduling process and introducing customization options. Currently, text messaging campaigns require daily manual scheduling, which this project will eliminate through automation, reducing manual intervention and improving efficiency. Additionally, new customization capabilities will be added to the workflow, allowing personalized elements—such as a member's primary care provider information or open authorization details—to be included in messages. These improvements will enable more targeted and relevant member communication, supporting better engagement and outreach effectiveness. (Budgetary Impact: \$615,138.)

8. *Webex Calling Migration*

The Webex Calling Migration project will transition KHS from its long-standing on-premise telephony solutions, Cisco Call Manager and Unified Contact Center Express, to Cisco's Webex Calling and Webex Contact Center platforms. This upgrade will enhance KHS's communication infrastructure by leveraging cloud-based solutions that provide significant disaster recovery advantages, reducing the risk of service interruptions. The migration also offers improved integration capabilities, allowing KHS to customize applications for streamlined workflows and member interactions. With long-term support from Cisco and its partners, KHS will benefit from consistent updates and scalable infrastructure, ensuring our telephony systems can adapt to future organizational needs while providing reliable and efficient communication tools for our teams. (Budgetary Impact: \$644,373.)

2025 Capital Summary

Building Improvements, Office Furniture, & Equipment

9. Building Enhancements

For 2025, KHS has planned building enhancements to improve functionality, safety, and operational efficiency across our facility. These include installing a bird deterrent system to maintain cleanliness and safety, along with a backflow valve cage to protect essential infrastructure. Additional projects include creating under-stairs and building storage to optimize available space and addressing structural improvements to ensure the facility remains efficient and well-maintained. (Budgetary Impact: \$107,000.)

10. Office Furniture and Equipment

For 2025, KHS plans to acquire new office furniture to enhance the functionality and modernity of workspaces. This investment will introduce high-quality furnishings that add value by improving organization and optimizing workplace design. Additionally, new copiers will be introduced to expand document management capabilities, providing greater efficiency and reliability for organizational operations. These enhancements align with KHS's commitment to supporting operational growth and ensuring a well-equipped, forward-looking work environment. (Budgetary Impact: \$63,000.)

Technology

11. Services Management Software

To support the growing complexity of our enterprise and meet increasing employee needs, KHS is investing in updated service management software in 2025. This includes enhancements to our IT Service Management (ITSM) system to improve service delivery and expand management capabilities across departments. Additional tools will be acquired to support specific functions, such as remote access management, system optimization, and network security reinforcement. Data handling and comparison capabilities will also be strengthened, along with improvements in our risk and compliance management framework. These investments collectively aim to advance technical service delivery, improve resilience, and provide comprehensive support for our organizational needs. (Budgetary Impact: \$635,000.)

12. Hardware Replacement

With rapid advancements in technology, it's essential for KHS to continually update hardware to align with organizational needs and maintain manufacturer support. This year's capital expenditure focuses on replacing aging systems across several

2025 Capital Summary

critical areas. Key upgrades will include essential network and communication systems to ensure reliable connectivity and support for our operations. Enhancements to boardroom and conference room meeting hardware and software will improve communication and collaboration capabilities, while cell phone repeaters will enhance signal strength throughout the facility. Additionally, we will conduct an evaluation of core network components to optimize our infrastructure. Miscellaneous replacements are also included to address various small-scale yet essential updates across our hardware landscape.
(Budgetary Impact: \$643,000.)

13. New and Replacement Employee Equipment

To support operational growth and evolving technology needs, KHS will procure a range of new equipment in 2025. This includes workstation setups to enhance functionality and additional laptops to meet expanded operational demands. KHS plans for further acquisitions, such as scanners and network printers, which will further support efficient and connected workflows across the organization. These investments ensure that KHS remains equipped with reliable, up-to-date technology to maintain productivity and operational effectiveness.
(Budgetary Impact: \$807,500.)

14. Core System Licensing

As part of our annual compliance requirements, KHS conducts audits for licensing across critical operational systems to ensure alignment with contractual obligations. These systems support essential functions, including data transformations, member and claims processing, clinical management, and employee desktop and server operations. For 2025, the licensing updates will cover Edifecs, Cognizant's QNXT to account for member growth, and Microsoft, which includes True-Up adjustments for new user licensing and reservations software. This True-Up process ensures that KHS remains compliant by adjusting licenses based on end-of-year usage, supporting both organizational growth and regulatory standards.
(Budgetary Impact: \$717,800.)

**KERN HEALTH SYSTEMS
TANGIBLE NET EQUITY (TNE) AND LIQUIDITY TESTS
2025 BUDGET**

	12/31/2023 ACTUAL	12/31/2024 ESTIMATED	12/31/2025 BUDGET
<u>TNE TEST</u>	\$	\$	\$
CAPITAL RESERVE	\$ 380,188,379	\$ 330,000,000	\$ 357,000,000
CALCULATION OF MINIMUM TANGIBLE NET EQUITY (TNE) AMOUNT (1)	\$ 58,360,093	\$ 78,363,816	\$ 80,000,000
CAPITAL RESERVE AS % OF TNE	651.45%	421.11%	446.25%
CURRENT BOARD APPROVED TNE TARGET RANGE	500% - 600%	500% - 600%	500% - 600%
<u>LIQUIDITY TEST</u>			
UNRESTRICTED CASH & INVESTMENT BALANCE	\$ 521,850,936	\$ 550,000,000	\$ 600,000,000
AVERAGE MONTHLY OPERATING REVENUE	\$ 100,677,040	\$ 126,423,369	\$ 138,539,652
CALCULATION OF CURRENT NUMBER OF MONTHS OF CASH & INVESTMENTS (2)	5.18	4.35	4.33
CURRENT BOARD APPROVED MINIMUM LIQUIDITY RANGE	2-3 Months	2-3 Months	2-3 Months

(1) AMOUNT BASED ON DMHC'S CALCULATION FOR MINIMUM TNE USING ANNUAL HEALTHCARE EXPENSES



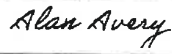
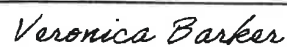
(2) AMOUNT BASED ON UNRESTRICTED CASH AND INVESTMENT BALANCES DIVIDED BY AVERAGE MONTHLY OPERATING REVENUE (EXCLUDING HOSPITAL DIRECTED PAYMENTS AND MCO TAX REVENUE)



KERN HEALTH SYSTEMS

Policy and Procedure Review

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

Reviewer	Date	Signature
Emily Duran Chief Executive Officer	8/7/23	
Robert Landis Chief Financial Officer	7/26/23	
Alan Avery Chief Operating Officer	7/28/2023	
Veronica Barker Controller	7/26/2023	

(CEO decision(s))

Board approval required: Yes ___ No ___ QI/UM Committee approval: Yes ___ No ___

Date approved by the KHS BOD: _____ Date of approved by QI: _____

PAC approval: Yes ___ No ___ Date of approval by PAC: _____

Approval for internal implementation: Yes ___ No ___

Provider distribution date: Immediately _____ Quarterly _____

Effective date: _____

DHCS submission: _____

DMHC submission: _____

Provider distribution: _____

Compliance Department



KERN HEALTH SYSTEMS					
POLICY AND PROCEDURES					
SUBJECT: Tangible Net Equity and Minimum Liquidity Test Policy				POLICY #: 8.65-I	
DEPARTMENT: Finance					
Effective Date: 8/12/2021	Review/Revised Date: 08/07/2023	DMHC		PAC	
		DHCS		QI/UM COMMITTEE	
		BOD	X	FINANCE COMMITTEE	X

_____	Date _____
Emily Duran Chief Executive Officer	
_____	Date _____
Chief Financial Officer	
_____	Date _____
Chief Operating Officer	
_____	Date _____
Controller	

POLICYⁱ:

This policy establishes guidelines and procedures to set Tangible Net Equity (TNE) and Minimum Liquidity ranges to ensure Kern Health Systems (“KHS”) long-term financial solvency, the ability to provide uninterrupted services to its members, continue to provide timely payments to its providers and to participate in additional programs required by DHCS pursuant to the authorization of the KHS Board of Directors (“Board”) on August 12, 2021 and June 15, 2023 for Minimum Liquidity.

PURPOSE:

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

Maintaining an appropriate level of cash liquidity will ensure KHS' ability to provide uninterrupted services to its members, continue to provide timely payments to its providers and to participate in additional programs required by DHCS.

DEFINITIONS:

TNE	Tangible Net Equity
Required Minimum TNE	A specific calculation for Knox-Keene licensed Health Plans set by DMHC and calculated as part of the regulatory quarterly and annual reporting process.
Target TNE	The percentage range applied to minimum TNE set by KHS' Board of Directors
MLT	Minimum Liquidity Test
Required Minimum MLT	A specific calculation requiring a minimum unrestricted cash and investment level between two to three months of Operating Revenue (Excluding Hospital Directed Payments and MCO Tax Revenues).
Target MLT	The target range applied to a minimum MLT set by KHS' Board of Directors

PROCEDURES:

- A) The Minimum TNE target range will be established by the Board. The current initial target range of 500% - 600% of required minimum TNE was approved by the Board at the KHS' Board of Directors Meeting on August 12, 2021. The additional range includes allowance for foreseeable new business opportunities and organic growth in the Minimum TNE calculation.
- B) The Minimum MLT target range will be established by the Board. The current initial target range of two to three months of Operating Revenue (Excluding Hospital Directed Payments and MCO Tax Revenues) was approved by the Board at the KHS' Board of Directors Meeting on June 15th 2023.
- C) As part of the Annual Budget, Management will present to the Board the current annual TNE and the current MLT and an updated estimate of future TNE and MLT requirements.
- D) Following the year-end audit, Management will update the 3–5-year proforma presented at the August 12, 2021 Board Meeting for determining prospective capital reserve requirements. Using this approach, the Finance Committee and Board can compare the target range of 500% - 600% and confirm or modify assumptions used for future TNE target range estimates.

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

REFERENCE:

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



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Cesar Delgado, Deputy Chief Information Officer

SUBJECT: 2025 Corporate Project Consulting and Professional Services

DATE: December 19, 2024

Background

Kern Health Systems (KHS) is continually embarking on a comprehensive operational and technical transformation to meet CalAIM objectives, enhance service delivery, and ensure regulatory compliance across multiple domains, including Health Services, Medicare, Operations, and Technical Infrastructure. These initiatives align with the regulatory and operational landscape defined by CalAIM, NCQA standards, and Medicare requirements, aiming to deliver coordinated, whole-person care through enhanced data-sharing and integration.

Due to the scale and complexity of these initiatives, KHS leverages consulting services to fill skill gaps, bring in specialized expertise, and provide flexible, on-demand support. This outsourcing approach ensures that KHS can meet project timelines, reduce the need for permanent hires, and maintain the agility needed to adapt to evolving requirements.

Discussion

To achieve its 2025 goals, KHS relies on consulting services to address skill gaps, provide specialized expertise, and support key initiatives like NCQA accreditation, system upgrades, and risk management, ensuring agility, project alignment, and timely delivery.

Financial Impact

Operating and Capital expenses for a one (1) year term with an initial one-year (1) term with the following vendors in the amounts identified below for a total not to exceed amount of \$20,271,816:

- MIS/PMO Selected Vendors: \$16,921,816
 - CitiusTech
 - Computer Enterprises, Inc.
 - GeBBS Consulting
 - Kforce
 - Tegria
 - TEKsystems
- Rebellis: \$3,000,000
- The Mihalik Group: \$350,000

Requested Action

Approve; Authorize Chief Executive Officer to Sign, enter into, and/or amend Professional Technical Resource contracts for an initial one-year (1) term for a not to exceed amount of \$20,271,816.

2025 Project Consulting Professional Services December 19, 2024

Cesar Delgado
Deputy Chief Information Officer



Agenda

- General Overview
- Sequence of Events
- 2024/2025 Corporate Portfolio
- Benefits of Outsourcing
- Essential Consulting Services with Rebellis for D-SNP Success
- NCQA Standards: Success Through Strategic Support from The Mihalik Group
- 2025 Vendor Selection
- Historical and Anticipated Expenditures
- Board of Directors Request



General Overview

Kern Health Systems (KHS) is continually embarking on a comprehensive operational and technical transformation to meet CalAIM objectives, enhance service delivery, and ensure regulatory compliance across multiple domains, including Health Services, Medicare, Operations, and Technical Infrastructure. These initiatives align with the regulatory and operational landscape defined by CalAIM, NCQA standards, and Medicare requirements, aiming to deliver coordinated, whole-person care through enhanced data-sharing and integration.

To achieve these 2025 goals, KHS is focused on critical projects, such as implementing D-SNP readiness and regulatory filings, expanding Enhanced Care Management, upgrading enterprise systems, and enhancing technical capabilities like Health Information Exchange (HIE) and PowerBI. Each project is strategically aligned to drive compliance, improve patient outcomes, and streamline operations.

Due to the scale and complexity of these initiatives, KHS leverages consulting services to fill skill gaps, bring in specialized expertise, and provide flexible, on-demand support. These consultants play an essential role in supporting key projects, including the NCQA accreditation process, accounting system upgrades, member and provider portal implementation, and enterprise risk management. This outsourcing approach ensures that KHS can meet project timelines, reduce the need for permanent hires, and maintain the agility needed to adapt to evolving requirements.



Sequence of Events

- Develop Corporate Strategic Plan / Corporate Goals & Objectives
- Design the Annual Project Portfolio with Leadership
- Perform Scope and Resource Planning for Annual Project Portfolio
- Executive Approval of Annual Corporate Project Portfolio
- Annual Budget Process for KHS
- Request for Quote for Consulting Resources
- Create Recommendation for the Board of Directors



2025 Corporate Portfolio

2025 Corporate Portfolio	
Portfolio	Project
Department Initiatives	MCAS Annual Audit - 2025
	Enterprise Data Exchange Services
	Data Management Optimization for QNXT Claims System
	ITSM Implementation
Health Services	Medi-CAL Connect
	Expansion of CSS (Community Support Services) - 2025
	NCQA Accreditation - 2025
	Enhanced Care Management Expansion Project - 2025
	3rd Party MOUs - 2025
	Behavioral Health - 2025
D-SNP	Closed Loop Referral (CLR) Management
	MA D-SNP Operational Readiness
	MA D-SNP Regulatory Filings, MOC, Bid Submission - 2025
Operations	MA D-SNP Implementation (Placeholder)
	Enterprise Risk Management Assessment
	Business Process Improvements (Backlog) - 2025
	Text Messaging - Automate and Customize
	Accounting System Upgrade/Implementation
	Member Engagement (2025)
	Symplr Upgrade (Placeholder) - 2025
	Authorization Data Integration Redesign (JIVA and QNXT)
Technical	Member & Provider Portal Implementation
	Health Information Exchange (HIE) JIVA Integration
	Jiva Daily Delta Process - Remove Transactions from Daily Delta P
	PowerBI Dashboard Development, Migration & Enhancements (Backlog)
	QNXT update 6.x - 2025
	JIVA upgrade - 2025
	CES Upgrade - 2025
	Windows 11 Roll Out
	Webex Calling Migration

The 2025 Corporate Portfolio comprises the following items:

- Department Initiatives-** The 2025 department initiatives include conducting the MCAS Annual Audit to ensure regulatory compliance, implementing secure Enterprise Data Exchange Services to streamline data sharing processes, optimizing the QNXT Claims System for improved data management and claims processing, and deploying an IT Service Management (ITSM) system to enhance IT operations and service delivery.
- Health Services-** The 2025 Health Services initiatives include the implementation of Medi-Cal Connect to enhance member engagement and accessibility, the Expansion of Community Support Services (CSS) to provide broader social and health support, and achieving NCQA Accreditation to meet quality care standards. Additionally, the Enhanced Care Management Expansion Project will improve care coordination, 3rd Party MOUs will establish key partnerships, Behavioral Health initiatives will expand mental health services, and Closed Loop Referral (CLR) Management will ensure efficient referral tracking and follow-up for improved member outcomes.
- D-SNP-** The D-SNP initiatives for 2025 focus on achieving Operational Readiness to ensure smooth program execution, completing Regulatory Filings, Model of Care (MOC) development, and Bid Submissions to meet compliance and competitive requirements, and laying the groundwork for the D-SNP Implementation to establish a successful dual-eligible program.
- Operations-** The 2025 Operations initiatives include conducting an Enterprise Risk Management Assessment to strengthen risk mitigation strategies, implementing Business Process Improvements to address backlog challenges, and enhancing communication with Automated and Customized Text Messaging. Additional efforts focus on upgrading the Accounting System for improved financial management, expanding Member Engagement strategies, and preparing for the Symplr System Upgrade. Projects also include redesigning Authorization Data Integration between JIVA and QNXT for streamlined processes and launching a Member & Provider Portal to improve access and usability.
- Technical-** The 2025 technical initiatives include integrating JIVA with the Health Information Exchange (HIE), optimizing the JIVA Daily Delta Process, enhancing PowerBI dashboards, and upgrading QNXT, JIVA, and CES systems. Additional projects involve rolling out Windows 11 and migrating to Webex Calling for improved communication and efficiency.



Benefits of Outsourcing

- **Project Efficiency and Expertise:** Outsourcing allows projects to be managed by professionals with proven expertise, leading to faster turnaround times and a higher standard of quality. Leveraging specialized vendors enables efficient completion of complex tasks that might otherwise stretch internal resources.
- **Access to Specialized Expertise:** By partnering with industry experts, organizations gain access to specialized skills and knowledge that may not exist in-house. This expertise brings valuable insights and capabilities that improve project outcomes and foster innovation.
- **Increased Flexibility and Scalability:** Outsourcing offers a flexible workforce that can be scaled up or down to meet project demands, ensuring resources are used efficiently. This adaptability supports strategic growth, especially when responding to fluctuating workloads or shifting priorities.
- **Enhanced Focus on Core Functions by Internal Teams:** With outsourced support for specific projects, internal teams can focus on their core functions and strategic goals. This improves productivity and strengthens the organization's ability to meet long-term objectives.
- **Reduced Administrative Burden:** Outsourcing reduces the administrative workload associated with hiring, training, and managing additional staff, streamlining operations. This allows the organization to allocate resources more effectively and focus on key areas of impact.



Essential Consulting Services with Rebellis for D-SNP Success

- **Navigating Complex Regulatory Requirements:** California's managed care health plans must adhere to both federal Medicare and state Medi-Cal regulations when establishing a D-SNP. Expertise in Medicare Advantage and Medicaid regulations ensures that KHS can meet compliance requirements for the Centers for Medicare & Medicaid Services (CMS) and California Department of Health Care Services (DHCS).
- **Ensuring Compliance with CMS D-SNP Requirements:** D-SNPs are subject to specific CMS guidelines, including requirements for Model of Care (MOC) and Integrated Care Coordination. Guidance on meeting these standards helps KHS implement the necessary systems and processes to achieve CMS approval and maintain compliance.
- **Addressing California's CalAIM Requirements:** CalAIM mandates integrated care models for dual-eligible populations, emphasizing whole-person care and California Integrated Care Management (CICM). Consulting support helps KHS align D-SNP operations with CalAIM objectives and regulatory requirements.
- **Establishing Effective Care Coordination and Data Sharing:** D-SNPs require robust care coordination and data-sharing capabilities across Medicare and Medi-Cal services to manage the dual-eligible population effectively. Support in setting up secure data-sharing frameworks and care coordination models ensures compliance with regulatory requirements including HIPAA and California's privacy regulations.
- **Leveraging Industry Expertise for Efficient Implementation:** Establishing a D-SNP program requires specialized consulting to address its complex operational requirements, which are significantly different from running a Medi-Cal line of business. From ensuring network adequacy and dual-eligible member coordination to meeting stringent CMS and state-specific compliance standards, consulting expertise is essential. Industry expertise accelerates KHS's implementation while ensuring adherence to CMS and state-specific standards for managed care plans.



NCQA Standards: Success Through Strategic Support from The Mihalik Group

- **Comprehensive Compliance:** The Mihalik Group (TMG)'s readiness assessments and ongoing reviews help KHS confidently meet every NCQA HPA and HEA standard, reducing the risk of non-compliance.
- **Efficient Gap Closure:** With a structured work plan, TMG provides a clear roadmap for KHS, prioritizing critical tasks and streamlining efforts for efficient gap closure, saving KHS time and resources.
- **High-Quality Document Support:** By thoroughly reviewing and scoring documents, TMG ensures KHS's submissions are accurately aligned with NCQA standards, minimizing revisions and ensuring faster approvals.
- **Audit Risks:** Through regular mock audits, TMG proactively uncovers and resolves potential issues, preparing KHS to handle official audits with confidence.
- **Proactive, Ongoing Guidance:** TMG continuously tracks KHS's progress, addressing issues as they arise, and adapting strategies to keep KHS on course, ensuring long-term accreditation success.



2025 Vendor Selection

Selected Vendors

1. CitiusTech
2. Computer Enterprises, Inc.
3. GeBBS Consulting
4. Kforce
5. Tegria
6. TEKsystems

Scoring Criteria

- Cost Competitiveness (40%)
- Role Availability (30%)
- Healthcare Experience (15%)
- Partnership Quality (10%)
- References (5%)

The above 6 vendors have been selected to support the MIS/PMO D-SNP and NCQA initiatives and to execute and complete the 2025 Corporate portfolio. The hourly rates range from \$80 - \$250/hr. depending on the scope of work required.



2024 Expenditures

2024 Professional Resource Request Budget-to-Actual Summary							
Area	Projects	Resources	Requested	Actual January-September ¹	Projected October-December	Total (Actual+Projected)	Variance (Including Projections)
Management Information Systems	44	32	\$ 6,800,000	\$ 8,179,740	\$ 2,726,580	\$ 10,906,320	\$ (4,106,320)
Project Management		17	\$ 4,900,000	\$ 2,200,004	\$ 733,335	\$ 2,933,338	\$ 1,966,662
D-SNP		26	\$ 11,840,000	\$ 504,923	\$ 168,308	\$ 673,231	\$ 11,166,769
NCQA		1	\$ 350,000	\$ 78,310	\$ 78,310	\$ 156,620	\$ 193,380
Totals		76	\$ 23,890,000	\$ 10,962,977	\$ 3,706,532	\$ 14,669,509	\$ 9,220,491

Footnotes:

1. Actuals through September 2024



2025 Anticipated Expenditures

Area	2024			2025			2024-2025 Change		
	Projects	Resources	Request	Projects	Resources	Request	Projects	Resources	Request
Management Information Systems (MIS)	44	32	\$6,800,000	30	42	\$11,811,826 ¹	(14)	10	\$5,011,826
Project Management (PMO)		17	\$4,900,000		4	\$987,352 ¹		(13)	(\$3,912,648)
D-SNP (MIS, PMO Professional Resources)		26	\$7,640,000		15	\$4,122,638 ¹		(11)	(\$3,517,362)
D-SNP (Rebellis)		N/A	\$4,200,000		N/A	\$3,000,000 ²		N/A	(\$1,200,000)
NCQA (The Mihalik Group)		1	\$350,000		1	\$350,000 ³		0	\$0
2024-2025 Change		76	\$ 23,890,000		62	\$20,271,816^{4,5}		(14)	(\$3,618,184)

Footnotes:

1. Services to be performed by CitiusTech, Computer Enterprises, Inc. (CEI), GeBBS Consulting, Kforce, Tegria, and TEKsystems
2. 2025 D-SNP request for implementation consulting.
3. 2025 request includes consulting for NCQA
4. 2025 request includes a 3% CPI increase
5. 2025 request assumes a 10% increase over the actual hourly rate currently in place for CalPERS.



Board of Directors Request

Authorize the CEO to sign, enter into, and/or amend contracts for an initial one-year (1) term with the following vendors in the amounts identified below for a total not to exceed amount of \$20,271,816:

- MIS/PMO Selected Vendors: \$16,921,816
 - CitiusTech
 - Computer Enterprises, Inc.
 - GeBBS Consulting
 - Kforce
 - Tegria
 - TEKsystems
- Rebellis: \$3,000,000
- The Mihalik Group: \$350,000

These contracts are essential for procuring professional resources from consulting vendors to support MIS, PMO, D-SNP, and NCQA initiatives. The total operating and capital expenses are aligned with the labor required to execute and complete the 2025 Corporate Portfolio.





MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Kern Health Systems Compensation Committee
SUBJECT: Proposed Revision to Employee Compensation Program
DATE: December 19, 2024

Introduction

The Kern Health Systems (“KHS”) Board of Directors and its Executive Leadership Team established a Corporate Strategic Plan for 2023-2025. One of the Strategic Priorities and Goals within the plan is focused on recruitment and retention initiatives for our current KHS workforce; specifically, surveying the current state of the labor market for gaps and addressing those through targeted programs.

In the fall of 2023, KHS staff engaged the consulting firm Mercer to review its current salary structure and position salaries against the relevant labor market. They provided an analysis of the comparison and made recommendations to address gaps between our current employee salary grades and those of the competitive labor market.

In coordination with this Committee, staff proposes adoption of the attached revised Employee Compensation Program. Contained in this revised policy is the following:

- An updated Salary Structure, as recommended by Mercer.
- Modification to the methodology utilized for position placement within the Salary Structure.
- Clear guidelines and authority for salary offers upon initial hiring and promotion.
- Adoption of current practices for progressive promotion and equity adjustment.
- Authority for CEO to implement additional recruitment and retention strategies within the approved policy and budgetary requirements of the Board of Directors.

Updated Salary Structure

The proposed Employee Compensation Program revision includes an updated Salary Structure. Mercer reviewed KHS’ current salary structure and benchmarked current KHS positions to survey data based on job responsibilities and requirements.

Mercer determined that the current salary structure was on average 2% below the market 50th percentile with larger gaps at the executive levels and bottom salary grades. They projected that our bottom 1-2 salary grades will be completely or mostly unused due to increases in minimum wage, particularly in the healthcare sector. Mercer also noted that the midpoint progression and range spread of the current salary grades were not consistent.

The updated Salary Structure proposed by Mercer includes the following adjustments to account for these issues:

- Increasing the bottom salary grade to start at \$21.15/hour to account for the increase in healthcare worker minimum to \$21.00/hour.
- Increasing the number of executive grades from 4 to 5 and non-executive grades from 12-14.
- Smoothing out the midpoint progressions and range spreads to allow for a more consistent grade structure.

Mercer also benchmarked over 300 distinct roles utilized by KHS. On average, Mercer found KHS base salaries to be 5% below the 50th percentile of the market. The most significant gaps were at the high and low end of our current salary grade assignment. Based upon Mercer's market study they recommended placement within the proposed Salary Structure at a salary grade with a midpoint salary closest to the 50th percentile of the studied labor market. This methodology is codified within the proposed Employee Compensation Program for future application.

Requested Action

Approve revision to KHS Employee Compensation Program effective January 1, 2025.

Attachments: KHS Policy and Procedures, Employee Compensation Program, Policy #15.09-I

KERN HEALTH SYSTEMS POLICY AND PROCEDURES			
Policy Title	Employee Compensation Program	Policy #	15.09-I
Policy Owner	Chief Legal and Human Resources Officer	Original Effective Date	05/22/2012
Revision Effective Date	10/17/2024	Approval Date	10/17/2024
Line of Business	<input checked="" type="checkbox"/> Medi-Cal <input checked="" type="checkbox"/> Medicare		

I. PURPOSE

The purpose of this policy is to establish the base salary structure and compensation program applied to the class of positions utilized by Kern Health Systems (KHS).

Our compensation program is designed to attract, motivate, and retain high-performing employees across all positions, while ensuring fairness and equity across the organization.

II. POLICY

A. Salary Structure

KHS utilizes a salary structure based upon distinct salary grades. Each salary grade has a salary range with a minimum salary, midpoint salary, and maximum salary. The salary grades ensure consistent midpoint salary progression and salary range spread. The lowest and highest salary grades are set to ensure competitiveness within the relevant labor market for all positions.

Each individual position has its own job description defining the position, listing the essential job functions and duties, and identifying the knowledge, skills, and abilities required for each role. The job descriptions are utilized to evaluate and compare each position within the relevant labor market. Each position is placed in a salary grade with a midpoint salary closest to the 50th percentile of the studied labor market. Adjustments may be required to ensure differentiation between supervisory and subordinate positions and to ensure internal equity within the organization.

The Chief Legal and Human Resources Officer (CLHRO) is authorized to approve the placement of new positions within the salary structure and the adjustment of existing positions within the salary structure using this evaluation and comparison methodology.

B. Salary Upon Hiring

New employees are typically presented with a salary offer between the minimum salary and midpoint salary for their position. Their initial salary is set using many different factors including, but not limited to, the applicant or employee's years of experience, unique skills and abilities,

performance, and Kern Health Systems budgetary considerations. The CLHRO or their designee is authorized to offer an initial salary at or below the midpoint salary of a salary range.

When necessary to recruit qualified employees, the CEO or their designee is authorized to offer an initial salary above the midpoint salary. When considering re-employment of a former employee in the same department and same classification as they held prior to separation, the former employee may be rehired salary for their position. at the same salary level previously held. Under no circumstance shall a salary offer exceed the maximum

C. Salary Upon Promotion

Promoted employees are given a salary offer reflective of their experience and qualifications and the expectations contained within the role in which they are promoted to. The salary upon promotion should typically be an amount at least five percent higher than their current salary. In no case will the employee's salary be less than their current salary.

The CLHRO or their designee is authorized to offer a salary at or below the midpoint salary of the salary range of the new position. The CEO or their designee is authorized to offer a salary above the midpoint salary.

D. Salary Upon Demotion, Reclassification, or Transfer

An employee may receive a salary decrease upon demotion but in no case will the employee's salary be less than the minimum of the salary grade.

An employee may receive a salary increase or decrease upon reclassification dependent upon significant changes within the scope of work performed, but in no case will the employee's salary be less than the minimum of the salary grade.

An employee may receive a salary increase upon transfer to another position whose salary grade is the same as the previous position. A transfer requires that the employee meets the minimum qualifications and has demonstrated knowledge, skills, and abilities different and necessary to the new position.

E. Progressive Promotion

A progressive promotion is a personnel transaction that may take place without a formal recruitment. Typically, it involves an employee promoting within a defined position leveling (i.e., Member Services Representative I to Member Services Representative II). It may also occur when an employee promotes to another position within the same salary grade but accepts a higher-level of duties and responsibilities.

In all cases, a progressive promotion should only be considered when a department has developed and implemented a career progression matrix within existing job families that has been approved by Human Resources. Progressive promotions should not be considered when an employee promotes to a separate position in a higher salary grade.

The CLHRO or their designee is authorized to approve progressive promotions with salary

adjustments up to 10%. The CEO is authorized to approve progressive promotions above 10%, but not to exceed the maximum salary for the position.

F. Equity Adjustments

Equity adjustments are special salary actions necessary when market data, as judged by Human Resources, indicates that a different salary grade is required, or when inequities in salaries are identified and warrant correction. Adjustments may be made for individuals or groups of employees at any time during the year. Adjustments must be justified in writing by the affected department head or hiring manager.

Equity adjustments must be approved by the CLHRO and the CEO. The KHS Board of Directors shall approve organization-wide equity adjustments that are non-budgeted and result in a material financial impact to KHS.

G. Performance-based Adjustments

Each employee shall have their performance reviewed at annually. Employees whose salary is not at the maximum salary of their salary grade are eligible for performance-based adjustment. An employee's eligibility for a performance-based adjustment is based upon the employee's performance rating and application of a meeting or exceeding the performance expectations set forth in the performance appraisal. Any approved performance-based adjustment will be effective on January 1 of the following year.

H. Acting Assignment Pay

An employee may receive a salary increase for assuming a position on an "acting" basis. For an active, vacant position, one employee may be designated and compensated as "acting." Acting Assignment Pay shall be the minimum salary of the position "acting" position, but no less than five percent of the employee's current salary. The assigned employee must meet the qualifications for the position assigned to. An acting assignment shall not exceed six months unless approved by the CEO. Upon completion of acting assignment, the employee's salary shall return to the employee's regular salary in addition to any annual performance increases earned during the acting assignment.

I. Additional Compensation Measures

The CEO shall be authorized to develop and implement additional compensation and benefit strategies in order to remain competitive with the labor market and attract and retain high-performing employees (e.g., temporary housing, relocation assistance, recruitment or retention incentives, and retirement incentives). Such additional compensation measures are subject to established policy and budgetary requirements for Board of Directors approval.

III. DEFINITIONS

Compensation	Compensation includes the base salary or hourly rate and additional specialty pay provided to incentivize or compensate employees for specific skills or qualifications.
Internal Equity	The fair and consistent application of salary grade within specific departments across similar job functions and within the organization as a whole.
Labor Market	The labor market includes comparable positions within the public and private sectors in the healthcare and managed care industries.
Salary Grade	A salary grade is a range of compensation levels established for specific job roles within an organization. Each salary grade has a minimum, midpoint, and maximum pay amount, allowing for variations based on the employee's experience, performance, and tenure.
Salary Range	The dollar value of the spread from the minimum salary to the maximum salary of the range, separated by the dollar value of the midpoint of the range.
Minimum Salary	Represents the lowest salary for all positions within a salary grade.
Midpoint Salary	Represents the median salary for all positions within a salary grade.
Maximum Salary	Represents the highest salary for all positions within a salary grade.
Promotion	A promotion is the result of a change in position following the completion of a recruitment process wherein the successful candidate was selected for a role that has more complex duties and responsibilities and a higher salary grade.
Demotion	A demotion is the result of a change in position wherein the voluntarily or involuntarily assumes a new role with less complex duties and responsibilities and a lower salary grade.
Reclassification	A reclassification follows a review of an employees' duties and responsibilities and a determination that the employee's current position should be modified to a different position.
Transfer	A transfer is the result of a change in position to a new role with similar complexity and responsibility and within the same salary grade. A transfer may occur as a result of a recruitment.
Progressive Promotion	A progressive promotion is a change in position that reflects career growth in a particular job family and in accordance with an approved career progression matrix.

Career Progression Matrix	A career progression matrix is a defined career pathway within a job family, where with a demonstration of an employee's additional qualifications, they may move from one position to another.
Equity Adjustment	An equity adjustment is the increase of an employee's salary based upon a review of market comparable data reflecting that the position's midpoint salary is outside the 50 th percentile of the labor market, or a determination has been made that the employee's salary is inequitable internally.
Performance-based Adjustment	A performance-based adjustment is the increase of an employee's salary following the results of the annual performance review and the application of the performance adjustment matrix.
Performance Adjustment Matrix	The performance adjustment matrix is developed annually and represents the potential salary increases for all levels of an employee's performance.
Acting Assignment	An acting assignment occurs when an employee is selected to temporarily fill a vacant position that is in a higher salary grade.
Preferred Qualification	A preferred qualification is a specialized degree, certification, or skill that is not required for a position, but is identified on the job description as something valued in the role.

IV. PROCEDURES

- A. **Salary Structure** – The CLHRO shall conduct triennial compensation study to benchmark positions within the labor market. Upon completion, the CLHRO shall present its findings, and any recommendations necessary to maintain salaries in conformance with this policy to the CEO and the Compensation Committee of the Board of Directors. If approved, the CLHRO shall implement the changes as soon as practicable.
- B. **Salary Offers** – Human Resources staff shall make job offers for new hire and promotion in accordance with this policy. Upon final approval of either the CLHRO or CEO, as required, the salary offer may be presented to the successful candidate.
- C. **Reclassification** – Upon the request of a department head and/or an executive, Human Resources staff shall conduct a classification study of any position believed to have significantly expanded in terms of the level of responsibility. Findings of the classification study shall be reported to the person requesting the study within 60 calendar days of submission with recommendation for any reclassification. Any recommendation for reclassification shall be made effective the pay period following approval of the reclassification.
- D. **Progressive Promotion and Equity Adjustments** – Department heads requesting a progressive promotion or equity adjustment shall submit a Talent Acquisition Change Form.

Upon approval through the required workflow the promotion or equity adjustment shall take effect the following pay period.

- E. **Performance-based Adjustments** – Following the annual performance evaluations, departments shall apply the performance adjustment matrix to determine if employees in their department are eligible to receive a performance-based adjustment and the requisite amount. Human Resources staff will communicate any approved performance-based adjustment associated with the employee’s annual performance evaluation to the manager, who will in turn notify their employee. Performance-based adjustments shall take effect the January 1 following the completion of the performance evaluation process.
- F. **Other Pay Adjustments** – For all other pay adjustments, department heads shall submit a Talent Acquisition Change Form. Upon approval through the required workflow the pay adjustment shall take effect the following pay period.

V. ATTACHMENTS

Attachment A: Salary Structure
Attachment B:
Attachment C:
Attachment D:

VI. REFERENCES

Reference Type	Specific Reference
Choose an item.	
Choose an item.	
Choose an item.	

VII. REVISION HISTORY

Action	Date	Brief Description of Updates	Author
Effective			
Revised			
Retired			

VIII. APPROVALS

Committees Board (if applicable)	Date Reviewed	Date Approved
Board of Directors (BOD)		
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		

Regulatory Agencies (if applicable)	Date Reviewed	Date Approved
Choose an item.		
Choose an item.		
Choose an item.		

Chief Executive Leadership Approval *		
Title	Signature	Date Approved
Chief Executive Officer		
Chief Financial Officer		
Choose an item.		
Choose an item.		
*Signatures are kept on file for reference but will not be on the published copy		



**KERN HEALTH
SYSTEMS**

Policy and Procedure Review

KHS Policy & Procedure:

Reason for revision:

Director Approval		
Title	Signature	Date Approved

Date posted to public drive: _____

Date posted to website (“P” policies only) : _____

Proposed Salary Structure Design					
Band	MP	RS	Min	Mid	Max
Executive V	18%	65%	\$506,811	\$671,524	\$836,237
Executive IV	18%	65%	\$429,500	\$569,088	\$708,676
Executive III	18%	65%	\$363,983	\$482,278	\$600,573
Executive II	20%	65%	\$308,461	\$408,710	\$508,960
Executive I	30%	65%	\$257,050	\$340,592	\$424,133
54	15%	60%	\$201,534	\$261,994	\$322,454
53	15%	60%	\$175,247	\$227,821	\$280,395
52	15%	60%	\$152,388	\$198,105	\$243,821
51	15%	60%	\$132,512	\$172,265	\$212,019
50	12%	55%	\$117,487	\$149,796	\$182,105
49	12%	55%	\$104,899	\$133,746	\$162,593
48	12%	55%	\$93,660	\$119,416	\$145,173
47	12%	55%	\$83,625	\$106,622	\$129,619
46	12%	55%	\$74,665	\$95,198	\$115,731
45	12%	55%	\$66,665	\$84,998	\$103,331
44	12%	55%	\$59,523	\$75,891	\$92,260
43	12%	55%	\$53,145	\$67,760	\$82,375
42	10%	50%	\$48,400	\$60,500	\$72,600
41	10%	50%	\$44,000	\$55,000	\$66,000

KERN HEALTH SYSTEMS POLICY AND PROCEDURES			
Policy Title	Employee Compensation Philosophy Program	Policy #	15.09-I
Policy Owner	Director of Human Resources Chief Legal and Human Resources Officer	Original Effective Date	05/22/2012
Revision Effective Date	10/17/2024	Approval Date	10/17/2024
Line of Business	<input checked="" type="checkbox"/> Medi-Cal <input checked="" type="checkbox"/> Medicare		

I. PURPOSE

The purpose of this policy is to establish the base ~~salary~~ structure and compensation program applied to the class of positions utilized by Kern Health Systems (KHS). ~~Kern Health Systems (KHS), as a local public agency and non-profit health plan, is dedicated to serving the residents of Kern County in a high-quality, effective and productive manner. As one of the largest health plans in the Central Valley, KHS strives to be a leader in the managed care sector, as well as an innovator of new programs through coalitions and partnerships designed to support community health and health insurance coverage for vulnerable populations.~~

~~Consistent with the foregoing, Kern Health System's compensation philosophy is to maintain and administer a performance-based total~~ Our compensation program is designed to attract, motivate, and retain, and motivate high-performing employees across all positions, while ensuring fairness and equity across the organization a high-caliber workforce who will contribute to Kern Health Systems success. The foundation of the compensation plan is a commitment to recognize employees individually for their contributions to the organization and to the population it serves. This requires that this program be administered in a fair and consistent manner throughout the organization through a total compensation approach that balances internal equity and local marketplace competitiveness necessary to reinforce and focus employee energy on Kern Health Systems mission.

II. POLICY

III. Responsibility

The Director of Human Resources (HR), with approval from the Chief Executive Officer (CEO), is responsible for developing, implementing, maintaining and communicating the salary policy and program that is representative of Kern Health Systems compensation philosophy to pay salaries based on the skills and experience required and that recognize individual effort and contribution to the Kern Health Systems success.

The KHS Board of Directors (BOD) will have responsibility for the final approval of the overall KHS Compensation Policies & Procedures and any ensuing amendments. The Finance Committee will review and approve for recommendation to the Board, the annual compensation budget and any actions on the

part of the CEO having a material financial impact on KHS. The CEO will administer the compensation program consistent with the policy adopted by the BOD.

Managers and supervisors are responsible for ensuring the consistency amongst job descriptions and actual work being performed as well as conducting performance evaluations on their subordinates.

Compensation Administration

IV.II.

A. Salary Structure

KHS utilizes a salary structure based upon distinct salary grades. Each salary grade has a salary range with a minimum salary, midpoint salary, and maximum salary. The salary grades ensure consistent midpoint salary progression and salary range spread. The lowest and highest salary grades are set to ensure competitiveness within the relevant labor market for all positions.

Each individual position has its own job description defining the position, listing the essential job functions and duties, and identifying the knowledge, skills, and abilities required for each role. The job descriptions are utilized to evaluate and compare each position within the relevant labor market. Each position is placed in a salary grade with a midpoint salary closest to the 50th percentile of the studied labor market. Adjustments may be required to ensure differentiation between supervisory and subordinate positions and to ensure internal equity within the organization.

The Chief Legal and Human Resources Officer (CLHRO) is authorized to approve the placement of new positions within the salary structure and the adjustment of existing positions within the salary structure using this evaluation and comparison methodology.

B. Salary Upon Hiring

New employees are typically presented with a salary offer between the minimum salary and midpoint salary for their position. Their initial salary is set using many different factors including, but not limited to, the applicant or employee's years of experience, unique skills and abilities, performance, and Kern Health Systems budgetary considerations. The CLHRO or their designee is authorized to offer an initial salary at or below the midpoint salary of a salary range.

When necessary to recruit qualified employees, the CEO or their designee is authorized to offer an initial salary above the midpoint salary. When considering re-employment of a former employee in the same department and same classification as they held prior to separation, the former employee may be rehired salary for their position, at the same salary level previously held. Under no circumstance shall a salary offer exceed the maximum

C. Salary Upon Promotion

Promoted employees are given a salary offer reflective of their experience and qualifications and the expectations contained within the role in which they are promoted to. The salary upon promotion should typically be an amount at least five percent higher than their current salary. In no case will the employee's salary be less than their current salary.

The CLHRO or their designee is authorized to offer a salary at or below the midpoint salary of the salary range of the new position. The CEO or their designee is authorized to offer a salary above the midpoint salary.

D. Salary Upon Demotion, Reclassification, or Transfer

An employee may receive a salary decrease upon demotion but in no case will the employee's salary be less than the minimum of the salary grade.

An employee may receive a salary increase or decrease upon reclassification dependent upon significant changes within the scope of work performed, but in no case will the employee's salary be less than the minimum of the salary grade.

An employee may receive a salary increase upon transfer to another position whose salary grade is the same as the previous position. A transfer requires that the employee meets the minimum qualifications and has demonstrated knowledge, skills, and abilities different and necessary to the new position.

E. Progressive Promotion

A progressive promotion is a personnel transaction that may take place without a formal recruitment. Typically, it involves an employee promoting within a defined position leveling (i.e., Member Services Representative I to Member Services Representative II). It may also occur when an employee promotes to another position within the same salary grade but accepts a higher-level of duties and responsibilities.

In all cases, a progressive promotion should only be considered when a department has developed and implemented a career progression matrix within existing job families that has been approved by Human Resources. Progressive promotions should not be considered when an employee promotes to a separate position in a higher salary grade.

The CLHRO or their designee is authorized to approve progressive promotions with salary adjustments up to 10%. The CEO is authorized to approve progressive promotions above 10%, but not to exceed the maximum salary for the position.

F. Equity Adjustments

Equity adjustments are special salary actions necessary when market data, as judged by Human Resources, indicates that a different salary grade is required, or when inequities in salaries are identified and warrant correction. Adjustments may be made for individuals or groups of employees at any time during the year. Adjustments must be justified in writing by the affected department head or hiring manager.

Equity adjustments must be approved by the CLHRO and the CEO. The KHS Board of Directors shall approve organization-wide equity adjustments that are non-budgeted and result in a material financial impact to KHS.

G. Performance-based Adjustments

Each employee shall have their performance reviewed at annually. Employees whose salary is not at the maximum salary of their salary grade are eligible for performance-based adjustment. An employee's eligibility for a performance-based adjustment is based upon the employee's performance rating and application of a meeting or exceeding the performance expectations set forth in the performance appraisal. Any approved performance-based adjustment will be effective on January 1 of the following year.

H. Acting Assignment Pay

An employee may receive a salary increase for assuming a position on an "acting" basis. For an active, vacant position, one employee may be designated and compensated as "acting." Acting Assignment Pay shall be the minimum salary of the position "acting" position, but no less than five percent of the employee's current salary. The assigned employee must meet the qualifications for the position assigned to. An acting assignment shall not exceed six months unless approved by the CEO. Upon completion of acting assignment, the employee's salary shall return to the employee's regular salary in addition to any annual performance increases earned during the acting assignment.

I. Additional Compensation Measures

The CEO shall be authorized to develop and implement additional compensation and benefit strategies in order to remain competitive with the labor market and attract and retain high-performing employees (e.g., temporary housing, relocation assistance, recruitment or retention incentives, and retirement incentives). Such additional compensation measures are subject to established policy and budgetary requirements for Board of Directors approval.

~~The external labor market is defined as:~~

- ~~• Clerical/Technical market shall be the local area~~
- ~~• Executive/Administrative/Professional/Clinical/Management market shall be the local area and, in some cases, the state and West Coast will be used with geographical differentials utilized to Kern County's cost of living.~~

~~The objective is to create a salary structure that is externally competitive at the market median within the local area and/or with other similar public and private sector employers in the Central Valley, and is applied in an internally equitable fashion.~~

~~In conjunction with compensation information derived from external sources, an internal evaluation process is used to determine equity and consistency in our pay regarding total compensation.~~

~~Human Resources is responsible for conducting periodic market surveys and internal assessments of Kern Health Systems salary structure to ensure that salary ranges are standard for the area from which individuals are recruited.~~

~~New employees are paid within the appropriate salary range for their job. All employees are paid at least the minimum of the range and are not paid more than the maximum. The beginning salary is set using many different factors including, but not limited to, the applicant or employee's years of experience, unique skills and abilities, performance and Kern Health Systems budgetary considerations. New employees are typically placed at the minimum of the salary grade for their job title. Where new employees with significant experience are hired, they may be placed within the first half of the applicable salary grade (between minimum up to below midpoint). When necessary to recruit qualified employees, the Chief Executive Officer or her/his designee may approve a starting salary for the midpoint to the maximum of the salary grade. When considering re-employment of a former employee in the same department and same classification as that held before separation, the former employee may be rehired at the same salary level previously held.~~

~~The Board of Directors, at its sole discretion, is responsible for determining the total compensation package of the Chief Executive Officer.~~

Annual Performance Increase

~~Each employee shall have her/his performance reviewed at least annually on or near the anniversary date of employment in the current position. Employees whose salary is not at the maximum of their salary grade are eligible for an annual performance increase (salary increase within grade) based upon meeting or exceeding the performance expectations set forth in the performance appraisal. Any approved annual performance increase will be effective on the first day of the pay period following the anniversary date of the employee. Performance appraisal dates may change as a result of a transfer, promotion, demotion or modified position. Absences of one month or more may delay the performance appraisal and/or performance increase review by the length of time of the absence up to a maximum of six months.~~

~~Employees shall not be paid above the maximum of the grade unless their salary has been "red-circled". Red-circled employees are not eligible for an annual performance increase until the salary grade for their current job title is adjusted upward as a result of market advances.~~

Salary Adjustment upon Promotion, Demotion, Reclassification or Transfer

~~An employee may receive a salary increase upon promotion to a new job title but in no case will the employee's salary be less than the minimum of the salary grade.~~

~~An employee may receive a salary decrease upon demotion but in no case will the employee's salary be less than the minimum of the salary grade.~~

~~An employee may receive a salary increase or decrease upon reclassification dependent upon significant changes within the scope of work performed, but in no case will the employee's salary be less than the minimum of the salary grade.~~

An employee may receive a salary increase upon transfer to another job title whose salary grade is the same as the previous job title. To receive a salary increase upon transfer will usually require that the employee demonstrate knowledge, skills and abilities different and necessary to the new job title.

Equity Adjustments

Equity adjustments are special salary actions necessary when market data, as judged by Human Resources, indicates that a different salary grade is required, or when inequities in salaries are identified and warrant correction. Adjustments may be made for individuals or groups of employees at any time during the year. Adjustments must be justified in written form and approved in writing by the Director of Human Resources and the Chief Executive Officer.

Acting Assignments

An employee may receive a salary increase for assuming a position on an "acting" basis. For an active, vacant position, one employee may be designated and compensated as "acting". Upon completion of acting assignment, the employee's salary shall return to the employee's regular salary in addition to any annual performance increases earned during the acting assignment.

V.III. DEFINITIONS

Total Compensation	<u>Compensation includes the base salary or hourly rate and additional specialty pay provided to incentivize or compensate employees for specific skills or qualifications. The aggregate base salary and employee benefits</u>
Internal Equity	The fair and consistent application of <u>salary grade compensation practices</u> within specific departments across similar job functions and within <u>KHS the organization</u> as a whole.
External Equity Labor Market	The labor market <u>includes comparable positions within the public and private sectors in the healthcare and managed care industries. The relevant local labor marketplace which KHS competes for qualified candidates</u>
Salary Grades	<u>A salary grade is a range of compensation levels established for specific job roles within an organization. Each salary grade has a minimum, midpoint, and maximum pay amount, allowing for variations based on the employee's experience, performance, and tenure. A group of jobs that are approximately equal as determined by the market pricing job placement process. The jobs in a pay grade are treated alike for salary administration purposes, even though the individual employees may earn different salaries and have different responsibilities.</u>

Salary Range	The dollar value of the spread from the minimum salary to the maximum salary of the range, separated by the dollar value of the midpoint of the range. <u>All salary ranges have a minimum, midpoint, and maximum. Employee salaries are to be administered within the established range for the band or level.</u>
Salary Range Minimum Salary	<u>Represents the lowest salary for all positions within a salary grade. Represents the lowest salary or entry level salary that KHS would pay for jobs within a pay band.</u>
Salary Range Midpoint Salary	<u>Represents the median salary for all positions within a salary grade. The salary range midpoint falls halfway between the salary range minimum and maximum. The salary range midpoint approximates the median salary paid in the labor market for similar jobs.</u>
Salary Range Maximum Salary	<u>Represents the highest salary for all positions within a salary grade. The salary range maximum represents the highest salary that KHS would pay for jobs within the pay band.</u>
Promotion	<u>A promotion is the result of a change in position following the completion of a recruitment process wherein the successful candidate was selected for a role that has more complex duties and responsibilities and a higher salary grade.</u>
Demotion	<u>A demotion is the result of a change in position wherein the voluntarily or involuntarily assumes a new role with less complex duties and responsibilities and a lower salary grade.</u>
Reclassification	<u>A reclassification follows a review of an employees' duties and responsibilities and a determination that the employee's current position should be modified to a different position.</u>
Transfer	<u>A transfer is the result of a change in position to a new role with similar complexity and responsibility and within the same salary grade. A transfer may occur as a result of a recruitment.</u>
Progressive Promotion	<u>A progressive promotion is a change in position that reflects career growth in a particular job family and in accordance with an approved career progression matrix.</u>
Career Progression Matrix	<u>A career progression matrix is a defined career pathway within a job family, where with a demonstration of an employee's additional qualifications, they may move from one position to another.</u>
Equity Adjustment	<u>An equity adjustment is the increase of an employee's salary based upon a review of market comparable data reflecting that the position's midpoint</u>

	<u>salary is outside the 50th percentile of the labor market, or a determination has been made that the employee's salary is inequitable internally.</u>
<u>Performance-based Adjustment</u>	<u>A performance-based adjustment is the increase of an employee's salary following the results of the annual performance review and the application of the performance adjustment matrix.</u>
<u>Performance Adjustment Matrix</u>	<u>The performance adjustment matrix is developed annually and represents the potential salary increases for all levels of an employee's performance.</u>
<u>Acting Assignment</u>	<u>An acting assignment occurs when an employee is selected to temporarily fill a vacant position that is in a higher salary grade.</u>
<u>Preferred Qualification</u>	<u>A preferred qualification is a specialized degree, certification, or skill that is not required for a position, but is identified on the job description as something valued in the role.</u>
<u>Red-Circled Employee</u>	<u>When an employee reaches or exceeds the salary range. Typically occurs when the Company transfers a highly compensated employee to a lesser role due to medical reasons or if a salary range reduces due to market conditions.</u>

VI.IV. PROCEDURES

- A. Salary Structure** – The CLHRO shall conduct triennial compensation study to benchmark positions within the labor market. Upon completion, the CLHRO shall present its findings, and any recommendations necessary to maintain salaries in conformance with this policy to the CEO and the Compensation Committee of the Board of Directors. If approved, the CLHRO shall implement the changes as soon as practicable.
- B. Salary Offers** – Human Resources staff shall make job offers for new hire and promotion in accordance with this policy. Upon final approval of either the CLHRO or CEO, as required, the salary offer may be presented to the successful candidate.
- C. Reclassification** – Upon the request of a department head and/or an executive, Human Resources staff shall conduct a classification study of any position believed to have significantly expanded in terms of the level of responsibility. Findings of the classification study shall be reported to the person requesting the study within 60 calendar days of submission with recommendation for any reclassification. Any recommendation for reclassification shall be made effective the pay period following approval of the reclassification.
- D. Progressive Promotion and Equity Adjustments** – Department heads requesting a progressive promotion or equity adjustment shall submit a Talent Acquisition Change Form. Upon approval through the required workflow the promotion or equity adjustment shall take effect the following pay period.

E. Performance-based Adjustments – Following the annual performance evaluations, departments shall apply the performance adjustment matrix to determine if employees in their department are eligible to receive a performance-based adjustment and the requisite amount. Human Resources staff will communicate any approved performance-based adjustment associated with the employee’s annual performance evaluation to the manager, who will in turn notify their employee. Performance-based adjustments shall take effect the January 1 following the completion of the performance evaluation process.

F. Other Pay Adjustments – For all other pay adjustments, department heads shall submit a Talent Acquisition Change Form. Upon approval through the required workflow the pay adjustment shall take effect the following pay period.

A. The Human Resources Department shall participate in and/or conduct periodic salary surveys, at least annually, and compare salary grades for benchmark positions within the Company. Upon completion, the Human Resources Department shall present its findings, and any recommendations necessary to maintain salaries based on industry standards, to the Chief Executive Officer.

The Human Resources Department, upon the request of a Department Head and/or an executive, shall conduct a classification study of any position believed to have significantly expanded in terms of the level of responsibility. Findings of the classification study shall be reported to the person requesting the study within 60 calendar days of submission. The decision as to the appropriateness of any job title is the responsibility of Human Resources.

Managers and supervisors shall conduct performance appraisals at or near the anniversary dates of their respective subordinates. Human Resources shall notify management of upcoming performance appraisals approximately 30 days before the appraisal is due and forward a copy of the most current job description. Human Resources will communicate any approved performance increase associated with the employee’s annual performance appraisal to the supervisor or manager, who will in turn notify their employee of such.

The Director of Human Resources shall review and either approve or deny hiring salaries and annual performance increases within the scope of these policy guidelines:

The Human Resources Department shall present any requests for hiring salaries at midpoint of the salary range or above, as well as any other salary adjustments (i.e., promotion, demotion, reclassification, transfer), along with its recommendation, to the Chief Executive Officer. The Chief Executive Officer or his/her designee has the exclusive right to grant or deny hiring salary and salary adjustment requests.

VII.Y. ATTACHMENTS

Attachment A: Salary Structure
Attachment B:

Attachment C:

Attachment D:

VIII.VI. REFERENCES

Reference Type	Specific Reference
Choose an item.	
Choose an item.	
Choose an item.	

IX.VII. REVISION HISTORY

Action	Date	Brief Description of Updates	Author
Effective			
Revised			
Retired			

X.VIII. APPROVALS

Committees Board (if applicable)	Date Reviewed	Date Approved
Board of Directors (BOD)		
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		
Choose an item.		

Regulatory Agencies (if applicable)	Date Reviewed	Date Approved
Choose an item.		
Choose an item.		
Choose an item.		

Chief Executive Leadership Approval *		
Title	Signature	Date Approved
Chief Executive Officer		
Chief Financial Officer		
Choose an item.		
Choose an item.		
*Signatures are kept on file for reference but will not be on the published copy		



KHS Policy & Procedure:

Reason for revision:

Director Approval		
Title	Signature	Date Approved

Date posted to public drive: _____

Date posted to website (“P” policies only) : _____



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Kern Health Systems Compensation Committee
SUBJECT: Proposed Executive Retention Program with Triscend
DATE: December 19, 2024

Background

The Kern Health Systems (“KHS”) Compensation Committee, comprised of Kristen Beall Watson (Chairperson), Michael Bowers and Tim McGlew convened in August to consider a presentation by Triscend on an Executive Retention Plan and recommend approval and adoption by the KHS Board of Directors.

Executive Retention Plan (“ERP”)

The Compensation Committee recommends an ERP for the Chief Executive Officer (“CEO”) position and for the Chief Medical Officer, Chief Operating Officer, Chief Financial Officer, Chief Information Officer, Chief Legal and Human Resource Officer, Chief Compliance and Fraud Prevention Officer and the Chief Health Equity Officer (collectively referred to as “Executives”). The goal of the KHS ERP is to promote the retention and continued dedication of the CEO and key Executives in a highly competitive market environment along with keeping the current CEO and Executive team in place over the foreseeable future to maintain consistency in executing the very complex DHCS managed care programs such as:

- 1) D-SNP
- 2) NCQA Accreditation
- 3) Enhanced Care Management
- 4) Community Support Services
- 5) New Transitional Rent Program for members experiencing or at risk for homelessness

The ERP will promote leadership continuity, a stronger culture at KHS, retain managed care knowledge obtained by the CEO and Executive team and decrease hiring and recruiting costs.



The KHS objective is to have a minimal cost ERP:

- KHS would recover the full value of their contribution and the interest that this investment would earn for the duration of the period of the ERP.
- Guarantee that all funds disbursed under the ERP along with interest are returned to KHS.
- Accounting treatment for this transaction would be as an asset and not a liability and there is minimal expense impact to the income statement.

In the past to accomplish these objectives, KHS has utilized a retention program called the CAP-EX Plan provided through TRISCEND. The CAP-EX Plan is an alternative to traditional ERP design and funding arrangements. Instead of funding the benefit in a manner that affects KHS' operating expenses, the CAP-EX Plan allows the organization to reallocate a portion of its currently invested assets into an insurance investment that will provide a comparable rate of return while providing the ERP benefit using a more fiscally prudent method.

CAP- EX Plan Design

- KHS would invest a portion of its assets into two life insurance policies (Repayment Policy and Accumulation Policy) that are jointly owned by each individual and KHS. Both policies are collaterally assigned to KHS as security for its investment.
- Each life insurance policy, which is subject to underwriting approval from the life insurance company for the CEO and for each Executive has a specific and important purpose:
 - The Repayment Policy repays KHS its investment plus a fixed rate of return.
 - The Accumulation Policy provides for the executive's retirement cash flow and/or death benefit.
- Because of the financial benefit to KHS, as with other investments which earn interest income, the amount set aside to finance the ERP is also considered an investment and therefor treated as an asset on KHS' balance sheet.
- A fixed return to KHS is locked in at the Long-Term Applicable Federal Rate (AFR) in effect on the date the policies are funded.
- CAP-EX provides tax-favored retirement cash flow to the beneficiary and/or death benefits.



CAP EX Plan Funding

1. KHS will redirect up to \$3,000,000 from its current investments to the ERP. During the term of the Plan, KHS will receive interest on its investment approximating 4.37% per year.
2. The investment amounts are to be allocated as follows:
Chief Executive Officer \$1,200,000
Three Qualifying Executives (1) \$1,800,000 (\$600,000 per Executive)

(1) Does not include four Executives positions who are over 60 years of age, as there is no benefit and/or minimal benefits to be realized under the CAP-EX program for these individuals at this time.
3. KHS will obtain term life insurance policies, subject to underwriting approval from the insurance company, for each of the four Executives over 60 years of age to have the death benefit for these four individuals similar to the expected death benefit under the CAP-EX Plan for those Executives under age 60. The cost of the term life insurance policies is not to exceed \$100,000 in aggregate per year.

Conclusion

The TRISCEND opportunity provides a mutually beneficial option for the CEO and Executive team as well as KHS. For the CEO and Executive team, it provides for a meaningful period of post-retirement income and/or death benefit. For KHS, it represents an ERP in a manner and form that financially benefits KHS while offering a strategy for retaining key employees in the future.

The total cash impact to KHS is \$3.0 million, but there is no significant impact to KHS's balance sheet or income statement because of the structure of this financial arrangement.

Requested Action

The Compensation Committee recommends the following to the Board:

1. Authorize Chair to execute agreements with Triscend in an aggregate amount not to exceed \$3,000,000 (\$1,200,000 for the CEO and \$1,800,000 for the three other Executives under 60).
2. Authorize the CEO to represent KHS to execute term life insurance policies for the four Executives over 60 in an amount not to exceed \$100,000 in aggregate per year.



3. Authorize the CEO to amend other Executive employment agreements to incorporate the Triscend ERP and/or term life insurance policies into their employment agreements, subject to the following vesting schedule:
 - a. In order to receive the CAP EX Plan supplemental retirement plan benefits and/or term life insurance if applicable, the CEO and Executives must remain employed with KHS until December 31, 2027 to become 50% vested and until December 31, 2030 to become 100% vested.
 - b. In the event of permanent disability or death before the full vesting term, the CEO and/or Executive will become 100% vested. In the event of an involuntary termination for without cause (in accordance with the definition under an employment agreement) the vesting period will be prorated over the period January 1, 2025 to December 31, 2030.

Attachment – Triscend Presentation on ERP



Supplemental Employee Retention Plan

Prepared for:

KERN HEALTH SYSTEMS

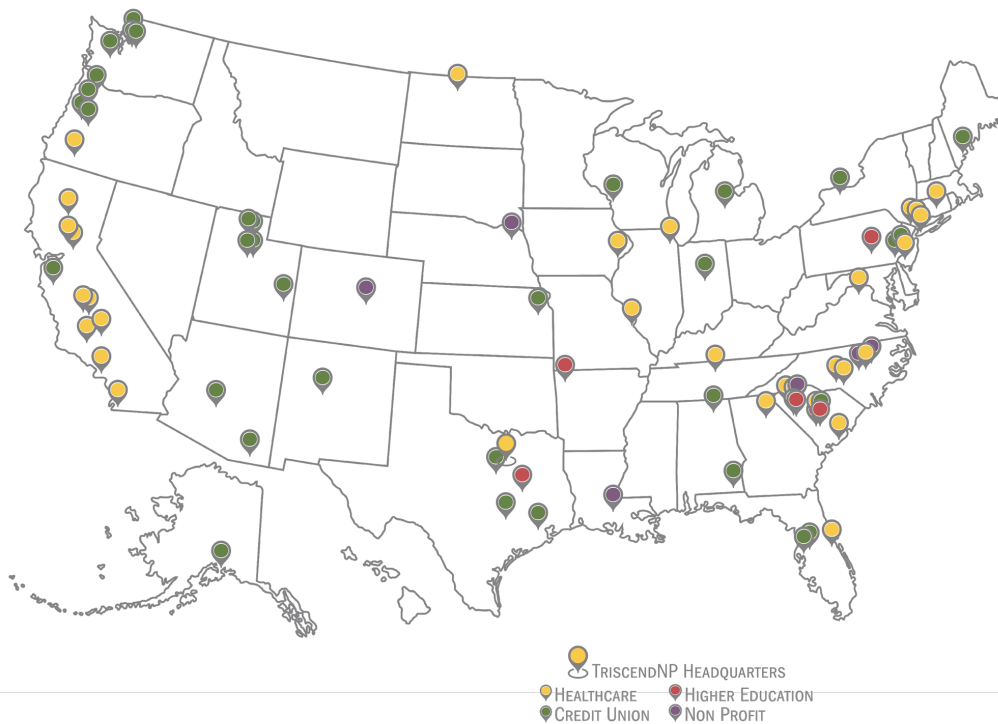
Board of Directors Meeting

December 19, 2024

KHS Board of Directors Meeting, December 19, 2024



Triscend Mission and Overview



To build an all-employee-owned company of extraordinary and devoted professionals committed to supporting the champions of the nonprofit community through measurably superior executive benefit solutions and partnerships.

- Founded in 2001. All employee-owned.
- Fiercely private and independent.
- We serve multiple non-profit communities.
- Comprehensive design, analysis, implementation, and administrative capabilities.
- Hundreds of non-profit clients nationwide
- Administer plans representing **\$1 Billion** of supplemental executive retirement assets
- Projected capital recovery of over **\$3.5 Billion** for our client organizations.

Assumptions

Assumptions

The following assumptions were used to generate preliminary supplemental executive benefit arrangement results.

- Aggregate funding is approximately \$3,000,000 for the CAP-EX (split-dollar) Programs and \$74,000 for the term life insurance policies.

Executives <60

CAP-EX Program (Split-Dollar) Assumptions:

- Fully funded at implementation
- AFR: 4.37% (September)
- Assumes standard risk class
- Crediting Rate: 0% (Y1)/6.0% (Y2+)
- Two Scenarios:
 - Projected Retirement Cash Flow
 - Projected Death Benefit Only

Executives >60

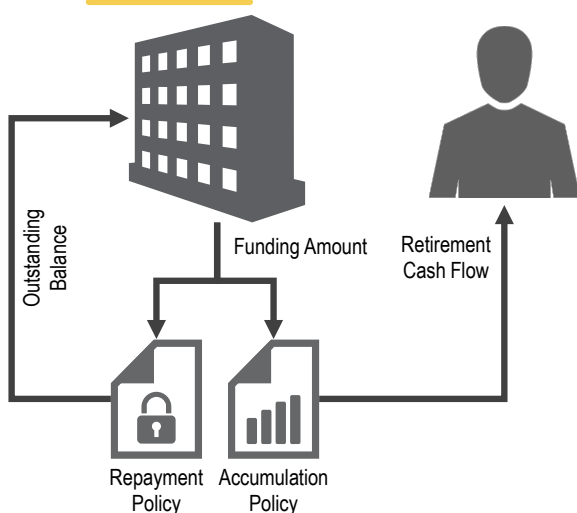
Term Life Insurance Assumptions:

- Premiums paid annually
- 10 and 15-year terms based on 3 and 6-year retention objectives, respectively.
- \$900,000 and \$1,800,000 death benefits based on 3 and 6-year retention objectives, respectively.
- Assumes standard risk class

Plan Alternatives

Triscend's Split-Dollar Approach

For CEO and Executives <60



Split-dollar requires the achievement of two concurrent objectives.

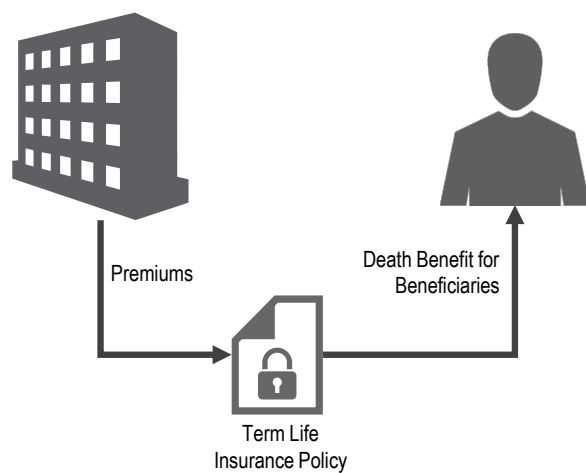
- KHS's Repayment
- Participant Retirement Cash Flow and Death Benefit

On the Funding Date		Debit	Credit
Split-Dollar Receivable	Cash	xxx	xxx
At Least Annually			
Split-Dollar Receivable	Interest on Split-Dollar Receivable	xxx	xxx
Split-Dollar Receivable Value Adjustment	Split-Dollar Receivable	xxx	xxx
At Life Expectancy			
Cash	Split-Dollar Receivable	xxx	xxx

- The Kern Health Systems (**KHS**) pays the premiums (Funding Amount) on two life insurance policies.
 - The **Repayment Policy** is designed to repay KHS the Funding Amount with or without interest (Outstanding Balance). The Participant does not have access to this policy's value.
 - The **Accumulation Policy** is designed for efficient cash accumulation that the Participant will access in the future.
- At mortality, KHS receives a share of the death benefits equal to the Outstanding Balance, and frequently, all or a portion of any remaining death benefits.
- The Participant has access to Accumulation Policy value during life, with their beneficiaries commonly sharing in some of the death benefits after KHS receives the Outstanding Balance.

Term Insurance Coverage

For Executives >60



- The Organization pays the premiums annually for the term of the policy. This term is 10 or 15 years, depending upon the executive and the retention objective.
- Should the executive die while the policy is in force, his/her beneficiaries will receive the death benefit.

On the Policy Anniversary Date

	Debit	Credit
Premium (treated as compensation)	xxx	
Cash		xxx

Preliminary Results



Preliminary Results

- The individual and aggregate results for each available alternative follow.
- We made certain assumptions that you may wish to modify based on the results, such as:
 - Rates of Return/Crediting Rates
 - Cash flow timing (Funding)
 - Tax rate estimates
 - Retirement cash flow timeframe
 - Term insurance death benefits





Preliminary Results

Aggregate Comparison (Projected)

	CEO CAP-EX Program Retirement Cash Flow (4.37% AFR)	Three Executives (<60) CAP-EX Program Retirement Cash Flow (4.37% AFR)	Totals
Retirement Cash Flow Years	20	20	20
Retirement Cash Flow Ages	A62-A81	A62-A81	Varies
Annual Benefit Amount (Aggregate)	\$78,611	\$128,491	\$207,102
Total Funding Amount / \$ of Retirement Cash Flow	\$15.27	\$14.27	
Benefit Funding Amount	\$1,200,000	\$1,800,000	\$3,000,000
Projected Excise Tax	\$0	\$0	\$0
Total Funding Amount	\$1,200,000	\$1,800,000	\$3,000,000
PV of Funding Amount	\$1,200,000	\$1,800,000	\$3,000,000
Kern Health Systems Recovery	\$8,224,074	\$13,078,796	\$21,302,870
Projected Kern Health Systems IRR	4.37%	4.37%	4.37%
Projected Death Benefit to Beneficiaries (w/Cash Flow)	\$1,984,464	\$2,731,167	\$4,715,631
Projected Death Benefit to Beneficiaries (w/o Cash Flow)	\$6,871,849	\$10,384,106	\$17,255,955



Preliminary Results

Aggregate Comparison (Projected)

	Two Executives (>60) 6-Year Retention Objective	Two Executives (>60) 3-Year Retention Objective	Totals
Death Benefit Term	15	10	
Death Benefit Amount (Per Executive)	\$1,800,000	\$900,000	-
Aggregate Death Benefits	\$3,600,000	\$1,800,000	\$5,400,000
Aggregate Annual Premium	\$35,976	\$38,013	\$73,989
Premium Years	15	10	-
Total Premium	\$539,640	\$380,130	\$919,770



Next Steps



Proposed Next Steps

- Approval to proceed
- Underwriting and implementation
- Ongoing service



Questions/Comments?



Contact Information

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Matt Morris, JD

Vice President, Client Relations
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(972) 318-1110



Biographies



H. David Wright, MHA, MBA (Co-Founder & Principal): Dave is a Co-founder and Principal with primary responsibility for strategy and business development and has served in this capacity for over 23 years. Areas of expertise include business development, compliance, business transactions, and financial and accounting topics. Additionally, he has over 12 years of experience in healthcare and has held executive positions ranging from operations to business development.

Dave holds health, life, and accident insurance licenses in multiple states. He received his Bachelor of Arts in Business Administration from Western Colorado University (where he earned All-RMAC, All-RMIGA, and Mountaineer Sports Hall of Fame (team) honors in golf) and a Master of Healthcare Administration from the University of Mary Hardin-Baylor. Additionally, he received a Master of Business Administration from Colorado State University, earning Beta Gamma Sigma honors and serving on the program's advisory council. He is also a former member of the Forbes Non-Profit Council.



Matt Morris, JD (Vice President, Client Services): Matt is responsible for overseeing the client relations department, including ensuring our clients' needs and expectations are met at every step of their journey with us. His focus is on providing ongoing plan administration, including financial, accounting, and compliance support for clients and their advisers.

Matt oversees the client relations department and ensures our clients' needs and expectations are met at every step of their journey with us. His focus is on providing ongoing plan administration, including financial, accounting, and compliance support for clients and their advisers.

Matt joined Triscend^{NP} in 2022 and has over a decade of experience working with executive benefits and life insurance in nonprofit organizations. He graduated with his B.A. in Business Administration from Western Washington University and obtained a Juris Doctor from Regent University School of Law.



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Kern Health Systems Compensation Committee

SUBJECT: Proposed Amendment No. 2 to Chief Executive Officer Employment Agreement

DATE: December 19, 2024

Background

The Kern Health Systems (“KHS”) Board of Directors (“Board”) appointed Emily Duran as Chief Executive Officer of Kern Health Systems on April 15, 2022, and executed an employment agreement (“Agreement”) for a term of three years. The Agreement specifies that Ms. Duran’s performance is to be evaluated on an annual basis and that additional merit-based compensation increases would be considered as part of that evaluation.

On August 17, 2023, the KHS Board approved Amendment No. 1 to the Agreement providing for an increase in base salary due to performance and established updated performance goals for 2023 and beyond.

Proposed Amendment

As delegated by the KHS Board, the Compensation Committee (“Committee”) met to discuss Ms. Duran’s performance and consider an increase in salary.

KHS retained Mercer, a leading company in compensation studies to perform a compensation study for the organization, including a review of the Chief Executive Officer salary. Mercer reviewed health plan organizations that are of a similar size to KHS. Based on their review, and as part of an overall proposed revision to KHS’s salary structure, Mercer recommended the following pay band for the CEO position:

Salary Grade	Minimum	Midpoint	Maximum
Executive V	\$506,811	\$671,524	\$836,237

The Committee recommends to the KHS Board that it adopt Mercer’s recommended salary grade for Ms. Duran’s position. Further, the Committee recommends that Ms. Duran’s salary be adjusted to \$540,000 annually, which is approximately 80% of the Midpoint recommended by Mercer. Ms.

Duran is currently at 91% of the Midpoint of her current salary grade. The proposed Amendment No. 2 to the Agreement incorporates this recommendation and would make it effective April 18, 2024.

The Committee was also presented with an Executive Retention Plan (“ERP”) from Triscend. The KHS Board has previously engaged with Triscend on benefit plans for its prior Chief Executive Officer. The Committee recommends incorporation of the proposed ERP with respect to Ms. Duran in this Amendment No. 2. The fully presentation on the details of the ERP are included in a separate item for the KHS Board’s consideration and approval on this meeting’s agenda.

Amendment No. 2 also includes an extension of Ms. Duran’s contract beyond the current expiration date of April 17, 2025. The amendment includes two successive three-year renewal terms that would take effect unless the Agreement is otherwise terminated by the parties according to its terms.

Finally, there is additional clean up language proposed to reflect and clarify the current benefits afforded to Ms. Duran.

The total increase in cost of this proposed contract amendment is \$67,500 annually.

Requested Action

Approve Amendment No. 2 to the Employment Agreement between KHS and Emily Duran and authorize the Chair to sign.

Attachment – Amendment No. 2

**AMENDMENT NO. 2
TO AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern Health Systems – Emily Duran)**

This Amendment No. 2 to the Agreement for Professional Services (“Agreement”) is made and entered into this 17th day of October 2024 between Kern Health Systems, a county health authority (“KHS”), and Emily Duran (“Executive”).

**I.
RECITALS**

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

(b) KHS and Executive have entered into an Agreement for Professional Services dated April 15, 2022 (“Agreement”), whereby Executive is employed by KHS to serve as its Chief Executive Officer; and

(c) KHS and Executive mutually agreed to an Amendment No. 1 to Agreement dated August 17, 2023, to increase the base salary and update performance goals for 2023 and beyond; and

(d) KHS and Executive desire to amend the Agreement further modifying its term, compensation package, and benefits package; and

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

1. Section 1 – Term is hereby deleted in its entirety and superseded by the following:

“The initial term of this Agreement shall commence on April 18, 2022, and end on April 17, 2025. The parties agree to two (2) – three-year renewal terms, which shall commence on April 18, 2025, and April 18, 2028, respectively, unless either party provides the other party with written notice to the contrary at least 120 days prior to the expiration of either the initial term or renewal term of this Agreement. Notwithstanding, this Agreement may be terminated pursuant to the termination provision contain in Section 28.”

2. Section 4.1.2 – Base Salary is hereby deleted in its entirety and superseded by the following:

“Effective April 18, 2024, Executive shall be placed in the Executive V pay band.

KHS shall pay Executive a base salary of \$540,000 annually.”

3. Section 5.1.2 – Profit Sharing Plan is hereby deleted in its entirety and superseded by the following:

“Executive shall be eligible for continued participation in the KHS-sponsored 401(a) retirement plan the same as all eligible KHS employees. Executive shall be subject to all terms and conditions of the plan document and section 401(a) of the Internal Revenue Code, as amended from time to time. KHS shall contribute a match equivalent to Executive's contribution to their Deferred Compensation Plan, up to maximum of 6% of Executive's annual salary.”

4. Section 5.21 – Vision Coverage is added to the Agreement as follows:

“Executive shall continue to receive the same vision benefits as all eligible KHS employees. KHS shall be responsible for 100% of the monthly premium. The employee share of cost will depend on the selected benefit. Executive is eligible for coverage the first of the month following 30 days of continuous employment.”

5. Section 5.22 – Executive Retention Plan is added to the Agreement as follows:

“Executive Retention Plan

- a. Executive shall participate in an Executive Retention Plan (“ERP”). The ERP consists of a CAP EX Supplemental Retirement Plan (“CAP EX Plan”) to include a retirement annuity and death benefit. KHS will fund the CAP EX Plan as required by the CAP EX Agreement.
- b. In order to receive the CAP EX Plan benefits, Executive must remain employed with KHS as Chief Executive Officer according to the following vesting schedule:
 1. Fifty percent (50%) of CAP EX Plan benefits shall vest on December 31, 2027.
 2. One hundred percent (100%) of CAP EX Plan benefits shall vest on December 31, 2030.
- c. Executive shall remain eligible for the CAP EX Plan benefits unless terminated pursuant to section 28.4 Termination for Cause and in such case will forfeit all rights and benefits under the CAP EX Plan.
- d. In the event of an involuntary termination without cause under the Agreement, the vesting period will be prorated over the period January 1, 2025 to December 31, 2030.
- e. Upon retirement, Executive shall receive from the CAP EX Plan a projected annual estimated annuity payment of \$78,671 per year for a projected twenty (20) years.
- f. Executive's estate shall be entitled to any remaining death benefit after applying all amounts owed to KHS following death of Executive or Executive's spouse whichever occurs last.”

6. Section 5.23 – Limitation on Benefits is added to the Agreement as follows:

“Except as expressly stated herein, and as customarily provided to all KHS employees, Executive shall receive no other benefits from KHS.”

7. Except as provided herein, all other terms and conditions in the Agreement shall remain in full force and effect.

IN WITNESS TO THE FOREGOING, the parties have entered into this Amendment No. 2 to Agreement as of the day and year first written above.

KERN HEALTH SYSTEMS

EXECUTIVE

By _____
Kristen Beall Watson
Chairman, Kern Health Systems

By _____
Emily Duran
Chief Executive Officer

APPROVED AS TO FORM:

By _____
Devin W. Brown
Chief Legal and Human
Resources Officer



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Traco Matthews, Chief Health Equity Officer
SUBJECT: 2024 Health Equity Office Program Description
DATE: December 19, 2024

Background

The 2024 Health Equity Office (HEO) Program Description is a defining document for the Health Equity Office. This description is updated annually and submitted to DMHC on an annual basis. No substantive changes have been made to this document since it's last approval. An updated 2024 Workplan was approved in Q3 by the EQIHEC.

Discussion

2024 HEO Program Description.

This document provides a comprehensive description of KHS' Health equity including governance and key activities of the program. It incorporates strategies and activities of the HEO as well as new regulatory requirements. Minor updates have been made that reflect committee name changes, department and title changes.

Fiscal Impact

N/A

Requested Action

Approve the updated 2024 Health Equity Program Description.



2024 Health Equity Program Description
Kern Health System

Effective Date: January 1, 2024

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About Kern Health System

Kern Health Systems (KHS), the Local Initiative for Medi-Cal Managed Care, is the largest health plan in Kern County. Through the Kern Family Health Care product, KHS began providing medical care to members in July of 1996. KHS is committed to its mission of improving the health of members with an emphasis on prevention and access to quality healthcare. KHS strives to be a leader in developing innovative partnerships with the safety net and community providers to elevate the health status of all community members. The Board of Directors (BOD), through the designation of the Quality Improvement Health Equity Transformation Program description, demonstrates its commitment to being a diverse and equitable organization and providing a more comprehensive approach to health care for members. This is a critical, values-driven initiative for KHS. Concisely, it represents an aspirational culture change. The goal is to ensure its members' healthcare needs are met in both clinical and non-clinical ways and to become an organization that builds trust through championing diversity, equity, and inclusion (DEI). To this end, KHS affirms the following core values related to health equity:

- **Proactive Service** – KHS is committed to being an organization whose mission is to actively serve its members with respect and dignity regardless of race, color, national origin, faith and spirituality, age, sexual orientation, and gender identity, physical or intellectual disability, and neighborhood. We are committed to becoming more proactive, intentional, responsive, and courageous for our members, providers, and staff. We are committed to demonstrating timely and appropriate responses for our stakeholders, incorporating best practices, and leveraging continuous feedback as standards for measuring success. We will advocate by proactively seeking to serve members who face greater barriers than others.
- **Community Voice** – KHS understands that more equitable health care cannot be achieved without the engagement, perspective, and support of our community. KHS sees proactive engagement with the community as an inclusion strategy. We are humble enough to admit that we do not have all the answers; other voices must bring their experiences and insights to the table. One of our core principles is to pursue inclusion efforts that give everyone a voice and an opportunity to be heard. Only together can we achieve greater health equity.
- **Comprehensive Care** – KHS is committed to being an organization that does what is right for members, providers, staff, and the community – because we care about the whole person. The organization supports its staff and promotes respect and inclusion of differences internally. We care deeply for all members and are happy to explicitly declare that fact as a statement of perpetual intent. We care about their comprehensive health and wellness, including their physical health, mental health, experience of the local health care

system, and the environments in which they live, learn, work, play, and worship. We also care about our providers and communities, listening and partnering to ensure they can flourish. KHS is committed to comprehensive care for our members, empathetic support for our employees, competent technical assistance for our providers, and collaboration with our community.

- **Equity Focus** – KHS is committed to pursuing excellence in health equity by going beyond what is required by the state or other governing agencies. KHS defines equity as proactively working to ensure that everyone has consistent support and trusted access to the resources, they need to receive quality health care, connecting with intention and cultural sensitivity, and proactively identifying and eliminating historical barriers that have prevented the full engagement and participation of communities most impacted by systemic oppression. We will support DEI practices throughout all levels of the organization. We will demonstrate an equity mindset for our members and the communities we are blessed to serve with fidelity. We will leverage data to understand gaps and work to close them.
- **Trust Building** – KHS is committed to being an organization that builds trust with its members, staff, providers, and community through character, competence, and connection. We will pursue our business practices with sincerity, transparency, and an explicitly stated collaborative mindset. We will filter decisions through clear equity lenses and encourage our workforce, members, providers, and community stakeholders to work together through ongoing partnerships. We will follow through on our commitments to connect and engage with members and the community in service of greater trust.

KHS is committed to delivering on its values by:

- Ensuring all members obtain equal access to socioeconomic and environmental resources,
- Applying a health equity lens at all levels of and in all services provided by KHS,
- Embracing new knowledge and new ways of providing services,
- Practicing tolerance (accepting differences), embracing diversity (celebrating differences where possible), and pursuing inclusivity (finding commonalities and soliciting voice),
- Identifying and challenging historic assumptions and biases,
- Collaborating across programs, divisions, and community agencies/organizations to address community needs and barriers and obtain recommendations to improve services,
- Managing fiscal resources and the use of resources for greatest impact,
- Keeping consumers informed of HET activities and outcome summaries by making them publicly available on the KHS website. Updates and ongoing information are posted at a minimum, on a quarterly basis,

- Leveraging our financial resources to help historically under-supported businesses and communities of color to build stronger capacity and economic health,
- Holding itself accountable through measurement and quality improvement/assurance,
- Building strong internal leaders in the health equity field that demonstrate a sustained, resolute commitment to DEI and collaboration with all stakeholders,
- Committing to eliminating health inequities in Kern County.

Background

Kern County is very diverse, with the majority of residents identifying as Hispanic. As the racial and ethnic composition of Kern County continues to change, it is important to create culturally sensitive systems, policies, and environments while protecting the health of the public.

Spanish-language education, documents, and services will continue to be needed as the Hispanic population continues to grow. Additionally, while the total number of Non-Hispanic Asians in Kern County remains small, the proportion of residents identifying as Non-Hispanic Asian has increased 21 percent since 2009. In comparison, during the same time frame, the Hispanic population in Kern County grew by 11 percent.

In Kern County, children 17 and under are at higher risk of living below the poverty level than adults 18 and older. Overall, 31.3% of children live below the poverty level while 22.6% of all Kern County residents live below the poverty level. Studies have shown that children in poverty are more likely to have physical and mental health problems than their peers. This includes lower achievement in test scores, which could limit an individual's ability to make a living wage.

Moreover, Kern County continues to have a smaller proportion of residents with a high school diploma or equivalency than California's average. However, Kern County is expected to have the largest increase in high school graduates in the State by 2028.

Due to the diverse geography of Kern County, from arid high desert to the mountains to the valley, climate also varies. In the summer, heat exhaustion, heat stroke, and heat-related deaths are of concerns in Kern County (i.e., dehydration can exacerbate underlying conditions). Another example, high winds and dust storms in certain parts of the county can aggravate respiratory disorders and contribute to infectious diseases like Valley Fever (coccidioidomycosis).

Other characteristics of KHS' population include:

- 46% are male and 54% are female,
- 70% of the population have English as their primary language and 29% use

Spanish. The remaining 1% is a mix of other languages,

- As of 2021, Kern County ranked 51st out of 58 for residents with a high school diploma or higher and 47th out of 58 with a bachelor's degree or higher.
- A majority of members reside in Bakersfield. However, the remaining 33.1% are in more rural areas.

Area	Rural Portions per HRSA	KHS Population	Percentage
Bakersfield	N	223,973	66.9%
Delano & North Kern	Y	30,610	9.1%
Arvin/Lamont	Y	21,978	6.6%
Shafter/Wasco	Y	21,596	6.4%
California City & Southeast Kern	Y	9,434	2.8%
Taft & Southwest Kern	Y	8,897	2.7%
Tehachapi	Y	5,632	1.7%
Ridgecrest & Northeast Kern	Y	4,883	1.5%
Lake Isabella & Kern River Valley	Y	4,023	1.2%
Lost Hills & Northwest Kern	Y	2,194	0.7%
Frazier Park & South Kern	Y	1,244	0.4%
Outside Service Area	N/A	465	0.1%

The following is a breakdown by race and ethnicity of KHS' population.

Ethnic or Racial Group	% KHS Enrollment
Hispanic	63%
Caucasian	17%
No valid data, unknown or other	11%
Black/African American	6%
Asian Indian	1%
Filipino	1%
Asian/Pacific	1%

Kern County's service area has been challenged with provider shortages. Large portions of the county are designated as Health Professional Shortage Areas (HPSA) and Medically Underserved Areas/Populations (MUA/P). These issues are more severe and prevalent in Kern County than other counties within California. The following 4 rural areas are in this classification.

- Taft
- Lost Hills/Wasco
- Fort Tejon
- Lake Isabella

Key Health behaviors that affect our population are reflected in the following the table data obtained by [County Health Rankings & Roadmaps](#). Key behaviors include **higher rates** of adult smoking, adult obesity, physical inactivity, alcohol-impaired driving deaths, sexually transmitted infections, and teen births compared to state-wide statistics.

Health Factors			
Health Behaviors	Kern (KE) County	California	United States
Adult Smoking	15%	10%	16%
Adult Obesity	36%	26%	32%
Food Environment Index	7.4	8.9	7.8
Physical Inactivity	33%	22%	26%
Access to Exercise Opportunities	82%	93%	80%
Excessive Drinking	16%	19%	20%
Alcohol-Impaired Driving Deaths	32%	28%	27%
Sexually Transmitted Infections	763.8	599.1	551.0
Teen Births	32	16	19

Kern County Public Health Profile

Kern County ranks lower compared to other California counties for a variety of public health indicators. Kern County ranks in the bottom 10 California counties for age-adjusted death rates due to diabetes, Alzheimer's disease, coronary heart disease, chronic lower respiratory disease, homicide, and drug-induced deaths¹. It is also among the bottom 10 California counties for the incidence of chlamydia, gonorrhea among people 15-44 years old, congenital syphilis, primary and secondary syphilis, infant mortality, and persons under 18 in poverty.

In Kern County's most recent Community Health Assessment, asthma and other respiratory diseases were identified as the top community health problems. According to the California Health Interview Survey, 15.7% of the Kern County population has been diagnosed with asthma. In 2019, the emergency department (ED) rate due to asthma was 46.1 per 100,000 compared to the state average of 42.6 per 100,000. Black/African American people in Kern County

experience asthma disparities as demonstrated by their asthma ED visit rate of 181.5 per 100,000 people. This rate is more than four times the rate of the next highest racial/ethnic group in Kern County and more than double the rate of any age group in the county.

Other health disparities identified within Kern County include the teen birth rate (25.9 per 1,000 live births) which was more than double the state average (12.5 per 1,000 live births); the percentage of all pregnancies accessing early prenatal care which was below the state average (KC-79.6%; CA-85.1%); and the obesity rate which was 35.5% compared to 30.3 for California. Regarding mental health, Kern County's age-adjusted mortality rate due to suicide is 13.5 per 100,000 which is higher than the state averages (CA-10.7 per 100,000).

In accordance with the World Health Organization definition of social determinants of health, (SDOH) are the nonmedical factors that influence health outcomes. They are the conditions in which people are born, grow, work, live, and age, and the wider set of forces and systems shaping the conditions of daily life. These forces and systems include economic policies and systems, development agendas, social norms, social policies, racism, climate change, and political systems.

The improvement of long-term health outcomes, particularly for populations experiencing the greatest inequities in health over time, requires a shift in focus to the upstream factors that are the underlying causes of ill health (Harris County Public Health: Health Equity Policy, 2015). Such health inequities include disparate rates of disease, disability, and premature death. A shift to upstream (Appendix A) factors provides all individuals, regardless of socioeconomic or environmental conditions, the opportunity to attain their full health potential.

Addressing health disparities among identified populations is a priority of KHS. To ensure robust insights regarding disparities, KHS leverages the External Quality Review (EQR) Technical Report and the KHS Population Needs Assessment. An annual analysis of the EQR is used to identify specific disparities and/or targeted areas of focus to incorporate into strategies to improve member satisfaction, close gaps in care, and highlight other specific needs for the KHS population. KHS utilizes the EQR recommendations to develop strategies that impact the timeliness and quality of services provided to members as well as barriers to accessing preventive and other health care services. The KHS PNA uses internal and external data to

identify and assess vulnerable member groups by race or ethnicity, age, sex, language, and other member characteristics, including cultural and linguistic needs. The KHS PNA builds upon previous needs assessments and uses various data collection methods and sources. The goal of the PNA is to improve health outcomes for KHS members and ensure that KHS is meeting the needs of its members through:

1. Identification of member health needs and health disparities.
2. Evaluation of current Wellness and prevention , cultural and linguistic (C&L), and quality improvement (QI) activities and available resources to address identified concerns; and
3. Implementation of targeted strategies for Wellness and Prevention, C&L, and QI programs and services to address member needs.

Population Health Management (PHM) services (i.e., basic population health management, enhanced care management, etc.) are offered to all KHS members, and provided in a manner to address member needs and preferences and address health disparities.

Program Overview

The mission of the KHS Health Equity Program is to improve the health and well-being of the community through the delivery of trusted, high quality, cost-effective, and accessible health to all members regardless of race/ethnicity, language spoken, or their cultural/personal preferences. In partnership with the county KHS serves, the goal is to offer whole person-centered care that reflects the best practices available today. KHS's program is built on a foundation of dedication to trusted messaging, high-quality care, culturally sensitive engagement with members, regular collaboration with community partners, continuous improvement, and service by working together with providers. KHS acknowledges an ongoing shared responsibility with its providers, facilities, community stakeholders and other provider organizations to deliver trusted, effective, and timely care and services for its members.

At a high level, the program seeks to emulate the guidance found in the Department of Health Care Services' 2022 Comprehensive Quality Strategy, which summarizes the state's goal of helping Medi-Cal members achieve longer, healthier, and happier lives through both clinical health care services and non-clinical services. This new program seeks to incorporate the clinical services already occurring with non-clinical services to create a whole-system environment for members that will improve their health. Disparate impacts from the COVID-19 pandemic have underscored the need for urgency and the necessity of building partnerships with trusted community

stakeholders to increase trust with members. These two areas of providing additional non-clinical supports and increasing trust are key changes designed to catalyze different outcomes.

KHS staff are constantly evaluating member differences and preferences regarding race, ethnicity, culture, gender identity, sexual orientation, and language. Through its Quality Improvement Health Equity Transformation Program (QIHETP), KHS intends to implement standards on culturally and linguistically appropriate services to achieve the following key objectives:

- Respond to current and projected demographic changes in the populations served.
- Understand the impact of race, ethnicity, culture, gender identity, sexual orientation, and language in whole person health.
- Improve the quality of services and outcomes for members.

Program Scope:

The QIHETP scope includes regular needs assessments based on race/ethnicity, language, cultural preferences, health disparities, and stakeholder engagement. Again, it should be noted that this expanded scope covers both clinically focused and non-clinically focused areas. Each of these defined areas of program scope include, but are not limited to, the following:

- Quality Improvement – Understanding health disparities is critical to identify the differences in treatment provided to members of different racial/ethnic or cultural groups that are not justified by the underlying health conditions or treatment preferences of patients. KHS will implement multiple programs to monitor, assess, and improve healthcare services to reduce health disparities within its membership.
- Wellness and Prevention & Cultural Linguistics – Ensuring members have access to appropriate language services including bilingual services, oral interpretation, and written/sight translations as appropriate. The network providers have access to these services to ensure the members receive information in their preferred method.
- Population Health Management – Promoting meaningful engagement and partnerships with network providers, communities, public health agencies, and schools and community-based organizations (CBOs), to support the improvement of data sharing among delivery systems to identify and mitigate SDOH to reduce disparities and ensure that all members are connected to primary care, appropriate wellness, prevention, and disease management activities and to identify and connect those members who are at risk for developing complex health issues to more specialized services.
- Member Engagement – Engaging all key stakeholders is a very critical process to collect and evaluate feedback from members, practitioners, and other community groups. The information is collected through multiple avenues including Member Advisory

Committees, ongoing surveys from members and practitioners, discussions with large provider groups, etc.

- Provider Network Management – Evaluating the network’s cultural responsiveness is one of the key components of the health equity program. This includes the ability of practitioners and providers to understand the individual values, beliefs, and behaviors shaped by cultural factors of diverse groups. KHS educates providers and practitioners annually on how to consider and integrate these members preferences into the delivery of healthcare services.
- Utilization Management – Facilitating, communicating, and collaborating among members, practitioners, providers, and the organization, to support cooperation and appropriate utilization of health care benefits. Monitoring and reporting under and over utilization trends to eliminate care variations within vulnerable populations and proactively closing gaps in the care continuum.
- Policies & Procedures – The following components are integrated into KHS’ policies and procedures across multiple areas:
 - Community input and advisement on relevant cultural, linguistic and Seniors and Persons with Disabilities (SPD) awareness issues via the established Public Policy/Community Advisory Committee
 - A Population Needs Assessment is conducted periodically to assess the need for special initiatives regarding cultural competency, linguistic sensitivity, and SPD awareness issues among practitioners and members.
 - Best efforts will be made to recruit and retain staffing that is reflective of the membership.
 - Creative efforts will be made to increase partnership with vendors and community-based organizations (CBOs) that are reflective of the membership.
 - KHS staff and provider network will be provided with opportunities for training and tools to promote cultural competency, linguistic sensitivity, and SPD awareness.
 - KHS will participate with government, community and educational institutions in symposiums related to cultural competency, linguistic sensitivity, and SPD awareness.
 - KHS will maintain systems that readily identify language and ethnic specific member data.
 - Through grant programs, KHS gives preference to funding agencies that can provide culturally and linguistically appropriate services that are accessible to the membership and the community.

Program Vision and Goals

KHS acknowledges that culture change is necessary to achieve its health equity vision. As such, the vision and goals include a combination of qualitative and quantitative metrics. Some efforts will be initiated simply because they align with KHS’s values and are perceived as being the “right thing to do” for the organization. Other objectives will have discrete measurements that are directly connected to DHCS contract requirements or KHS’s annual goals or strategic plan. Some may be a blend of values-based goals and contractual obligations. Populations of focus particularly include:

- A. Members affected by Health Disparities,
- B. Limited English Proficiency (LEP) Members,
- C. Children with Special Health Care Needs,
- D. Seniors and Persons with Disabilities,
- E. Persons with chronic conditions.

Culture (values-based) goals:

- Provide leadership to staff and provider network to support the long-term culture change needed to address any identified health disparities.
- Invite all stakeholder groups (i.e., members, providers, staff, community stakeholders, contractors, subcontractors, etc.) to better understand and engage in health equity work because it belongs to all of us.
- Provide educational opportunities to all stakeholders (above). Trainings will be provided through multiple modalities including not limited to:
 - Online self-education classes
 - In-person coaching/training
 - Live Webinars
 - Dissemination of educational materials
- Support development, workforce diversity, and training that increase cultural sensitivity, cultural awareness, and cultural humility in KHS’s staffing and provider network.
- Establish partnerships and collaborations with community-based organizations that elevate social and racial justice in the communities served.
- Continue to solicit and incorporate diverse stakeholder perspectives through surveys and stakeholder meetings.

Goals to Meet Member's Cultural and Linguistic Needs:

- Target 90% of members who utilized interpreting and translation services are “satisfied” as indicated in satisfaction survey results.
- Deliver 90% of translation and interpretation service requests before or on the requested due date.
- Resolve 100% of cultural and language related grievances within 30 business days.

Goals to Directly Address Health Disparities:

- Identify disparities in care for selected MCAS/HEDIS measures. These may include, but will not be limited to, the following:
 - Well Child Care (i.e., Well child visits, childhood immunizations, etc.)
 - Maternity Care (i.e., disparities for Black and Native American persons)
 - Mental Health (i.e., maternal, and adolescent depression screenings, follow up for mental health and substance use disorder)
 - Cancer Screenings (i.e., Breast, Cervical, and Colorectal)
 - Management of Chronic Conditions (i.e., Diabetes, hypertension, asthma, etc.)
- Address at least one disparity in care in each of the groups mentioned in the bullet above. Reduce the disparity between the highest and lowest performing populations (with reasonable membership) by 5% by 2024. For example:
 - Increase well child visits for Black children by 15% by 2025
 - Increase maternal depression screenings for Black mothers by 15% by 2025
 - Increase the rate of annual diabetes screening for members who speak an Asian language in comparison to English speaking patients.
 - Increase equity of member involvement in treatment planning for Black Non-Hispanic (77%), Hispanic (66%), and other race/ethnic populations (64%) to 85% or higher on the member satisfaction survey.
- MCAS measures - KHS is held accountable to meet the 50th percentile or better for measurement year (MY) 2024. Results for the 2023 measures will be calculated and submitted in report year (RY) 2024. The measures are in the following table.

#	MEASURE	MEASURE ACRONYM	MEASURE TYPE METHODOLOGY	HELD TO MPLI
	Total Number of Measures = 41 (23 Administrative, 8 Hybrid/Administrative, and 10 ECDS)			
Behavioral Health Domain				
1	Follow-Up After ED Visit for Mental Illness – 30 days*	FUM	Administrative	Yes
2	Follow-Up After ED Visit for Substance Abuse – 30 days*	FUA	Administrative	Yes
Children’s Health Domain				
3	Child and Adolescent Well-Care Visits*	WCV	Administrative	Yes
4	Childhood Immunization Status: Combination 10*	CIS-10	Hybrid/Admin**	Yes
5	Developmental Screening in the First Three Years of Life	DEV	Administrative	Yesiii
6	Immunizations for Adolescents: Combination 2*	IMA-2	Hybrid/Admin**	Yes
7	Lead Screening in Children	LSC	Hybrid/Admin**	Yes
8	Topical Fluoride for Children	TFL-CH	Administrative	Yesiii
9	Well-Child Visits in the First 30 Months of Life – 0 to 15 Months – Six or More Well-Child Visits*	W30-6+	Administrative	Yes
10	Well-Child Visits in the First 30 Months of Life – 15 to 30 Months – Two or More Well-Child Visits*	W30-2+	Administrative	Yes
Chronic Disease Management Domain				

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#	MEASURE Total Number of Measures = 36 (10 Hybrid and 26 Administrative)	MEASURE ACRONYM	MEASURE TYPE METHODOLOGY	HELD TO MPL?
11	Asthma Medication Ratio*	AMR	Administrative	Yes
12	Controlling High Blood Pressure*	CBP	Hybrid/Admin**	Yes
13	Hemoglobin A1c Control for Patients With Diabetes – HbA1c Poor Control (> 9%)*	HBD	Hybrid/Admin**	Yes
Reproductive Domain				
14	Chlamydia Screening in Women	CHL	Administrative	Yes
15	Prenatal and Postpartum Care: Postpartum Care*	PPC-Pst	Hybrid/Admin**	Yes
16	Prenatal and Postpartum Care: Timeliness of Prenatal Care*	PPC-Pre	Hybrid/Admin**	Yes
Cancer Prevention Domain				
17	Breast Cancer Screening*	BCS-E	ECDS	Yes
18	Cervical Cancer Screening	CCS	Hybrid/Admin**	Yes
Report only Measures to DHCS				
19	Adults' Access to Preventive/Ambulatory Health Services	AAP	Administrative	No

#	MEASURE Total Number of Measures = 36 (10 Hybrid and 26 Administrative)	MEASURE ACRONYM	MEASURE TYPE METHODOLOGY	HELD TO MPL?
20	Colorectal Cancer Screening*	COL-E	ECDS	No^^
21	Contraceptive Care—All Women: Most or Moderately Effective Contraception	CCW-MMEC	Administrative	No
22	Contraceptive Care – Postpartum Women: Most or Moderately Effective Contraception	CCP-MMEC	Administrative	No
23	Depression Remission or Response for Adolescents and Adults	DRR-E	ECDS	No^^
24	Depression Screening and Follow-Up for Adolescents and Adults	DSF-E	ECDS	No^^
25	Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications	SSD	Administrative	No
26	Follow-Up After ED Visit for Mental Illness – 7 days*	FUM	Administrative	No
27	Follow-Up After ED Visit for Substance Use – 7 days*	FUA	Administrative	No
28	Follow-Up Care for Children Prescribed Attention-Deficit / Hyperactivity Disorder (ADHD) Medication: Continuation and Maintenance Phase	ADD-E-C&M	ECDS	No
29	Follow-Up Care for Children Prescribed	ADD-E-Init	ECDS	No

#	MEASURE Total Number of Measures = 36 (10 Hybrid and 26 Administrative)	MEASURE ACRONYM	MEASURE TYPE METHODOLOGY	HELD TO MPL?
	Attention-Deficit / Hyperactivity Disorder (ADHD) Medication: Initiation Phase			
30	Metabolic Monitoring for Children and Adolescents on Antipsychotics	APM-E	ECDS	No
31	Low-Risk Cesarean Delivery*	LRCD	Administrative	No
32	Pharmacotherapy for Opioid Use Disorder*	POD	Administrative	No^^
33	Plan All-Cause Readmissions*	PCR ii	Administrative	No
34	Postpartum Depression Screening and Follow Up*	PDS-E	ECDS	No^^
35	Prenatal Depression Screening and Follow Up*	PND-E	ECDS	No^^
36	Prenatal Immunization Status	PRS-E	ECDS	No^^
37	Antidepressant Medication Management: Acute Phase Treatment	AMM-Acute	Administrative	No
38	Antidepressant Medication Management: Continuation	AMM-Cont	Administrative	No
Long Term Care Report Only Measures to DHCS				
39	Number of Out-patient ED Visits per 1,000 Long Stay Resident Days*	HFS	Administrative^	No

40	Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization*	SNF-HAI	Administrative^	No
41	Potentially Preventable 30-day Post-Discharge Readmission*	PPR	Administrative^	No

QIHETP Quality Improvement Committee & Organizational Structure:

The organizational structure includes the following committees:

Board of Directors

KHS’s Board of Directors (BOD) is the governing body of the organization and has ultimate responsibility for the quality of care and service delivered by Kern Health Systems. The BOD:

- Approves the annual QIHETP description.
- Approves the annual quality management work plan which contains measures specific to the QIHETP.
- Reviews the annual QIHETP Evaluation.
- Reviews reports about QIHETP activities and measures as provided by the EQuality Improvement Health Equity Committee (described below).
- Reviews and confirms the appropriate resources needed to implement the QIHETP recommended by the EQuality Improvement Health Equity Committee.

Executive Quality Improvement Health Equity Committee

The EQIHEC is a formalized, ad hoc committee established by the BOD to oversee organization-wide Quality Management and Health Equity activities. The EQIHEC meets at least quarterly and maintains detailed written minutes of meetings that include deliberations, decisions, actions, and recommendations. The EQIHEC:

- Oversees QIHETP activities.
- Reviews critical performance measures and goals related to the QIHETP.
- Ensures/Review the annual HEDIS, CAHPS and Health Outcomes Survey (HOS) submissions are delivered according to technical specifications and deadlines.
- Reviews progress reports on the quality management work plan activities related to the QIHETP.
- Tracks identified issues and ensures resolution or improvement.
- Reviews the annual QIHETP performance and evaluation, description, and appropriate policies and procedures.

- Provides feedback regarding the QIHETP description, work plan, and effectiveness after each annual review.
- Identifies and includes contract-specific critical performance measures.
- Establishes DHCS contract-specific performance goals.
- Analyzes and critically evaluates DHCS contract-specific data and trends.
- Identifies contract-specific opportunities for improvement based on performance data.
- Plans and oversees the implementation of contract-specific interventions to improve performance based on analysis of performance data.
- Plans and oversees contract-specific activities to evaluate and assess the effectiveness of interventions.
- Verifies contract-specific follow-up, as appropriate.
- Prioritizes contract-specific quality management activities and efforts to use resources appropriately.
- Recommends contract-specific policy decisions.
- Reviews and approves clinical practice guidelines.
- Coordinates contract-specific quality management and improvement activities with other performance monitoring activities including credentialing, recredentialing, and utilization management.
- Recommend educational initiatives for Providers.

Health Equity Advisory Board

The Health Equity Advisory Board recruits racially, ethnically, and culturally diverse (including those from LGBTQI+ communities) people from various stakeholder groups across the County. These include, but are not limited to, general consumers from racial groups that make up KHS's members, Kern County health officer or a designated representative, County Human Services representatives, community advocates, and traditional and safety net providers. Advisory Board members focus on issues of diversity, equity, and inclusion in KHS procedures and metrics to improve health equity. They may:

- Participate in establishing public policy which is defined as acts performed by KHS or its employees and staff to assure comfort, dignity and convenience of patients who rely on KHS' facilities to provide health care services to them, their families, and the public.
- Review and make recommendations on marketing and member materials.
- Review and make recommendations on the complaints and grievance process.
- Review and make recommendations on member and provider satisfaction surveys.

- Review and make recommendations on activities related to Quality Improvement, educational, operational, and cultural competency issues affecting Limited English Proficiency (LEP) members.
- Review and make recommendations on staff & provider health equity related training
- Review and make recommendations on contracted vendors and CBOs.

Health Equity Transformation Steering Committee (HETSC)

The HETSC is an internal committee established to ensure that KHS remains an organization that understands and addresses social and racial justice and health equity to meet member needs. The HETSC is responsible for implementing organizational-wide initiatives that promote social and racial justice and health equity through various internal and external activities or trainings. This workgroup includes the areas of focus described below. Due to significant overlap and alignment, the KHS DEI/JEDI workgroup may serve as the steering workgroup for health equity.

1. Development of Internal Resources:
 - The focus is to provide learning opportunities and activities for staff that promote personal and professional growth and understanding around issues of social and racial justice, equity, diversity, inclusion, and cultural humility.
2. Provider Network Development:
 - Focus is to assess specific regional needs and existing skills of the provider network around health equity and provide training, resources, and support to providers to help build on their professional skills and help ensure they provide culturally sensitive and equitable treatment to all members.
3. Member Advocacy & Community Engagement:
 - Primary focus is to identify and promote ways that members can be educated about and provide feedback regarding their experiences with providers, KHS, and other systems in which their health is affected. Member feedback will be utilized to inform strategies developed to advocate for members' needs. The secondary focus is to sponsor and or participate in community events that are geared toward social and racial justice, develop initiatives that engage the community, impact health disparities, and help erase the stigmas surrounding mental health and substance use.
4. Human Resources Enhancement:
 - The focus is to work on recruitment, retention, and promotion of a more diverse workforce, as well as to ensure KHS has a welcoming and inclusive environment for all employees. The HR department is responsible for creating, implementing, and overseeing DEI policies and practices that have a direct impact on the workforce and its stakeholders. Also, the HR department is committed to upholding the highest standards for prioritizing equitable and

inclusive practices and ensuring that the organization is representative of the communities it serves. By working closely with all departments and stakeholders, this workgroup will partner with the HR department to help ensure that the organization is inclusive, equitable, and responsive to the needs of the employees and communities it serves.

5. Monitoring and Evaluation for Continuous Improvement:

- Focus is to identify how effectively staff apply internal QIHETP policies and procedures. The policy workgroup will determine areas of staff development and training to ensure discrimination is not present through the application of policies and procedures.

QIHETP Supporting Departments:

The HETP involves organization wide commitment and support. The following departments and their contributions to ensuring a comprehensive HETP include:

Human Resource Department

The KHS Human Resources Department is dedicated to promoting diversity and inclusivity within the workforce. Comprised of Talent Acquisition, Employee Relations, Benefits and Wellness Programming, and Learning and Professional Development, the department is committed to implementing equitable and accessible recruiting, hiring, onboarding, professional development, and succession planning practices to ensure and sustain a diverse workforce. To enhance cultural and linguistic competency within the organization, the HR department prioritizes creating a culture of trust, empathy, and humility, guiding employees towards a deeper understanding of cultural and linguistic diversity in their daily work. The department will also work towards developing policies and leadership practices that continuously support diversity, equity, and inclusion in compliance with regulations, supportive of organizational values, and in pursuit of industry best practices. This will help the organization remain trusted and highly responsive to the needs of employees and the communities it serves.

Provider Operations

Provider Operations, which includes Provider Contracting, Provider Network Management, Provider Relations, and Provider Training & Development, is committed to having a culturally competent and linguistically accessible network comprised of diverse providers who are knowledgeable and responsive to members' cultural practices and beliefs. This includes a commitment to identifying, assessing, and addressing behavioral health inequities to eliminate disparities and ensure access to healthcare for all members. Provider Operations contributions to

organizational HE initiatives includes the management of providers' profile and demographic data analyses to that of the KHS members' cultural and linguistic needs.

Utilization Management

The Utilization Management (UM) Department embraces the mission of the KHS Health Equity Program (HEP) which is to improve the health and well-being of the community through the delivery of quality, cost-effective, and accessible health to all members regardless of race/ethnicity, language spoken, or their cultural/personal preferences.

Utilization Management functions and practices to support the QIHETP include:

- Facilitating, communicating, and collaborating among members, practitioners, providers, and the organization, to support cooperation and appropriate utilization of health care benefits.
- Collecting, aggregating, trending, and reporting UM activities through formal reports for submission to the QIHETP Committee. The data collection and aggregate data are designed to capture member demographics such as race, ethnicity, geographical address locations, birth sex and gender identity, sexual orientation, housing status, age, and preferred language etc.
- Examples of UM activity report examples include:
 - Over-Under Utilization,
 - Satisfaction Surveys,
 - Complaint and Grievance Data pertaining to service discrimination and/or cultural barriers,
 - PCP change requests,
 - UM satisfaction survey results,
 - Grievances pertaining to quality of care and or service delivery.
- Access to Care Data management mechanisms to continuously monitor, review, evaluate, and improve access to and availability of all Covered Services to members.
- Special Service Access and Utilization review reports such as Standing Referrals, Second Opinions, Continuity of Care, and so forth.

Population Health Management

PHM facilitates meaningful engagement and partnerships with network providers, communities, public health agencies, and schools and community-based organizations (CBOs), to promote the improvement of data sharing among delivery systems and support integration to identify and mitigate SDOH to reduce disparities and ensure that all members are connected to primary care, appropriate wellness, prevention, and disease management activities, and to identify and connect those members who are at risk for developing complex health issues to more specialized services. The PHM department Gathers, shares, and assesses timely and accurate data on member preferences and needs to identify efficient and effective opportunities for intervention through processes such as data-driven risk stratification, predictive analytics, identification of gaps in care, and standardized assessment processes.

Data Analytics

KHS's Information Technology (IT) Division, comprising of Data Analytics, Information Security, Technical Support Services, and Operational Systems follows the culturally and linguistically appropriate business practices as outlined by KHS Leadership and Human Resources. IT provides new technologies, and enhancing existing systems, to ensure that all KHS staff can perform their work in a culturally competent environment. This includes, but is not limited to, offering technologies and tools compliant with ADA standards, assistive technologies, and website compliance. Data Analytics shall support the organization's HE operational initiatives by collecting, storing, analyzing demographic data and profiles of both KHS members and providers, conducting statistical analyses, and aid in the development and facilitation of assessments and surveys.

Health Equity Transformation Staffing:

Chief Health Equity Officer (CHEO):

The Chief Health Equity Officer oversees development, implementation, review and revision of health equity policies and procedures; maintains the QIHETP description and work plan; coordinates implementation activities; and ensures reporting to the EQIHEC. The CHEO also serves as the primary liaison between Kern Health Systems and any regulatory agencies on health equity issues and programs. The CHEO sits on the EQIHEC and provides health equity

perspective for all non-clinical areas; the CHEO seat may not be delegated. The CHEO oversees the development, evaluation, and/or revision of the QIHETP description. The CHEO also oversees how health equity is embedded into the KHS culture for all non-clinical aspects (i.e., marketing, member engagement, member services, community supports, etc.).

Chief Medical Officer (CMO):

The Chief Medical Officer has substantial active involvement in the QIHETP. The Chief Medical Officer has the ultimate responsibility and authority to implement the QIHETP activities for all clinical areas. The CMO or a designated representative sits on the EQIHEC and provides medical leadership to all aspects of the QIHETP.

Health Equity Manager:

The Health Equity Manager is responsible for the daily management of the QIHETP including development and management of projects and activities to expand and advance the delivery and quality of health equity measures, cultural competency services, operational effectiveness through process improvement, contract execution, and monitoring. The Health Equity Manager supervises all staff directly working in the Health Equity Office (HEO).

Director of Quality Improvement:

The Director of Quality Improvement has responsibility for the day-to-day implementation of the quality-of-care components of the QIHETP. The Director of Quality Improvement also helps with operationalizing the QIHETP work plan. The Director of Quality Improvement monitors the data collection and aggregation processes; oversees the preparation of the annual QIHETP evaluation and maintains the work plan in collaboration with the Chief Health Equity Officer, Chief Medical Officer, and other Quality Managers.

Senior Director of Wellness and Prevention:

The Director is responsible for the overall direction and management of the Health Education and Cultural and Linguistic Services Department. The Director ensures ongoing compliance with State and NCQA health equity requirements. This person also serves as the primary liaison between KHS and any regulatory agencies on cultural and linguistic issues. The Director develops the department policies and goals and provides guidance to staff providing interpretation/translation services. The Director also manages and monitors translation and interpreting services, C&L Program and services and ensures that regulatory and accreditation requirements are met.

Health Insurance Portability and Accountability Act (HIPAA)

KHS complies with all applicable HIPAA requirements supported by HIPAA compliance policies. All HIPAA related policies are accessible to all KHS contracted providers and KHS staff. HIPAA information is posted on the KHS website. Ongoing mandatory education is required annually for all staff.

Confidentiality Statement

KHS has established and distributed confidentiality standards to contracting providers in the KHS Provider Policy and Procedure Manual. All provider contracts include the provision to safeguard the confidentiality of member medical and behavioral health care records, treatment records, and access to sensitive services in accordance with applicable state and federal laws. As a condition of participation with KHS, all contracting providers must retain signed confidentiality forms for all staff and committee members and provide education regarding policies and procedures for maintaining the confidentiality of members to their practitioners. KHS monitors contracting providers for compliance with KHS confidentiality standards during provider facility and medical records reviews and through the Grievance Process.

Conflict of Interest Statements

Any individual who has been personally involved in the care and/or service provided to a patient, an event or finding undergoing quality evaluation may not vote or render a decision regarding the appropriateness of such care. All members of the EQIHEC, UMC, QIC, and Subcommittees are required to review and sign a conflict-of-interest statement, agreeing to abide by its terms.

Health Equity Hiring Initiatives

As described in the KHS DEI Program charter, KHS is dedicated to building a workforce that is diverse, qualified, and engaged, and one that reflects the diversity of the communities KHS serves in Kern County. KHS strives to create a workplace environment that is safe, inclusive, and strengths-based, providing abundant opportunities for employees of all backgrounds, cultures, and linguistic abilities to belong and flourish. Human Resources and Hiring Managers are responsible for ensuring that recruiting, hiring, and succession planning practices are inclusive and reflect the demographic needs of the communities.

Commitment to health equity in hiring, recruiting, and succession planning includes posting job opportunities in inclusive language across a network of diversity job sites and job boards to help attract a more diverse workforce, including groups of underrepresented individuals. KHS also incorporates inclusive language into job descriptions, conducts panel interviews with members reflective of the community's diversity, and uses standardized assessment tools. KHS aims to create a diverse and inclusive workforce that can provide better services to all communities.

KHS Bilingual Workforce

Departments who employ staff members to provide linguistic services to the membership include Behavioral Health, Health Education, Marketing, Member Engagement, Member Services, Utilization Management, Population Health Management, Enhanced Care Management, Community Support Services, Quality Improvement, and Pharmacy. All bilingual staff must pass a verbal bilingual assessment before being hired or during employment. Certificates of linguistic proficiency are monitored and maintained by the Cultural and Linguistic Team. For KHS staff who have received certification of bilingual proficiency, a copy of the certificate is kept in their personnel file with Human Resources.

KHS defines qualified bi-lingual staff as:

- Proficient in speaking and understanding a language other than English.
- Having a fundamental knowledge in a language other than English that includes the use and application of specialized vocabulary, terminology and phraseology, and concepts.
- Having the ability to communicate directly effectively, accurately, and impartially with members who have limited English proficiency.

KHS Member Services Bi-lingual Representative staff will only provide oral interpretation services and are prohibited from providing written translation, including editing, and proofreading translated documents, and sight translation services.

QIHETP Work Plan

The Kern Health System Quality Improvement Health Equity Transformation Program ((QIHETP) Work Plan (WP)) is developed on an annual basis to establish the framework for evaluating how KHS QIHETP activities are planned and implemented to contribute to meaningful improvements in Health Equity Transformation of equity, quality and safety of clinical and non-clinical care and administrative services.

Commented [MR1]: Need to check which is the correct name

Commented [MR2]: Work plan vs Wellness and Prevention

The goals of the QIHETP Work Plan processes are intended to:

- Identify important practices and processes where improvement is needed to achieve excellence and conformance to standards,
- Monitor these functions accurately,
- Draw meaningful conclusions from the data collected using valid and reliable methods,
- Implement useful changes to improve quality,
- Evaluate the effectiveness of changes.

Annual Evaluation

An annual evaluation of the QIHETP shall be prepared based on the activities presented to the EQIHEC during the calendar year. The EQIHEC reviews and approves the QIHETP evaluation. The QIHETP evaluation shall also be reviewed by the BOD. The Chief Health Equity Officer, with support from the Chief Medical Officer and/or Directors of Quality Management, will develop an evaluation of the QIHETP based on activities that were presented to the EQIHEC and BOD during the calendar year. The EQIHEC reviews and approves the QIHETP evaluation.

The QIHETP evaluation includes the following:

- A description of completed and ongoing quality improvement activities.
- Trended performance data from indicators to assess quality of care and service.
- An analysis of demonstrated improvements in care and service.
- A thorough evaluation of the program structure and effectiveness of the QIHETP including progress toward influencing safe clinical practices throughout the network.
- Monitoring efforts of medical groups and other subcontractors to ensure that delegated functions meet cultural, linguistic and sensitivity standards.
- Evaluation of patterns/trends for member grievances and discrimination complaints related to cultural/linguistic and sensitivity issues.
- A thorough evaluation of progress on non-clinical goals (i.e., Human Resources, Marketing, Member Engagement, Community Engagement, etc.)

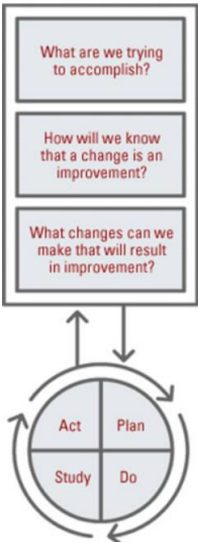
KHS will also utilize the following methods to conduct ongoing monitoring and evaluation of its cultural competency and SPD awareness programs and annual sensitivity, diversity, cultural competency and health equity training for all staff, providers, subcontractors, and downstream subcontractors at key points of contact:

- Disenrollment data,
- MCAS/HEDIS results by race/ethnicity, language, and other demographic factors,

- Complaint and grievance reports,
- Member satisfaction survey results by race/ethnicity, language, and other demographic factors,
- Population Needs Assessments findings results by race/ethnicity, language, and other demographic factors,
- Performance Improvement Projects (PIPS),
- Health Education Activities Reports,
- Training attendance reports, attestations of training completion and/or completion of post-training quizzes.

Planning Quality Activities and Studies

The QIHETP quality activities and studies are developed using the Plan-Do-Study-Act (PDSA) Model. The PDSA is an iterative, four-stage problem-solving model used for improving a process or carrying out change.



In accordance with the California Department of Health Care Services (DHCS) 2024 contract KHS will conduct quality studies, quality review activities, results, and assessments and submit the outcomes in reports to the DHCS in the reporting unit level and time frames as directed by DHCS.

Integrated KHS Resources and Documents Utilized to Support the QIHET Program:

Population Needs Assessment

The Health Education Department conducts population needs assessment of KHS' members to determine health education and cultural/linguistic needs. The Population Needs Assessment will be updated every year for the duration of the contract with DHCS. The contents of the Population Needs Assessment will define the goals and objectives, data sources and methodology, member demographics, member health status, disease prevalence and gap analysis, health education and cultural and linguistic service needs, and key recommendations, planned actions and conclusions. (APL19-011). KHS uses the PNA to inform its QIHETP priorities and share pertinent information regarding the PNA findings and the identified targeted strategies with its providers.

KHS Quality Improvement Program

The KHS Quality Improvement Program Description (QIP) is a written description of the overall scope and responsibilities of the QI Program. The QI Program actively monitors, evaluates, and takes effective action to address any needed improvements in the quality, appropriateness, safety, and outcomes of covered health care services delivered by all contracting providers rendering services to KHS members. The QI Program is planned and developed in collaboration with other KHS departments and organizational leadership and significantly contributes to the planning and development of the QIHETP. Key integrated elements of the QIP address High volume, high risk or problem prone processes as a priority. The QI Director is a HET Department staff member and a standing member of the QIHETP Committee.

KHS Utilization Management Program

The KHS Utilization Management Program (UMP) serves to implement a comprehensive integrated process that actively evaluates and manages utilization of health care resources delivered to all members, and to actively pursue identified opportunities for improvement. The UMP outlines the methods utilized by KHS to provide a supportive system of care arrangements and services in a standardized, simplified, and focused process to efficiently provide members with comprehensive Whole Person Approaches within available resources and to achieve an optimum level of quality health care that is cost-effective. The UMP is a formal Document supported by clinical, operational, and administrative policies and procedures (P&Ps) delineating how UM

functions are performed. The UMP and P&Ps are written to adhere to federal and state regulatory requirements to include CA Health & Safety Code, Title 22, Welfare & Institutions Code, CMS Code of Federal Regulations, the CA Department of Health Care Services 22-20202 KHS Contractual Provisions, and current NCQA Standards and Guidelines. The UM documents are developed through the involvement of actively involved KHS providers in accordance with H&S Code sections 1363.5 and 1367.01 and 28 CCR sections 1300.70(b)(2)(H) and (c). The UM Director is a standing member of the EQIHE Committee.

Population Health Model of Care

The KHS) Population Health Management (PHM) Model of Care (MOC) is to provide a strategic road map defining the approach towards the provision of healthcare and preventative services and focuses on collaborative partnerships with providers to assist in delivering high-quality care to all members in a timely and efficient manner while reducing costs. The PHM MOC is designed to better coordinate member's care and utilize various data sources to draw insights on how to address each member's individual needs and make hospitals and clinics more accessible and effective.

PHM is a proactive, data-driven strategy focused on improving the health of a given population by a defined network of financially linked providers, achieved in partnership with the community (Health Catalyst, 2020). The Primary Care Physician (PCP) forms the backbone of PHM. The PCP is the -signal caller who identifies problems early through various clinical and socio-behavioral screenings and refers patients to specialists. At the same time, KHS provides support to the PCP to ensure the patient receives high-quality, comprehensive health care in a timely manner. The Director of PHM is a standing Member of the Health Equity Transformation Steering Committee. .

Wellness and Prevention and Culture & Linguistics Program

The Wellness and Prevention and Culture and Linguistic Program is a comprehensive document that is planned and prepared by the Senior Director of Wellness and Prevention, to effectively develop, implements and maintain standards, policies, and procedures to ensure provision of the following:

- Member orientation, education regarding health promotion, personal health behavior, patient education and counseling, and incentives to promote behavior modification.
- Provider education on health education services
- Preventive Medical Care.
- Health Education Population Needs Assessment
- Women, Infants and Children Supplemental Nutrition Program

The wellness and prevention department ensures that all plan materials for members are written at no higher than a 6th grade reading level. Readability and suitability of the health education material is determined using the *Medi-Cal Managed Care Division Readability and Suitability Checklist* and one of the following readability formulas: SMOG, Fry Graph, FOG, Flesch Reading Ease, Dale-Chall.

The Cultural and Linguistics Services Plan is developed to demonstrate Kern Health Systems' (KHS) capability to develop, implement and monitor a system to provide cultural and linguistic services that meets the requirements set by the Department of Health Care Services (DHCS), the Department of Managed Health Care (DMHC) as well as federal and state laws. KHS is committed to delivering culturally and linguistically appropriate health care services. Services will comply with Title VI of the Civil Rights Act of 1964, section 1557 of the Affordable Care Act of 2010, 42 CFR section 438.10, Exhibit A, Attachment III, Section 5.2.10 (*Access Rights*), and APL 21-004. The Senior Director of Wellness and Prevention is part of the HET Department staff and a standing member of the EQIHE Committee.

Provider Relations Access Surveys

Kern Health Systems (KHS) monitors the accessibility of contracted providers to members to obtain covered services and implements corrective measures when necessary. KHS has ultimate responsibility for facilitating timely access to covered health care services including those provided to Limited English Proficient (LEP) and hearing-impaired members. The monitoring of these standards has been delegated to the KHS Provider Relations Department. The Director of Provider Relations, with assistance from other KHS departments as needed, monitors all areas related to members' access to care and submits related reports to KHS leadership and Committees. On a quarterly basis the Provider Relations Department conducts a review of the

Plan's compliance with after-hours and appointment availability access standards. This review includes, but is not limited to after-hours survey calls, appointment availability survey, a review of access grievances, and a review of data received from the 24-Hour Telephone Triage Service employed by KHS. Additionally, the Provider Relation's Department is responsible to ensure network adequacy to support access to care that is timely and culturally congruent to meet the service needs of KHS Members. The Provider Relations Department provides routine reports of access study data for review and recommended action by the EQIHE Committee.

Diversity, Equity, and Inclusion and Health Equity Education and Training

KHS does not delegate health equity activities. Providers are required to actively participate and comply with Health Equity activities. To support this expectation, KHS provides annual training to employees, contracted staff, providers, sub-contractors, and downstream subcontractors at key points of contact on sensitivity, diversity, cultural competency, effective communication, health equity, and inclusion relating to members. Training will promote access and delivery of services in a culturally competent manner to all members and potential members regardless of their sex, race, color, religion, ancestry, national origin, creed, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, health status, marital status, gender, gender identity, sexual orientation or identification with any other persons or groups defined in Penal Code 422.56. Training will consider structural and institutional racism, health inequities and its impact on members, staff, providers, subcontractors, and downstream subcontractors. Trainings will include, but not be limited to topics such as:

- Beliefs about illness and health for identified cultural groups within KHS' membership and Kern County,
- Need for gender affirming care,
- Methods for interacting with providers and the health care structure,
- Traditional home remedies that may impact provider recommended treatment plans,
- Skills and practices regarding culture-related health care issues of the membership,
- How cultural competency relates to quality of care and access to care,
- Appropriate use and provision of interpreters,
- Translation process of written informing documents,
- Health literacy,
- PNA findings and identified targeted strategies,
- Culturally and linguistically appropriate community resources,
- Required completion of Continuing Medical Education on cultural competency and implicit bias.



2024 Health Equity Program Description

Kern Health System

Effective Date: January 1, 2024

Chief Executive Officer
Emily Duran

Date _____

Chief Medical Officer

Date _____

Chief Health Equity Officer

Date _____

Chief Operations Officer

Date _____

Director of Quality Improvement

Date _____

Senior Director of Provider Network Management

Date _____

Senior Director of Wellness and Prevention

Date _____

Director of Population Health Management

Date _____



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Robert Landis, Chief Financial Officer
SUBJECT: Quarterly Review of Kern Health Systems Investment Portfolio
DATE: December 19, 2024

Background

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

- Preservation of principal
- Liquidity
- Yield

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

Short-Term Portfolio (Under 1 year)

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

Long-Term Portfolio (1-5 years)

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

Requested Action

Receive and File.

Kern Health Systems
Investment Portfolio
September 30, 2024

Short Term Portfolio (under 1 year)

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

Description		Dollar Amount	% of Portfolio	Maximum Allowed Per Policy	Approximate Current Yield	Liquidity	Principal Fluctuation
Wells Fargo - Cash	(1)	\$ 2,200,000	0.35%	100%		1 Day	None
Money Market Accounts	(A) (1)	\$ 127,500,000	20.19%	40%	4.72%	1 Day	None
Local Agency Investment Fund (LAIF)	(B) (2)	\$ 14,950,000	2.37%	50%	4.56%	2 Days	None
							Subject to Interest Rate
US T-Bills & Federal Agencies at Wells Fargo	(1)	\$ 284,600,000	45.07%	100%	5.00%	1 Day	Fluctuations
							Subject to Interest Rate and Credit
KHS Managed Portfolio at Wells Fargo	(C) (1)	\$ -	0.00%		0.00%	3 Days	Fluctuations
Sub-Total		\$ 429,250,000	67.98%		4.88%		

Long Term Port Folio (1 - 5 years)

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

UBS Managed Portfolio	(D)	\$ 65,500,000	10.37%		4.12%	3 Days	Subject to Interest Rate and Credit Fluctuations
							Subject to Interest Rate and Credit
KHS Managed Portfolio at Wells Fargo	(C)	\$ 136,700,000	21.65%		5.30%	3 Days	Fluctuations
Sub-Total		\$ 202,200,000	32.02%		4.92%		
Total Portfolio		\$ 631,450,000	100.00%		4.89%		

Yield Curve	Yield Curve			
	Treasuries	AA Corporate Bonds	A Corporate Bonds	CD's
1 year	4.24%	4.37%	4.53%	4.05%
2 year	4.04%	4.13%	4.29%	3.90%
3 year	3.98%	4.11%	4.28%	3.90%
5 year	4.09%	4.23%	4.42%	3.90%

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
- (B) LAIF is part of a \$161.6 Billion Pooled Money Investment Account managed by the State Treasurer of CA. Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.
- (C) High quality diversified portfolio comprising Federal Agency Securities
- (D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.

- (1) Funds are utilized to pay providers, meet operating expenses and distribute pass-through monies, potential State premium recoupments, MCO Tax advances, and for amounts owed under various Risk Corridors. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.
- (2) Funds are primarily utilized to fund various Grant Programs and 2024 capital projects.



Branch office
9201 Camino Media
Suite 230
Bakersfield, CA 93311

Financial Advisor
THE COHEN GROUP
6616633200

UBS Client Review

As of September 30, 2024

Report Prepared for: Kern Health Systems

Account Number	Account Name	Type	What's inside
EX XX120	BOND PORTFOLIO	Portfolio Management Program	Portfolio Review. 2
Risk profile:	Conservative		Asset Allocation by Account. 5
Return Objective:	Current Income		Asset Allocation Review. 6
			Bond Summary. 7
			Bond Holdings. 8
			Additional Information About Your Portfolio. 16
			Important Information About This Report. 17



Portfolio Review
as of September 30, 2024

Asset Allocation Review

	Value on 09/30/2024 (\$)	% of Portfolio
A Cash	113,320.78	0.17
Cash	113,320.78	0.17
US	113,320.78	0.17
B Fixed Income	65,390,431.40	99.83
US	65,390,431.40	99.83
Corporate IG Credit	65,390,431.40	99.83
C Equity	0.00	0.00
D Commodities	0.00	0.00
E Non-Traditional	0.00	0.00
F Other	0.00	0.00
Total Portfolio	\$65,503,752.18	100%

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



Portfolio Value and Investment Results

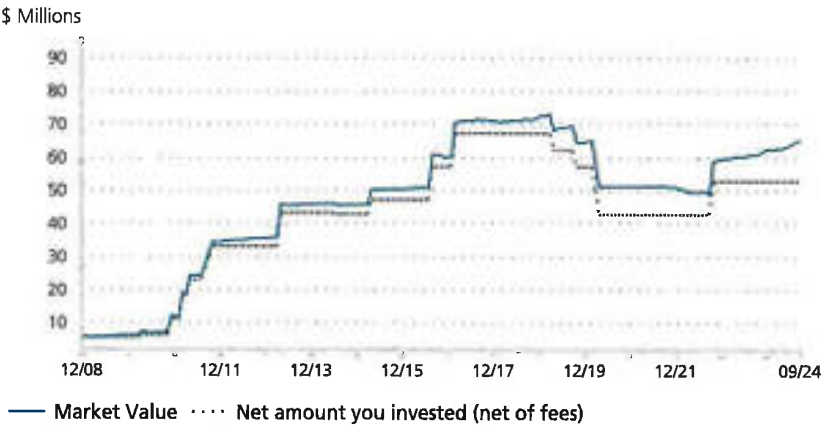
	Performance returns (annualized > 1 year)			
	For period of 12/31/2023 to 03/31/2024	For period of 03/31/2024 to 06/30/2024	For period of 06/30/2024 to 09/30/2024	YTD 12/31/2023 to 09/30/2024
Opening value	62,402,938.86	62,895,406.00	63,601,164.94	62,402,938.86
Net deposits/withdrawals	-25,050.42	-25,095.35	-25,666.42	-75,812.19
Div./interest income	421,229.60	519,189.05	553,556.45	1,493,975.10
Change in accr. interest	56,068.46	17,098.99	63,564.72	136,732.16
Change in value	40,219.50	194,566.25	1,311,132.50	1,545,918.25
Closing value	62,895,406.00	63,601,164.94	65,503,752.18	65,503,752.18
Net Time-weighted ROR	0.79	1.12	2.99	4.97

Net deposits and withdrawals include program and account fees.

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.
Accrued interest, if any, has been included in the total market value.

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

Sources of Portfolio Value



Summary of Gains and Losses

	Short term (\$)	Long term (\$)	Total (\$)
2023 Realized gains and losses	3,782.26	1,382.00	5,164.26
Taxable	3,782.26	1,382.00	5,164.26
Tax-Deferred	0.00	0.00	0.00
2024 Year to date	25,376.54	124,360.08	149,736.62
Taxable	25,376.54	124,360.08	149,736.62
Tax-Deferred	0.00	0.00	0.00

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

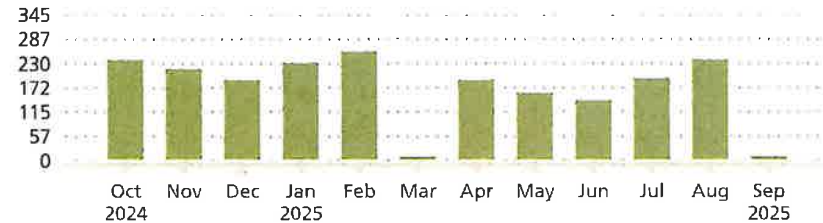


Portfolio Review

as of September 30, 2024 (continued)

Expected Cash Flow

\$ Thousands



■ Taxable income

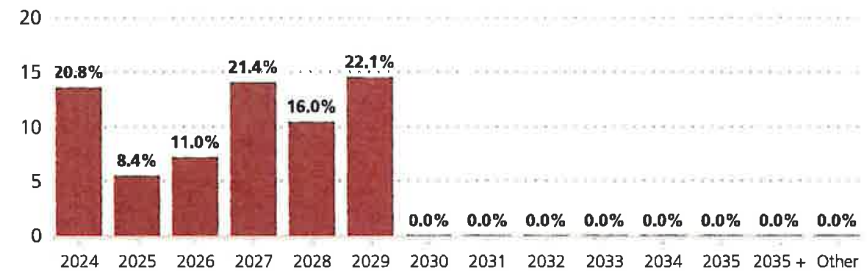
Total taxable income: \$2,126,608.13

Total expected cash flow: \$2,126,608.13

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

Bond Maturity Schedule

\$ Millions



■ Effective maturity schedule

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

Equity Sector Analysis

Compared to S&P 500 index

	Value on 09/30/2024 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	9.26	-9.26
Consumer Discretionary	0.00	0.00	10.41	-10.41
Consumer Staples	0.00	0.00	6.39	-6.39
Energy	0.00	0.00	3.43	-3.43
Financials	0.00	0.00	12.67	-12.67
Health Care	0.00	0.00	11.45	-11.45
Industrials	0.00	0.00	7.89	-7.89
Information Technology	0.00	0.00	31.28	-31.28
Materials	0.00	0.00	2.14	-2.14
Real Estate	0.00	0.00	2.33	-2.33
Utilities	0.00	0.00	2.41	-2.41
Total classified equity	\$0.00			
Unclassified Securities	0.00			

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

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

Report created on: October 25, 2024

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Portfolio Review

as of September 30, 2024 (continued)

Summary of Performance by Account

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

						Performance returns (annualized > 1 year)			
						For period of 12/31/2023 to 03/31/2024	For period of 03/31/2024 to 06/30/2024	For period of 06/30/2024 to 09/30/2024	YTD 12/31/2023 to 09/30/2024
		Performance start date	Value on 09/30/2024 (\$)	% of portfolio					
EX XX120	BOND PORTFOLIO•PMP•Ira Cohen / Jason Cohen Fixed Income	Dec 08, 2008	65,503,752.18	100.00%	Net time-weighted	0.79%	1.12%	2.99%	4.97%
	Risk profile: Conservative								
	Return objective: Current Income								
Total Portfolio						0.79%	1.12%	2.99%	4.97%
Benchmarks - Annualized time-weighted returns						For period of 12/31/2023 to 03/31/2024	For period of 03/31/2024 to 06/30/2024	For period of 06/30/2024 to 09/30/2024	YTD 12/31/2023 to 09/30/2024
Blended Index						0.59%	1.00%	3.05%	4.69%
Blended Index 2						0.93%	1.16%	2.30%	4.45%
US Treasury Bill - 3 Mos						1.32%	1.34%	1.36%	4.08%
BBG US Agg (1-3 Y)						0.45%	0.95%	2.96%	4.41%
S&P 500						10.56%	4.28%	5.89%	22.08%

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

Blended Index: 06/30/2023 - Current: 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y+ Blended Index 2: Start - Current: 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos
+Additional benchmark information can be found on the benchmark composition page.

Report created on: October 25, 2024

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Asset Allocation by Account

as of September 30, 2024

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Equities (\$/%)			Fixed Income (\$/%)			Non-Traditional (\$/%)	Commodities (\$/%)	Other (\$/%)	Total	
	Cash (\$/%)	U.S.	Global	International	U.S.	Global					International
	113,320.78	0.00	0.00	0.00	65,390,431.40	0.00	0.00	0.00	0.00	0.00	\$65,503,752.18
Total Portfolio	0.17	0.00	0.00	0.00	99.83	0.00	0.00	0.00	0.00	0.00	100%
	113,320.78	0.00	0.00	0.00	65,390,431.40	0.00	0.00	0.00	0.00	0.00	\$65,503,752.18
	0.17	0.00	0.00	0.00	99.83	0.00	0.00	0.00	0.00	0.00	100.00%

EX XX120 • BOND PORTFOLIO • BSA PMP

Risk profile: Conservative

Return objective: Current Income

	Equities (\$/%)				Fixed Income (\$/%)			Non-Traditional (\$/%)	Commodities (\$/%)	Other (\$/%)	Total
	Cash (\$/%)	U.S.	Global	International	U.S.	Global	International				
	113,320.78	0.00	0.00	0.00	65,390,431.40	0.00	0.00	0.00	0.00	0.00	\$65,503,752.18
Total Portfolio	0.17	0.00	0.00	0.00	99.83	0.00	0.00	0.00	0.00	0.00	100%

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

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

Report created on: October 25, 2024



Asset Allocation Review

as of September 30, 2024

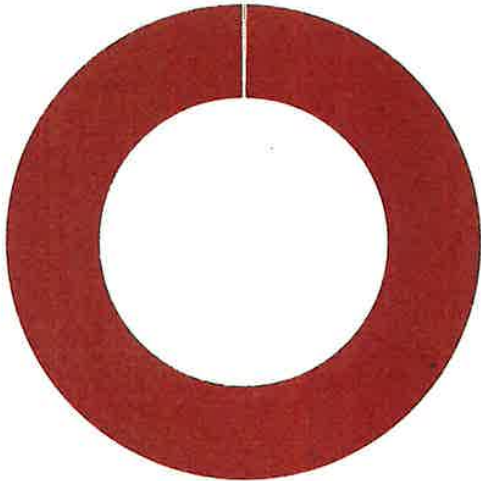
Summary of Asset Allocation

	Market value (\$)	% of Portfolio
Cash	113,320.78	0.17
Cash	113,320.78	0.17
US	113,320.78	0.17
Fixed Income	65,390,431.40	99.83
US	65,390,431.40	99.83
Corporate IG Credit	65,390,431.40	99.83
Equity	0.00	0.00
Commodities	0.00	0.00
Non-Traditional	0.00	0.00
Other	0.00	0.00
Total Portfolio	\$65,503,752.18	100%

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

Total Value: \$65,503,752.18

- Cash 0.17%
- US Fixed Income 99.83%



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



Bond Summary

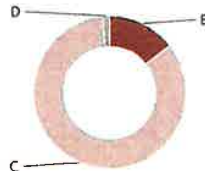
as of September 30, 2024

Bond Overview

Total quantity	64,525,000
Total market value	\$64,734,142.00
Total accrued interest	\$656,289.40
Total market value plus accrued interest	\$65,390,431.40
Total estimated annual bond interest	\$2,366,387.25
Average coupon	3.68%
Average current yield	3.66%
Average yield to maturity	4.13%
Average yield to worst	4.12%
Average modified duration	2.18
Average effective maturity	2.46

Credit Quality of Bond Holdings

Effective credit rating	Issues	Value on 09/30/2024 (\$)	% of port.
A Aaa/AAA/AAA	0	0.00	0.00
B Aa/AA/AA	7	9,408,421.83	14.42
C A/A/A	35	54,973,607.08	84.04
D Baa/BBB/BBB	1	1,008,402.50	1.54
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	0	0.00	0.00
Total	43	\$65,390,431.40	100%



EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

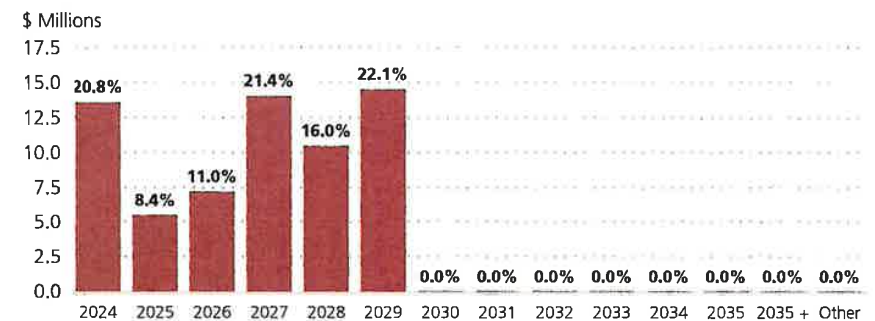
Risk profile: Conservative

Return Objective: Current Income

Investment Type Allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
U.S. corporates	65,390,431.40	0.00	65,390,431.40	100.00
Total	\$65,390,431.40	\$0.00	\$65,390,431.40	100%

Bond Maturity Schedule



Effective maturity schedule

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

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

Report created on: October 25, 2024

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Bond Holdings

as of September 30, 2024

Summary of Bond Holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2024	8	13,500,000	335,887.50	2.49%	4.30%	4.30%	0.09	13,508,972.05	-39,298.05	13,604,882.92	20.81%
2025	3	5,500,000	186,000.00	3.40%	4.71%	4.71%	0.48	5,521,469.79	-49,831.79	5,502,896.33	8.45%
2026	5	7,250,000	234,687.50	3.28%	4.09%	4.09%	1.62	6,914,928	231,924.00	7,216,119.19	11.04%
2027	11	14,000,000	509,110.00	3.66%	3.91%	3.91%	2.62	13,574,937.64	330,062.36	14,050,421.36	21.48%
2028	8	10,300,000	445,121.00	4.28%	4.05%	4.02%	3.13	10,158,226.46	233,795.54	10,498,536.90	16.05%
2029	8	13,975,000	655,581.25	4.57%	4.03%	4.02%	3.95	13,898,775.66	450,180.34	14,517,574.70	22.17%
2030	0	0			N/A	N/A	N/A				
2031	0	0			N/A	N/A	N/A				
2032	0	0			N/A	N/A	N/A				
2033	0	0			N/A	N/A	N/A				
2034	0	0			N/A	N/A	N/A				
2035	0	0			N/A	N/A	N/A				
2036	0	0			N/A	N/A	N/A				
2037	0	0			N/A	N/A	N/A				
2038	0	0			N/A	N/A	N/A				
2039	0	0			N/A	N/A	N/A				
2040	0	0			N/A	N/A	N/A				
2041	0	0			N/A	N/A	N/A				
2042	0	0			N/A	N/A	N/A				
2043	0	0			N/A	N/A	N/A				
2044	0	0			N/A	N/A	N/A				
2045	0	0			N/A	N/A	N/A				
2046	0	0			N/A	N/A	N/A				
2047	0	0			N/A	N/A	N/A				
2048	0	0			N/A	N/A	N/A				
2049	0	0			N/A	N/A	N/A				
2049 +	0	0			N/A	N/A	N/A				
Other	0	0			N/A	N/A	N/A				
Total	43	64,525,000	\$2,366,387.25	3.66%	4.13%	4.12%	2.18	\$63,577,309.60	\$1,156,832.40	\$65,390,431.40	

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

Report created on: October 25, 2024



Bond Holdings

as of September 30, 2024 (continued)

Details of Bond Holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Total Bond Portfolio		64,525,000	3.68%	03/16/2027	N/A	\$2,366,387.25 3.66%	4.13% 4.12%	2.18	\$63,577,309.60 \$1,156,832.40	N/A	\$64,734,142.00 \$656,289.40 \$65,390,431.40	100%
Maturing 2024												
PAYPAL HOLDINGS INC NTS 02.400% 100124 DTD092619 FC040120 CALL@MW+15BP	A3/A-/A- NR/NR/NR	2,250,000	2.40%	10/01/2024		54,000.00 2.40%	2.37% 2.37%	0.00	2,241,135.96 8,864.04	100.000	2,250,000.00 26,850.00	3.48%
SIMON PTY GROUP LP B/E 03.375% 100124 DTD091014 FC040115 CALL@MW+15BP	A3/WD/A- NR/NR/NR	1,900,000	3.38%	10/01/2024		64,125.00 3.38%	3.32% 3.32%	0.00	1,900,126.88 -126.88	100.000	1,900,000.00 31,884.38	2.94%
BK OF NY MELLON CORP NTS 00.850% 102524 DTD102521 FC042522 B/E	A1/AA-/A NR/NR/NR	1,500,000	0.85%	10/25/2024		12,750.00 0.85%	4.78% 4.78%	0.06	1,500,053.08 -4,148.08	99.727	1,495,905.00 5,489.58	2.31%
PNC FINL SERV GRP INC WT 02.200% 110124 DTD110119 FC050120 EXP NTS B/E	A3/A-/A- NR/NR/NR	2,000,000	2.20%	11/01/2024	10/01/2024 100.00	44,000.00 2.21%	5.30% 5.30%	0.08	2,003,052.42 -8,452.42	99.730	1,994,600.00 18,211.11	3.08%
GENERAL DYNAMICS CORP 02.375% 111524 DTD091417 FC051518 CALL@MW+10BP	A2/WD/A NR/NR/NR	1,750,000	2.38%	11/15/2024		41,562.50 2.38%	4.97% 4.97%	0.12	1,753,718.43 -9,458.43	99.672	1,744,260.00 15,585.94	2.69%
ORACLE CORP NTS B/E 02.950% 111524 DTD110917 FC051518 CALL@MW+15BP	Baa2/BBB/BBB NR/NR/NR	1,000,000	2.95%	11/15/2024		29,500.00 2.96%	5.04% 5.04%	0.12	1,002,621.67 -5,281.67	99.734	997,340.00 11,062.50	1.54%
WAL MART STORES INC NTS 02.650% 121524 DTD102017 FC061518 CALL@MW+10BP	Aa2/AA/AA NR/NR/NR	1,900,000	2.65%	12/15/2024	10/15/2024 100.00	50,350.00 2.66%	4.73% 4.73%	0.20	1,907,923.32 -16,226.32	99.563	1,891,697.00 14,685.42	2.92%

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

Report created on: October 25, 2024



Bond Holdings

as of September 30, 2024 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2024												
STATE STREET CORP B/E 03.300% 121624 DTD121514 FC061615	A1/AA-/A NR/NR/NR	1,200,000	3.30%	12/16/2024		39,600.00 3.31%	4.90% 4.90%	0.20	1,200,340.29 -4,468.29	99.656	1,195,872.00 11,440.00	1.85%
Total 2024		13,500,000	2.49%	11/04/2024		\$335,887.50 2.49%	4.30% 4.30%	0.09	\$13,508,972.05 \$-39,298.05		\$13,469,674.00 \$135,208.92	20.81%
	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2025												
JPMORGAN CHASE & CO B/E 03.125% 012325 DTD012315 FC072315	A1/AA-/A NR/NR/NR	2,400,000	3.13%	01/23/2025	10/23/2024 100.00	75,000.00 3.14%	4.93% 4.93%	0.30	2,416,078.41 -29,662.41	99.434	2,386,416.00 13,958.33	3.69%
BK OF NY MELLON CORP B/E 03.000% 022425 DTD022415 FC082415	A1/AA-/A NR/NR/NR	1,300,000	3.00%	02/24/2025	01/24/2025 100.00	39,000.00 3.02%	4.73% 4.73%	0.39	1,307,191.38 -16,083.38	99.316	1,291,108.00 3,900.00	1.99%
MORGAN STANLEY B/E 04.000% 072325 DTD072315 FC012316 CALL@MW+25BP	A1/A+/A- NR/NR/NR	1,800,000	4.00%	07/23/2025		72,000.00 4.01%	4.41% 4.41%	0.78	1,798,200.00 -4,086.00	99.673	1,794,114.00 13,400.00	2.77%
Total 2025		5,500,000	3.38%	03/31/2025		\$186,000.00 3.40%	4.71% 4.71%	0.48	\$5,521,469.79 \$-49,831.79		\$5,471,638.00 \$31,258.33	8.45%
	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
LOCKHEED MARTIN CORP B/E 03.550% 011526 DTD112315 FC071516 CALL@MW+20BP	A2/A-/A- NR/NR/NR	1,500,000	3.55%	01/15/2026	10/15/2025 100.00	53,250.00 3.58%	4.11% 4.11%	1.24	1,445,685.00 43,755.00	99.296	1,489,440.00 11,093.75	2.30%
BANK OF AMER CORP NTS 03.500% 041926 DTD041916 FC101916 B/E	A1/AA-/A- NR/NR/NR	1,650,000	3.50%	04/19/2026		57,750.00 3.53%	4.16% 4.16%	1.47	1,581,525.00 52,222.50	99.015	1,633,747.50 25,827.08	2.52%
PROLOGIS NTS B/E 03.250% 063026 DTD063022 FC123022 CALL@MW+30BP	A3/NR/A NR/NR/NR	1,250,000	3.25%	06/30/2026	03/30/2026 100.00	40,625.00 3.30%	4.11% 4.11%	1.66	1,183,125.00 48,787.50	98.553	1,231,912.50 10,156.25	1.90%

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

Report created on: October 25, 2024



Bond Holdings

as of September 30, 2024 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
ARCHER-DANIELS-MIDL& CO 02.500% 081126 DTD081116 FC021117 CALL@MW+15BP	A2/A/A- NR/NR/NR	1,500,000	2.50%	08/11/2026	05/11/2026 100.00	37,500.00 2.57%	4.04% 4.04%	1.79	1,425,765.00 33,105.00	97.258	1,458,870.00 5,104.17	2.25%
WALT DISNEY COMPANY/THE 03.375% 111526 DTD111519 CALL@MW+20BP	A2/A-/A- NR/NR/NR	1,350,000	3.38%	11/15/2026	08/15/2026 100.00	45,562.50 3.42%	4.00% 4.00%	2.00	1,278,828.00 54,054.00	98.732	1,332,882.00 17,085.94	2.06%
Total 2026		7,250,000	3.24%	06/14/2026		\$234,687.50 3.28%	4.09% 4.09%	1.62	\$6,914,928.00 \$231,924.00		\$7,146,852.00 \$69,267.19	11.04%
	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2027												
MORGAN STANLEY B/E 03.625% 012027 DTD012017 FC072017	A1/A+/A- NR/NR/NR	1,000,000	3.63%	01/20/2027	11/15/2026 100.00	36,250.00 3.66%	4.07% 4.07%	2.17	913,100.00 77,170.00	99.027	990,270.00 7,048.61	1.53%
IBM CORP B/E 03.300% 012727 DTD012717 FC072717 CALL@MW+15BP	A3/A-/A- NR/NR/NR	1,100,000	3.30%	01/27/2027		36,300.00 3.35%	4.02% 4.02%	2.20	1,060,532.00 21,901.00	98.403	1,082,433.00 6,352.50	1.67%
AMAZON.COM INC NTS B/E 03.300% 041327 DTD041322 FC101322 CALL@MW+10BP	A1/AA-/AA- NR/NR/NR	1,000,000	3.30%	04/13/2027	03/13/2027 100.00	33,000.00 3.34%	3.84% 3.84%	2.37	942,880.00 44,090.00	98.697	986,970.00 15,308.33	1.52%
QUALCOMM INC NTS B/E 03.250% 052027 DTD052617 FC112017 CALL @MW+20BP	A2/NR/A NR/NR/NR	1,000,000	3.25%	05/20/2027	02/20/2027 100.00	32,500.00 3.30%	3.90% 3.90%	2.47	967,941.00 15,979.00	98.392	983,920.00 11,736.11	1.52%
ELI LILLY & CO NTS B/E 04.150% 081427 DTD081424 FC021425 CALL@MW+07BP	A1/NR/A+ NR/NR/NR	1,500,000	4.15%	08/14/2027	07/14/2027 100.00	62,250.00 4.11%	3.81% 3.80%	2.59	1,505,919.22 7,730.78	100.910	1,513,650.00 7,954.17	2.34%
META PLATFORMS INC NTS 03.500% 081527 DTD080922 FC021523 CALL@MW+15BP	Aa3/NR/AA- NR/NR/NR	1,500,000	3.50%	08/15/2027	07/15/2027 100.00	52,500.00 3.53%	3.82% 3.82%	2.69	1,446,825.00 40,245.00	99.138	1,487,070.00 6,562.50	2.30%

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

Report created on: October 25, 2024



Bond Holdings

as of September 30, 2024 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2027												
CATERPILLAR FINL SERVICE 04.400% 101527 DTD081624 CALL@MW+10BP	A2/A+/A NR/NR/NR	1,200,000	4.40%	10/15/2027		52,800.00 4.34%	3.95% 3.95%	2.77	1,209,652.42 5,803.58	101.288	1,215,456.00 6,453.33	1.88%
PEPSICO INC NTS B/E 03.000% 101527 DTD101017 FC041518 CALL@MW+15BP	A1/WD/A+ NR/NR/NR	2,100,000	3.00%	10/15/2027	07/15/2027 100.00	63,000.00 3.07%	3.80% 3.80%	2.83	2,046,975.00 4,956.00	97.711	2,051,931.00 28,875.00	3.17%
BANK OF AMER CORP 03.248% 102127 DTD102116 FC042117 CALL@MW+25BP	A1/AA-/A- NR/NR/NR	2,000,000	3.25%	10/21/2027	10/21/2026 100.00	64,960.00 3.32%	4.05% 4.05%	2.83	1,891,000.00 63,480.00	97.724	1,954,480.00 28,690.67	3.02%
THERMO FISHER SCIENTIFIC 04.800% 112127 DTD112122 CALL@MW+15BP	A3/A-/A- NR/NR/NR	1,100,000	4.80%	11/21/2027	10/21/2027 100.00	52,800.00 4.68%	3.91% 3.89%	2.77	1,096,733.00 31,867.00	102.600	1,128,600.00 18,920.00	1.74%
AMAZON.COM INC NTS B/E 04.550% 120127 DTD120122 FC060123 CALL@MW+10BP	A1/AA-/AA NR/NR/NR	500,000	4.55%	12/01/2027	11/01/2027 100.00	22,750.00 4.46%	3.86% 3.84%	2.81	493,380.00 16,840.00	102.044	510,220.00 7,520.14	0.79%
Total 2027		14,000,000	3.65%	08/06/2027		\$509,110.00 3.66%	3.91% 3.91%	2.62	\$13,574,937.64 \$330,062.36		\$13,905,000.00 \$145,421.36	21.48%
	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2028												
ECOLAB INC NTS B/E 05.250% 011528 DTD111722 CALL@MW+15BP	A3/A-/A- NR/NR/NR	1,000,000	5.25%	01/15/2028	12/15/2027 100.00	52,500.00 5.05%	3.94% 3.91%	2.90	1,008,855.87 31,104.13	103.996	1,039,960.00 10,937.50	1.61%
BRISTOL-MYERS SQUIBB CO 03.900% 022028 DTD022020 FC082020 CALL@MW+20BP	A2/WD/A NR/NR/NR	2,000,000	3.90%	02/20/2028	11/20/2027 100.00	78,000.00 3.92%	4.02% 4.02%	3.13	1,938,170.00 54,150.00	99.616	1,992,320.00 8,666.67	3.08%

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Report created on: October 25, 2024



Bond Holdings

as of September 30, 2024 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2028												
KENVUE INC NTS B/E 05.050% 032228 DTD092223 FC032224 CALL@MW+15BP	A1/NR/A NR/NR/NR	500,000	5.05%	03/22/2028	02/22/2028 100.00	25,250.00 4.88%	3.98% 3.96%	3.09	499,325.00 17,815.00	103.428	517,140.00 561.11	0.80%
SALESFORCE.COM INC NTS 03.700% 041128 DTD041118 FC101118 CALL@MW+15BP	A1/NR/A+ NR/NR/NR	500,000	3.70%	04/11/2028	01/11/2028 100.00	18,500.00 3.72%	3.88% 3.88%	3.22	492,830.00 4,150.00	99.396	496,980.00 8,684.72	0.77%
GENERAL DYNAMICS CORP 03.750% 051528 DTD051118 FC111518 CALL@MW+15BP	A2/WD/A NR/NR/NR	500,000	3.75%	05/15/2028	02/15/2028 100.00	18,750.00 3.78%	3.97% 3.97%	3.30	489,845.00 6,490.00	99.267	496,335.00 7,031.25	0.77%
CME GROUP INC NTS B/E 03.750% 061528 DTD062118 FC121518 CALL@MW+15BP	Aa3/AA-/AA- NR/NR/NR	1,400,000	3.75%	06/15/2028	03/15/2028 100.00	52,500.00 3.77%	3.93% 3.93%	3.39	1,400,360.95 -8,984.95	99.384	1,391,376.00 15,312.50	2.15%
JPMORGAN CHASE & CO NTS 4.851% 072528 DTD072522 FC012523 CALL@MW+30BP	A1/AA-/A- NR/NR/NR	2,100,000	4.85%	07/25/2028	07/25/2027 100.00	101,871.00 4.77%	4.38% 4.23%	2.59	2,110,167.64 23,915.36	101.623	2,134,083.00 18,393.38	3.30%
ABBVIE INC B/E 04.250% 111428 DTD091818 FC051419 CALL@MW+25BP	A3/NR/A- NR/NR/NR	2,300,000	4.25%	11/14/2028	08/14/2028 100.00	97,750.00 4.21%	3.97% 3.96%	3.52	2,218,672.00 105,156.00	101.036	2,323,828.00 36,927.78	3.59%
Total 2028		10,300,000	4.33%	06/11/2028		\$445,121.00 4.28%	4.05% 4.02%	3.13	\$10,158,226.46 \$233,795.54		\$10,392,022.00 \$106,514.90	16.05%

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

Report created on: October 25, 2024



Bond Holdings

as of September 30, 2024 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2029												
PROCTER & GAMBLE CO/THE 04.350% 012929 DTD012924 FC072924 CALL@MW+5BP	Aa3/NR/AA- NR/NR/NR	1,025,000	4.35%	01/29/2029		44,587.50 4.25%	3.75% 3.75%	3.89	1,022,627.50 26,675.25	102.371	1,049,302.75 7,555.10	1.62%
LOCKHEED MARTIN CORP NTS 04.500% 021529 DTD012924 FC081524 CALL@MW+10BP	A2/A/A- NR/NR/NR	1,075,000	4.50%	02/15/2029	01/15/2029 100.00	48,375.00 4.42%	4.05% 4.04%	3.84	1,065,223.50 28,933.00	101.782	1,094,156.50 6,046.88	1.69%
WASTE MGMT INC NTS B/E 04.875% 021529 DTD080323 FC021524 CALL@MW+15BP	A3/A/A- NR/NR/NR	2,325,000	4.88%	02/15/2029	01/15/2029 100.00	113,343.75 4.72%	4.04% 4.03%	3.81	2,328,859.71 72,935.04	103.303	2,401,794.75 14,167.97	3.71%
CISCO SYSTEMS INC NTS 04.850% 022629 DTD022624 FC082624 CALL@MW+10BP	A1/NR/AA- NR/NR/NR	1,950,000	4.85%	02/26/2029	01/26/2029 100.00	94,575.00 4.69%	4.00% 3.99%	3.85	1,973,878.96 42,031.04	103.380	2,015,910.00 8,932.08	3.11%
HOME DEPOT INC NTS B/E 04.900% 041529 DTD120423 FC041524	A2/A/A NR/NR/NR	2,000,000	4.90%	04/15/2029	03/15/2029 100.00	98,000.00 4.73%	4.04% 4.03%	3.97	2,002,516.77 68,103.23	103.531	2,070,620.00 44,916.67	3.20%
UNITED HEALTH GROUP INC 04.000% 051529 DTD052022 FC111522 CALL@MW+20BP	A2/A/A+ NR/NR/NR	2,000,000	4.00%	05/15/2029	03/15/2029 100.00	80,000.00 4.01%	4.07% 4.07%	4.12	1,901,020.00 93,120.00	99.707	1,994,140.00 30,000.00	3.08%
COMCAST CORP NTS B/E 05.100% 060129 DTD052224 FC120124 CALL@MW+10BP	A3/A/A- NR/NR/NR	1,300,000	5.10%	06/01/2029	05/01/2029 100.00	66,300.00 4.90%	4.13% 4.11%	3.99	1,294,046.00 59,020.00	104.082	1,353,066.00 23,573.33	2.09%
APPLIED MATERIALS INC 04.800% 061529 DTD061124 FC121524 CALL@MW+10BP	A2/NR/A NR/NR/NR	2,300,000	4.80%	06/15/2029	05/15/2029 100.00	110,400.00 4.66%	4.08% 4.07%	4.05	2,310,603.22 59,362.78	103.042	2,369,966.00 33,426.67	3.66%
Total 2029		13,975,000	4.70%	04/07/2029		\$655,581.25 4.57%	4.03% 4.02%	3.95	\$13,898,775.66 \$450,180.34		\$14,348,956.00 \$168,618.70	22.17%

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

Report created on: October 25, 2024



Bond Holdings

as of September 30, 2024 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Total Bond Portfolio		64,525,000	3.68%	03/16/2027	N/A	\$2,366,387.25	4.13%	2.18	\$63,577,309.60	N/A	\$64,734,142.00	100%
						3.66%	4.12%		\$1,156,832.40		\$656,289.40	
											\$65,390,431.40	

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

Report created on: October 25, 2024



Additional Information About Your Portfolio
as of September 30, 2024

Benchmark Composition

Account EX XX120

Blended Index

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

Blended Index 2

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

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



Disclosures Applicable to Accounts at UBS Financial Services Inc.

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

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

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

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

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

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

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

Time-weighted Returns for accounts / SWP/AAP sleeves (Monthly periods): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cash flow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized. This applies to all performance for all assets before 09/30/2010, Advisory assets before 12/31/2010 and SWP sleeves before 04/30/2018.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

Concentrated Equity Solutions (CES) managers are not involved in the selection of the underlying stock positions. The Manager will advise only on the options selection in order to pursue the strategy in connection with the underlying stock position(s) deposited in the account. It is important to keep this in mind when evaluating the manager's performance since the account's performance will include the performance of the underlying equity position that is not being managed. CES use options to seek to achieve your investment objectives regarding your concentration stock position. Options strategies change the potential return profile of your stock. In certain scenarios, such as call writing, the call position will limit your ability to participate in any potential increase in the underlying equity position upon which the call was written. Therefore, in some market conditions, particularly during periods of significant appreciation of the underlying equity position(s), the CES account will decrease the performance that would have been achieved had the stock been held long without implementing the CES strategy.

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

UBS Financial Services account protection

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

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

Neither the SIPC protection nor the supplemental protection apply to:

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

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

Filtered by: Entry Date 07/01/2024 08/30/2024, Call/Redemption/Sold

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Cost	Amount
8/30/2024	8/30/2024	CALL REDEMPTION	JOHN DEERE CAPITAL CORP 06.825% 091224 DTD081021	791253	-1,485,893.00	REDEMPTION	1,485,893.00
8/20/2024	8/20/2024	CALL REDEMPTION	FFCB BOND 05.200 % DUE 110325	FQ8Q35	-1,300,000.00	REDEMPTION	1,300,000.00
8/1/2024	8/1/2024	CALL REDEMPTION	BB&T CORP NTS B/E 02.500% 080124 DTD072919	686MT3	-1,000,000.00	REDEMPTION	1,000,000.00
8/1/2024	8/1/2024	CALL REDEMPTION	FFCB BOND 05.540 % DUE 120126	FF76K5	-1,050,000.00	REDEMPTION	1,050,000.00
7/30/2024	7/30/2024	CALL REDEMPTION	US BANCORP NTS B/E 02.400% 073024 DTD072919	821HQ8	-2,000,000.00	REDEMPTION	2,000,000.00
9/5/2024	9/6/2024	SOLD	ESTEE LAUDER CO INC NTS 04.375% 051528 DTD051223 Trade#:33495 Blot:97	709DH4	-2,000,000.00	\$100.90	2,044,999.17
8/21/2024	8/22/2024	SOLD	INTEL CORP NTS B/E 04.875% 021028 DTD021023 Trade#:26514 Blot:97	7386H9	-1,200,000.00	\$100.29	1,205,370.00
7/15/2024	7/16/2024	SOLD	TRUIST BANK NTS B/E 02.150% 120624 DTD120619 Trade#:04385 Blot:97	690PB4	-2,000,000.00	\$98.61	1,976,957.78
7/9/2024	7/10/2024	SOLD	UNION PAC CORP NTS B/E 03.750% 071525 DTD060818 Trade#:22537 Blot:97	8818C0	-2,000,000.00	\$98.48	2,008,056.33
7/9/2024	7/10/2024	SOLD	PNC BK B/E 09.250% 060125 DTD060115 Trade#:22989 Blot:97	8158Z6	-300,000.00	\$98.00	295,056.25

Filtered by: Entry Date 07/01/2024 08/30/2024, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Cost	Amount
8/30/2024	8/30/2024	BOUGHT	CSX GROUP INC NTS B/E 03.750% 061528 DTD062118 Trade#:06445 Blot:97	772166	1,400,000.00	\$100.59	-1,413,790.07
9/5/2024	9/6/2024	BOUGHT	PEPSICO INC NTS B/E 03.000% 101527 DTD101017 Trade#:35122 Blot:97	818ED2	2,100,000.00	\$97.48	-2,071,650.00
8/21/2024	8/22/2024	BOUGHT	ELI LILLY & CO NTS B/E 04.150% 081427 DTD081424 Trade#:26117 Blot:97	753998	1,500,000.00	\$100.41	-1,507,503.33
8/21/2024	8/22/2024	BOUGHT	CATERPILLAR FINL SERVICE 04.400% 101527 DTD081624 Trade#:26879 Blot:97	6955M8	1,200,000.00	\$100.83	-1,210,840.00
8/9/2024	8/12/2024	BOUGHT	JPMORGAN CHASE & CO NTS 4.851% 072528 DTD072522 Trade#:50729 Blot:97	705PQ1	2,100,000.00	\$100.50	-2,115,310.58
8/8/2024	8/9/2024	BOUGHT	QUALCOMM INC NTS B/E 03.250% 052027 DTD052617 Trade#:32484 Blot:97	837253	150,000.00	\$97.10	-146,722.79
8/7/2024	8/8/2024	BOUGHT	QUALCOMM INC NTS B/E 03.250% 052027 DTD052617 Trade#:27036 Blot:97	837253	500,000.00	\$97.16	-489,325.83
8/7/2024	8/8/2024	BOUGHT	GENERAL DYNAMICS CORP 03.750% 051528 DTD051118 Trade#:26342 Blot:97	753HD0	500,000.00	\$97.97	-494,167.92
8/5/2024	8/6/2024	BOUGHT	SALESFORCE.COM INC NTS 03.700% 041128 DTD041118 Trade#:01955 Blot:97	846473	500,000.00	\$98.57	-498,739.72
8/5/2024	8/6/2024	BOUGHT	ESTEE LAUDER CO INC NTS 04.375% 051528 DTD051223 Trade#:01889 Blot:97	709DH4	500,000.00	\$100.38	-508,796.88
7/16/2024	7/17/2024	BOUGHT	CISCO SYSTEMS INC NTS 04.850% 022629 DTD022624 Trade#:12443 Blot:97	621MG1	1,950,000.00	\$101.28	-2,011,904.38
7/10/2024	7/11/2024	BOUGHT	APPLIED MATERIALS INC 04.800% 061529 DTD061124 Trade#:22176 Blot:97	608EB1	2,300,000.00	\$100.48	-2,320,240.00

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

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

The information is based upon the market value of your account(s) as of the close of business on September 30, 2024, is subject to daily market fluctuation and in some cases may be rounded for convenience. Your UBS account statements and trade confirmation are the official records of your accounts at UBS. We assign index benchmarks to our asset allocations, strategies in our separately managed accounts and discretionary programs based on our understanding of the allocation, strategy, the investment style and our research. The benchmarks included in this report can differ from those assigned through our research process. As a result, you may find that the performance comparisons may differ, sometimes significantly, from that presented in performance reports and other materials that are prepared and delivered centrally by the Firm. Depending upon the composition of your portfolio and your investment objectives, the indexes used in this report may not be an appropriate measure for comparison purposes, and as such, are represented for illustration only. Your portfolio holdings and performance may vary significantly from the index. Your financial advisor can provide additional information about how benchmarks within this report were selected. You have discussed the receipt of this individually customized report with your Financial Advisor and understood that it is being provided for informational purposes only. If you would like to revoke such consent, and no longer receive this report, please notify your Financial Advisor and/or Branch Manager.



Wells Fargo Bank, N.A.
333 S GRAND AVE
LOS ANGELES CA 90071

JONATHAN CHUANG
1-213-253-6202

Bank Account Statement
Wells Fargo Bank, N.A.

Page 1 of 8
Statement Period
09/01/2024 - 09/30/2024

KERN HEALTH SYSTEMS
2900 BUCK OWENS BOULEVARD

Account Number
[REDACTED]

Account Value Summary USD

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

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	71,425,862.00	127,523,253.59	23%
Bonds	447,539,652.82	421,296,886.44	77%
Stocks	0.00	0.00	0%
Total Account Value	\$ 518,965,514.82	\$ 548,820,140.03	100%
Value Change Since Last Statement Period		\$ 29,854,625.21	
Percent Increase Since Last Statement Period		6%	
Value Last Year-End		\$ 409,049,809.76	
Percent Increase Since Last Year-End		34%	

Income Summary USD

	This Period	Year-To-Date
Interest	\$ 1,501,280.38	\$ 9,929,745.34
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	303,419.21	4,459,247.35
Other	0.00	0.00
Income Total	\$ 1,804,699.59	\$ 14,388,992.69

Interest Charged USD

Description	This Period
Debit Interest For September 2024	0.00
Total Interest Charged	\$ 0.00

Money Market Mutual Funds Summary USD

Description	Amount
Opening Balance	\$ 71,425,862.00
Deposits and Other Additions	387,307,027.23
Distributions and Other Subtractions	(331,513,054.85)
Dividends Reinvested	303,419.21
Change in Value	0.00
Closing Balance	\$ 127,523,253.59

Important Information

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

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

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

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

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

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

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

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

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

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

The Bank's financial statements are available upon request.

KERN HEALTH SYSTEMS

Account Number: [REDACTED]

Statement Ending: September 30, 2024

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

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds USD								
912797LK1	UNITED STATES TREASURY BILL	10/01/24	0.000%	50,000,000.000	100.0000	50,000,000.00		
912797LS4	UNITED STATES TREASURY BILL	10/08/24	0.000%	50,000,000.000	99.9090	49,954,488.00		
912797LT2	UNITED STATES TREASURY BILL	10/15/24	0.000%	50,000,000.000	99.8165	49,908,261.00		
912797LV7	UNITED STATES TREASURY BILL	10/29/24	0.000%	110,000,000.000	99.6315	109,594,680.80		
3134GYP63	FREDDIE MAC	01/13/25	5.000%	5,000,000.000	100.0134	5,000,669.50		Y
3135GAH20	FANNIE MAE	01/27/25	5.250%	5,000,000.000	99.9195	4,995,976.95		Y
3130AUR22	FEDERAL HOME LOAN BANK	02/10/25	5.020%	5,000,000.000	99.9295	4,996,473.70		Y
3134GXS88	FREDDIE MAC	02/28/25	4.000%	5,000,000.000	99.7565	4,987,822.55		Y
3134GYSG8	FREDDIE MAC	05/22/25	5.050%	5,000,000.000	100.0031	5,000,152.75		Y
3135GALS8	FANNIE MAE	01/12/26	5.350%	10,000,000.000	100.0452	10,004,519.20		Y
3130B2SM8	FEDERAL HOME LOAN BANK	03/19/26	4.700%	5,000,000.000	99.9964	4,999,820.65		Y
3130B23J2	FEDERAL HOME LOAN BANK	04/30/26	5.300%	5,000,000.000	99.8830	4,994,148.00		Y
3134GYS94	FREDDIE MAC	05/15/26	5.000%	5,000,000.000	99.8979	4,994,894.80		Y
3130AXVD7	FEDERAL HOME LOAN BANK	11/20/26	5.400%	5,000,000.000	100.0296	5,001,480.80		Y
3135GAQE4	FANNIE MAE	03/19/27	5.200%	5,000,000.000	100.2085	5,010,426.90		Y
3133ERMV0	FEDERAL FARM CREDIT BANK	04/30/27	5.180%	5,000,000.000	100.0011	5,000,054.45		Y
3130B1R90	FEDERAL HOME LOAN BANK	07/02/27	5.400%	5,000,000.000	100.2319	5,011,592.60		Y
3134H17M9	FREDDIE MAC	07/21/27	5.400%	5,000,000.000	100.0233	5,001,163.45		Y
3130B2TV7	FEDERAL HOME LOAN BANK	09/10/27	5.000%	5,000,000.000	99.9908	4,999,538.65		Y
3133ERHV6	FEDERAL FARM CREDIT BANK	09/24/27	5.430%	5,000,000.000	100.1635	5,008,173.50		Y
3130AXVH8	FEDERAL HOME LOAN BANK	11/22/27	5.500%	5,000,000.000	100.0663	5,003,317.25		Y
3135GAP88	FANNIE MAE	12/30/27	5.375%	9,197,000.000	100.1017	9,206,355.37		Y
3134H16G3	FREDDIE MAC	01/25/28	5.550%	5,000,000.000	99.9799	4,998,994.80		Y
3134H1FS7	FREDDIE MAC	04/17/28	6.000%	3,000,000.000	100.0575	3,001,724.97		Y
3133ERSD4	FEDERAL FARM CREDIT BANK	09/06/28	4.930%	5,000,000.000	100.2020	5,010,099.95		Y
3134H1KW2	FREDDIE MAC	12/04/28	5.550%	5,000,000.000	100.1765	5,008,823.65		Y
3130B0N47	FEDERAL HOME LOAN BANK	03/26/29	5.000%	5,000,000.000	101.2609	5,063,045.95		Y
3133EP6X8	FEDERAL FARM CREDIT BANK	04/02/29	5.370%	5,000,000.000	100.1042	5,005,209.90		Y
3134H1G56	FREDDIE MAC	04/17/29	5.500%	4,500,000.000	100.7001	4,531,502.70		Y
3135GASM4	FANNIE MAE	05/15/29	5.750%	10,000,000.000	99.9310	9,993,095.50		Y
3134H17F4	FREDDIE MAC	07/17/29	5.500%	5,000,000.000	100.1356	5,006,779.20		Y
3130B2BA2	FEDERAL HOME LOAN BANK	08/20/29	5.050%	5,000,000.000	100.1237	5,006,185.85		Y

KERN HEALTH SYSTEMSAccount Number: 

Statement Ending: September 30, 2024

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

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds USD								
3130B2UD5	FEDERAL HOME LOAN BANK	09/10/29	5.010%	5,000,000.000	99.9088	4,995,438.30		Y
3130B2KZ7	FEDERAL HOME LOAN BANK	09/11/29	5.000%	5,000,000.000	100.0395	5,001,974.80		Y
				421,697,000.000		421,296,886.44	0.00	

*See important information regarding security pricing on Page 2.

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

Daily Account Activity*Your investment transactions during this statement period.*

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Transaction Activity USD									
09/03/24	09/04/24	Security Receipt	3133ERMV0	FEDERAL FARM CREDIT BANK	5,000,000.00	100.1150000	(5,005,750.00)	(24,461.11)	(5,030,211.11)
09/03/24	09/06/24	Security Receipt	3133ERSD4	FEDERAL FARM CREDIT BANK	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
08/29/24	09/11/24	Security Receipt	3130B2KZ7	FEDERAL HOME LOAN BANK	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
09/11/24	09/12/24	Security Receipt	912797LK1	UNITED STATES TREASURY BILL	50,000,000.00	99.7403330	(49,870,166.50)	0.00	(49,870,166.50)
09/16/24	09/17/24	Security Receipt	912797LS4	UNITED STATES TREASURY BILL	50,000,000.00	99.7170830	(49,858,541.50)	0.00	(49,858,541.50)
09/18/24	09/19/24	Security Receipt	3130B2SM8	FEDERAL HOME LOAN BANK	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
09/19/24	09/20/24	Security Receipt	3130AUR22	FEDERAL HOME LOAN BANK	5,000,000.00	100.0100000	(5,000,500.00)	(27,888.89)	(5,028,388.89)
09/19/24	09/23/24	Security Receipt	3130B2TV7	FEDERAL HOME LOAN BANK	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
09/19/24	09/24/24	Security Receipt	3130B2UD5	FEDERAL HOME LOAN BANK	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
09/27/24	09/30/24	Security Receipt	912797LT2	UNITED STATES TREASURY BILL	50,000,000.00	99.8100000	(49,905,000.00)	0.00	(49,905,000.00)
09/25/24	10/01/24	Security Receipt	3133ERVL2	FEDERAL FARM CREDIT BANK	10,000,000.00	100.0000000	(10,000,000.00)	0.00	(10,000,000.00)

Income / Payment Activity USD

09/06/24	09/06/24	Matured	191216CL2	COCA COLA CO			3,000,000.00		3,000,000.00
09/06/24	09/06/24	Matured	191216CL2	COCA COLA CO	(3,000,000.00)				
09/06/24	09/06/24	Interest	191216CL2	COCA COLA CO				26,250.00	26,250.00
09/10/24	09/10/24	Matured	912797LG0	UNITED STATES TREASURY BILL			50,000,000.00		50,000,000.00
09/10/24	09/10/24	Matured	912797LG0	UNITED STATES TREASURY BILL	(50,000,000.00)				
09/11/24	09/11/24	Matured	3130AX5H7	FEDERAL HOME LOAN BANK			5,000,000.00		5,000,000.00
09/11/24	09/11/24	Matured	3130AX5H7	FEDERAL HOME LOAN BANK	(5,000,000.00)				
09/11/24	09/11/24	Interest	3130AX5H7	FEDERAL HOME LOAN BANK				137,500.00	137,500.00
09/16/24	09/16/24	Matured	3130AY2W5	FEDERAL HOME LOAN BANK			5,000,000.00		5,000,000.00

KERN HEALTH SYSTEMS

Account Number: [REDACTED]

Statement Ending: September 30, 2024**Daily Account Activity (Continued)***Your investment transactions during this statement period.*

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Income / Payment Activity USD									
09/16/24	09/16/24	Matured	3130AY2W5	FEDERAL HOME LOAN BANK	(5,000,000.00)				
09/16/24	09/16/24	Interest	3130AY2W5	FEDERAL HOME LOAN BANK				70,000.00	70,000.00
09/16/24	09/16/24	Matured	641062AU8	NESTLE HOLDINGS INC			2,105,000.00		2,105,000.00
09/16/24	09/16/24	Matured	641062AU8	NESTLE HOLDINGS INC	(2,105,000.00)				
09/16/24	09/16/24	Interest	641062AU8	NESTLE HOLDINGS INC				6,378.15	6,378.15
09/17/24	09/17/24	Matured	912797LH8	UNITED STATES TREASURY BILL			50,000,000.00		50,000,000.00
09/17/24	09/17/24	Matured	912797LH8	UNITED STATES TREASURY BILL	(50,000,000.00)				
09/18/24	09/18/24	Matured	3130AY2Q8	FEDERAL HOME LOAN BANK			5,000,000.00		5,000,000.00
09/18/24	09/18/24	Matured	3130AY2Q8	FEDERAL HOME LOAN BANK	(5,000,000.00)				
09/18/24	09/18/24	Interest	3130AY2Q8	FEDERAL HOME LOAN BANK				65,625.00	65,625.00
09/19/24	09/19/24	Interest	3135GAQE4	FANNIE MAE				130,000.00	130,000.00
09/20/24	09/20/24	Matured	3130B1L39	FEDERAL HOME LOAN BANK			5,000,000.00		5,000,000.00
09/20/24	09/20/24	Matured	3130B1L39	FEDERAL HOME LOAN BANK	(5,000,000.00)				
09/20/24	09/20/24	Interest	3130B1L39	FEDERAL HOME LOAN BANK				71,875.00	71,875.00
09/23/24	09/23/24	Matured	3130AXXB9	FEDERAL HOME LOAN BANK			5,000,000.00		5,000,000.00
09/23/24	09/23/24	Matured	3130AXXB9	FEDERAL HOME LOAN BANK	(5,000,000.00)				
09/23/24	09/23/24	Interest	3130AXXB9	FEDERAL HOME LOAN BANK				71,250.00	71,250.00
09/24/24	09/24/24	Interest	3133ERHV6	FEDERAL FARM CREDIT BANK				67,875.00	67,875.00
09/24/24	09/24/24	Matured	912797LJ4	UNITED STATES TREASURY BILL			50,000,000.00		50,000,000.00
09/24/24	09/24/24	Matured	912797LJ4	UNITED STATES TREASURY BILL	(50,000,000.00)				
09/25/24	09/25/24	Matured	3134H1CK7	FREDDIE MAC			5,000,000.00		5,000,000.00
09/25/24	09/25/24	Matured	3134H1CK7	FREDDIE MAC	(5,000,000.00)				
09/25/24	09/25/24	Interest	3134H1CK7	FREDDIE MAC				126,250.00	126,250.00
09/26/24	09/26/24	Matured	3130B0E62	FEDERAL HOME LOAN BANK			10,000,000.00		10,000,000.00
09/26/24	09/26/24	Matured	3130B0E62	FEDERAL HOME LOAN BANK	(10,000,000.00)				
09/26/24	09/26/24	Interest	3130B0E62	FEDERAL HOME LOAN BANK				277,500.00	277,500.00
09/26/24	09/26/24	Interest	3130B0N47	FEDERAL HOME LOAN BANK				124,305.56	124,305.56
09/26/24	09/26/24	Matured	3134H1X81	FREDDIE MAC			5,880,000.00		5,880,000.00
09/26/24	09/26/24	Matured	3134H1X81	FREDDIE MAC	(5,880,000.00)				
09/26/24	09/26/24	Interest	3134H1X81	FREDDIE MAC				83,055.00	83,055.00
09/27/24	09/27/24	Matured	3130B0MQ9	FEDERAL HOME LOAN BANK			5,000,000.00		5,000,000.00
09/27/24	09/27/24	Matured	3130B0MQ9	FEDERAL HOME LOAN BANK	(5,000,000.00)				
09/27/24	09/27/24	Interest	3130B0MQ9	FEDERAL HOME LOAN BANK				135,000.00	135,000.00
09/30/24	09/30/24	Matured	771196BE1	ROCHE HOLDINGS INC			1,000,000.00		1,000,000.00
09/30/24	09/30/24	Matured	771196BE1	ROCHE HOLDINGS INC	(1,000,000.00)				
09/30/24	09/30/24	Interest	771196BE1	ROCHE HOLDINGS INC				16,750.00	16,750.00
09/30/24	09/30/24	Matured	3130B1CT2	FEDERAL HOME LOAN BANK			5,000,000.00		5,000,000.00

Statement Ending: September 30, 2024

KERN HEALTH SYSTEMS

Account Number: ██████████

Daily Account Activity (Continued)

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
Income / Payment Activity USD									
09/30/24	09/30/24	Matured	3130B1CT2	FEDERAL HOME LOAN BANK	(5,000,000.00)				
09/30/24	09/30/24	Interest	3130B1CT2	FEDERAL HOME LOAN BANK				91,666.67	91,666.67

Cash Activity USD

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
09/04/24	09/04/24	ACH/DDA Transaction	DESIGNATED DDA	31,000,000.00	
09/12/24	09/12/24	ACH/DDA Transaction	DESIGNATED DDA		75,000,000.00
09/12/24	09/12/24	ACH/DDA Transaction	DESIGNATED DDA		75,000,000.00
09/17/24	09/17/24	ACH/DDA Transaction	DESIGNATED DDA	36,000,000.00	
09/24/24	09/24/24	ACH/DDA Transaction	DESIGNATED DDA	46,000,000.00	
09/27/24	09/27/24	ACH/DDA Transaction	DESIGNATED DDA	10,000,000.00	

Money Market Fund Activity

Morgan Stan TreasSvc 8314

*As of September 30, 2024

USD

Dividend paid
this period7 day*
simple yield30 day*
simple yield

276.22

4.710%

4.910%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	64,198.04		64,198.04000
09/03/24	Reinvest	276.22000			276.22	64,474.26000
	Ending Balance		1.0000	64,474.26		64,474.26000

Goldman FS Tr Ob Ins 468

*As of September 30, 2024

USD

Dividend paid
this period7 day*
simple yield30 day*
simple yield

256,740.65

4.730%

4.980%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	60,689,972.48		60,689,972.48000
09/03/24	Purchase	31,000,000.00000		31,000,000.00		91,689,972.48000
09/03/24	Redemption	(31,000,000.00000)		(31,000,000.00)		60,689,972.48000
09/03/24	Reinvest	256,740.65000			256,740.65	60,946,713.13000
09/04/24	Redemption	(5,030,211.11000)		(5,030,211.11)		55,916,502.02000

KERN HEALTH SYSTEMS

Account Number: **██████████**

Statement Ending: September 30, 2024

Money Market Fund Activity (Continued)

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
09/04/24	Redemption	(31,000,000.00000)		(31,000,000.00)		24,916,502.02000
09/06/24	Redemption	(5,000,000.00000)		(5,000,000.00)		19,916,502.02000
09/06/24	Purchase	26,250.00000		26,250.00		19,942,752.02000
09/09/24	Purchase	3,000,000.00000		3,000,000.00		22,942,752.02000
09/10/24	Purchase	50,000,000.00000		50,000,000.00		72,942,752.02000
09/11/24	Purchase	137,500.00000		137,500.00		73,080,252.02000
09/12/24	Redemption	(49,870,166.50000)		(49,870,166.50)		23,210,085.52000
09/12/24	Purchase	75,000,000.00000		75,000,000.00		98,210,085.52000
09/16/24	Purchase	5,070,000.00000		5,070,000.00		103,280,085.52000
09/17/24	Redemption	(47,747,163.35000)		(47,747,163.35)		55,532,922.17000
09/17/24	Purchase	50,000,000.00000		50,000,000.00		105,532,922.17000
09/18/24	Purchase	5,065,625.00000		5,065,625.00		110,598,547.17000
09/19/24	Redemption	(5,000,000.00000)		(5,000,000.00)		105,598,547.17000
09/19/24	Purchase	130,000.00000		130,000.00		105,728,547.17000
09/20/24	Redemption	(5,028,388.89000)		(5,028,388.89)		100,700,158.28000
09/20/24	Purchase	5,071,875.00000		5,071,875.00		105,772,033.28000
09/23/24	Redemption	(5,000,000.00000)		(5,000,000.00)		100,772,033.28000
09/23/24	Purchase	5,071,250.00000		5,071,250.00		105,843,283.28000
09/24/24	Redemption	(4,932,125.00000)		(4,932,125.00)		100,911,158.28000
09/24/24	Purchase	50,000,000.00000		50,000,000.00		150,911,158.28000
09/24/24	Redemption	(46,000,000.00000)		(46,000,000.00)		104,911,158.28000
09/25/24	Purchase	5,126,250.00000		5,126,250.00		110,037,408.28000
09/26/24	Purchase	16,364,860.56000		16,364,860.56		126,402,268.84000
09/27/24	Purchase	5,135,000.00000		5,135,000.00		131,537,268.84000
09/27/24	Redemption	(10,000,000.00000)		(10,000,000.00)		121,537,268.84000
09/30/24	Redemption	(49,905,000.00000)		(49,905,000.00)		71,632,268.84000
09/30/24	Purchase	5,091,666.67000		5,091,666.67		76,723,935.51000
09/30/24	Purchase	1,016,750.00000		1,016,750.00		77,740,685.51000
Ending Balance			1.0000	77,740,685.51		77,740,685.51000
JPMorgan UST Plus Inst 3918			Dividend paid this period	7 day* simple yield	30 day* simple yield	
*As of September 30, 2024						
USD			46,402.34	4.770%	4.970%	
Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
Beginning Balance			1.0000	10,671,691.48		10,671,691.48000

KERN HEALTH SYSTEMS

Account Number: **[REDACTED]**

Statement Ending: **September 30, 2024**

Money Market Fund Activity (Continued)

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
09/03/24	Reinvest	46,402.34000				10,718,093.82000
09/12/24	Purchase	75,000,000.00000		75,000,000.00	46,402.34	85,718,093.82000
09/17/24	Redemption	(36,000,000.00000)		(36,000,000.00)		49,718,093.82000
	Ending Balance		1.0000	49,718,093.82		49,718,093.82000



PMIA/LAIF Performance Report
as of 11/06/24



Quarterly Performance
Quarter Ended 09/30/24

LAIF Apportionment Rate ⁽²⁾ :	4.71
LAIF Earnings Ratio ⁽²⁾ :	0.00012912073474208
LAIF Administrative Cost ^{(1)*} :	0.26
LAIF Fair Value Factor ⁽¹⁾ :	1.002061084
PMIA Daily ⁽¹⁾ :	4.58
PMIA Quarter to Date ⁽¹⁾ :	4.56
PMIA Average Life ⁽¹⁾ :	231

PMIA Average Monthly
Effective Yields⁽¹⁾

October	4.518
September	4.575
August	4.579
July	4.516
June	4.480
May	4.332

Pooled Money Investment Account
Monthly Portfolio Composition ⁽¹⁾
9/30/24
\$161.6 billion

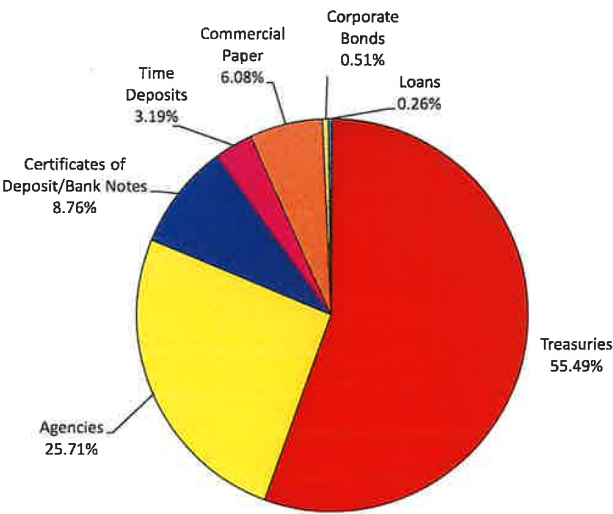


Chart does not include \$1,343,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

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

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

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

Source:
⁽¹⁾ State of California, Office of the Treasurer
⁽²⁾ State of California, Office of the Controller



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Robert Landis, Chief Financial Officer
SUBJECT: Annual Renewal of the Reinsurance Policy
DATE: December 19, 2024

Background

Kern Health Systems (“KHS”) has purchased a reinsurance policy to mitigate the costs of catastrophic cases since the plan’s inception. The KHS population has changed significantly over the last several years with SPD and Long-Term Care members incurring high medical costs. Additionally, KHS will continue to be at partial risk for major organ transplants. This may pose an increase in catastrophic claims in 2025 along with the unknown longer term medical expenses relating to Covid-19.

Discussion

Over the past several years, Arthur J. Gallagher (“Gallagher”) has served as the broker of record for the design, marketing, and placement of reinsurance. For the 2025 reinsurance renewal, KHS was also contacted by a broker at Risk Strategies to review the current reinsurance program, risk profile and potential reinsurance market opportunities. Risk Strategies is also the broker for 6 other Medi-Cal health plans.

The past reinsurance coverage for KHS has been structured to just include Inpatient Care. KHS has a relatively low deductible of \$350,000 per member per year plus an aggregate policy deductible. The policy also has limits for Inpatient care of \$2,000 per day for facilities in Kern County and \$6,000 per day for facilities outside of Kern County. These are referred to as Average Daily Maximum (ADM) limits. These limits have been significant in helping keep the reinsurance premiums low and as long as KHS can manage the cost of care within these limits, it works well for KHS.

Recently, KHS has been experiencing high costs for rather short lengths of stay. As such, the average cost per day KHS is experiencing is much higher than the ADM limits in our policy, leaving KHS exposed to the amounts above the ADM limits. Management asked both brokers to evaluate the impact of removing the ADM limits from the reinsurance policy and increasing the deductible.

Both reinsurance brokers evaluated the following items for more comprehensive reinsurance coverage:

- **Covered Services:** All services covered, rather than just Inpatient.
- **Deductible Level Points:** Optimizing deductibles and reviewing average daily maximum amounts relative to evaluated risk.

Both reinsurance brokerage firms also performed the following analysis for KHS:

1. Analyzed 3 years of KHS claims data.
2. Advised KHS on their findings relative to the optimal structure.
3. Engaged with select reinsurance markets for the purpose of 2025 quote indications at the requested structures.
4. Presented comprehensive findings to KHS relative to risk profile, reinsurance market opportunities and implied financial value of quotes recasting prior years claims.

After significant analysis, it was determined that increasing the deductible level to \$750,000 and removing the ADM limits was worth exploring. Management believes that increasing the deductible from \$350,000 to \$750,000 will provide more stability and predictability than the risk of KHS maintaining the current coverage with the ADM limits. Additionally, Management understands that this higher deductible coverage without ADM's is very comparable to the type of coverage that most of our peer's purchase.

Fiscal Impact

Over the last 3 completed years, KHS reinsurance recoveries have been greater than the reinsurance premium payments. For the policy years 2021, 2022, and 2023, KHS recovered approximately \$4.5 million in net reinsurance claims while paying reinsurance premiums of approximately \$2.8 million. These 3 years represent an 160% ratio of recoveries to expense.

Based on information through November 2024, KHS has requested approximately \$2,921,425 in recoveries (which has been applied towards the annual aggregate deductible of \$960,974) against approximately \$1,345,363 in premiums paid. This represents an overall cumulative 146% loss ratio for this period and an overall cumulative loss ratio of 155% for years 2021 through 2024. We have until December 31, 2025 to turn in claims for the 2024 policy period.

The current 2024 Reinsurance Policy is with IOA Re (AM Best Rating A - Excellent Financial Rating; Financial Size Category X) and has a deductible of \$350,000, a blended rate of \$.28 pmpm and an aggregate deductible of \$.20 pmpm with an estimated total exposure of \$2,306,337. (This is comprised of \$1,345,363 for premiums and \$960,974 for the aggregate deductible).

Best quote options from Gallagher:

For reinsurance coverage similar to last year, (just inpatient services) IOA Re (AM Best rating A+ Superior Financial Size Category X) is quoting a \$350,000 deductible, a blended rate of \$.47 pmpm and an aggregate deductible of \$.35 pmpm with an estimated total exposure of \$3,941,786. This is comprised of \$2,259,316 for paid premium and \$1,682,470 for the aggregate deductible. The 2025 rates include coverage for transplants and transplant evaluation outpatient services which was added in the 2023 policy.

For reinsurance coverage offering both Inpatient **and** Outpatient facility covered services, IOA Re declined to provide a firm quote.

Best quote options from Risk Strategies:

For reinsurance coverage similar to last year, (just inpatient services) Chatham (AM Best rating A (Excellent) Financial Size Category XV) is quoting a \$350,000 deductible, a blended rate of \$.33 pmpm and an aggregate deductible of \$.23 pmpm with an estimated total exposure of \$2,565,764. This is comprised of \$1,511,968 for paid premium and \$1,053,796 for the aggregate deductible. The 2025 rates include coverage for transplants and transplant evaluation outpatient services.

For reinsurance coverage offering both Inpatient **and** Outpatient facility covered services, Odyssey (AM Best rating A+ Superior Financial Size Category XV) is quoting a \$750,000 deductible, a blended rate of \$.71 pmpm and an aggregate deductible of \$.45 pmpm with an estimated total exposure of \$5,314,795. This is comprised of \$3,253,021 for paid premium and \$2,061,774 for the aggregate deductible. The 2025 rates include coverage for transplants and transplant evaluation outpatient services performed at a facility.

Risk Assessment

Management is recommending removing the ADM limits and increasing the deductible to 750,000, so that all covered services above \$750,000 are covered at 100% of the KHS paid amounts. The below analysis indicates that this structure provides the best expected outcome, or the lowest net cost and will help protect KHS from high-cost claims.

ASD and ADMs (Expiring Coverage)				
Member Months	4,581,720			
Carrier	Chatham		Chatham	
Retention	\$350,000		\$400,000	
Pay Rate	\$0.33	\$1,511,968	\$0.25	\$1,145,430
AggregatingSpec Factor	\$0.23	\$1,053,796	\$0.17	\$778,892
Projected Claim Cost pmpm	\$0.69	\$3,161,387	\$0.55	\$2,519,946
Total Cost	(\$0.13)	(\$595,624)	(\$0.13)	(\$595,624)
Expected Loss Ratio	123%		131%	

ASD no ADMs		
Member Months	4,581,720	
Carrier	Odyssey	
Retention	\$750,000	
Pay Rate	\$0.71	\$3,253,021
AggregatingSpec Factor	\$0.45	\$2,061,774
Projected Claim Cost pmpm	\$2.00	\$9,163,440
Total Cost	(\$0.84)	(\$3,848,645)
Expected Loss Ratio	172%	

* Projected Claim Costs are based on the average of KHS' 2022, 2023, and 2024 claims, and each claim year is trended forward at 3% per year.

Management believes that binding reinsurance coverage is warranted for 2025 and is recommending the blended premium rate from Odyssey Re of \$.71 pmpm and the aggregate corridor deductible of \$.45 pmpm with an estimated total exposure of \$5,314,795. This is comprised of \$3,253,021 for paid premiums and \$2,061,774 for the aggregate corridor deductible.

Representatives from Risk Strategies will be available to discuss the attached presentation and answer questions.

The 2025 budget includes estimated reinsurance premium payments of \$3,300,000.

Requested Action

Select Odyssey Re to provide reinsurance coverage for calendar year 2025 for an estimated annual premium amount of \$3,300,000.

Approve; Authorize Chief Executive Officer to Sign.



KERN HEALTH
SYSTEMS

2025 Reinsurance Marketing Results

Effective: January 1, 2025

Risk Strategies At-A-Glance

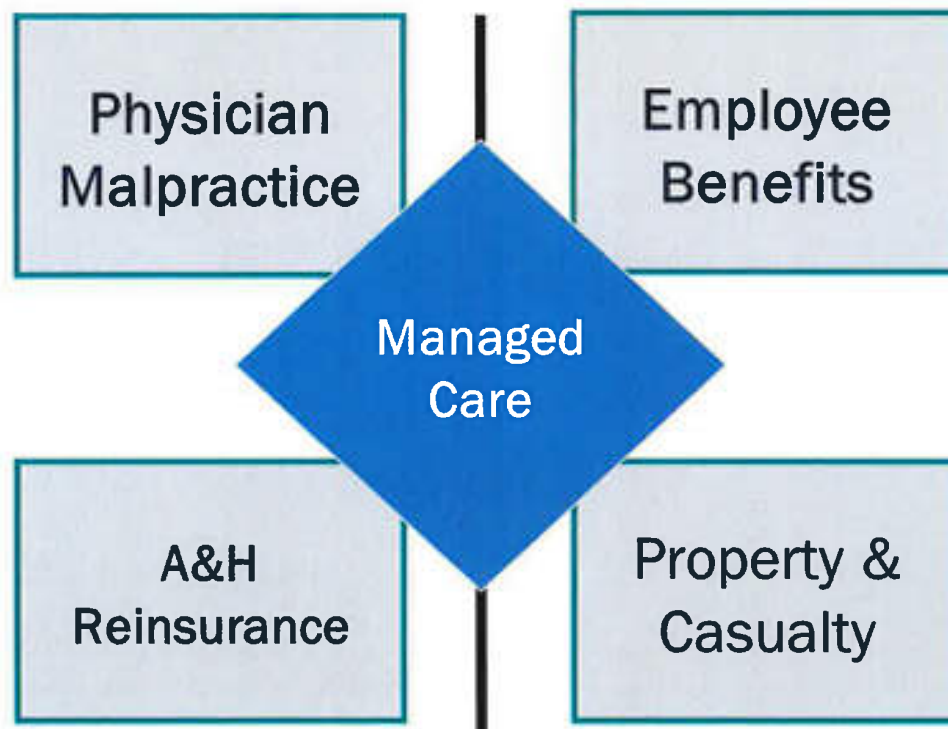


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National Health Care Practice

Risk Strategies is a privately held, top 15 national insurance brokerage and consulting firm with an industry leading National Health Care Practice

Our 90+ dedicated team members deliver customized solutions to address the challenges of the health care industry



Our Team

- Largest Managed Care Broker in the Country. 160+ Clients, \$700 Million in Reinsurance premium. Over 70 Health Plan clients across the country, 3 of the 5 largest Health Systems are clients.
- *Unparalleled health risk expertise*, market leadership, and innovation are the cornerstones of what *separates Risk Strategies* from the rest of the industry.
- With 46 team members directly involved in medical reinsurance, we are by far *the dominant player in the industry*.
- The size and scope of our team allows us to *dedicate Six team members* to the Kern account.
- Team members have an average *25+ years* in the insurance industry
- Backgrounds includes broking, underwriting, claims coding, analytics, A&H actuarial, and provider contracting
- We stay apprised of changes in health care, engage with outside experts and government agencies, and work with re/insurers to *create solutions where none exist*.



Our Clients Include:



Health Plans/Managed Care Organizations/Insurance Companies

Hospitals/Integrated Delivery Systems, Physician Groups and IPA's

Accountable Care Organizations (ACOs) including MSSPs and Direct Contracting Entities (DCEs/ACO Reach)

Healthcare Captives

Third Party Administrators in the Self-Insured market

Employer Groups and MGUs in the Employer Stop Loss Market

Value Proposition

- ❖ Deliver “**Best in Class**” results to our clients by using our leverage, influence and creativity:
 - ✓ The largest book of medical reinsurance business in the country – experience, expertise, and leverage.
 - ✓ **160+ managed care clients** encompassing all forms of provider and payor risk, including roughly **70 Health Plans**, and **3 of the 5 largest health systems** in the country.
 - ✓ **\$680M** in medical reinsurance and stop loss **premiums** placed in the marketplace
 - ✓ Largest managed care team in the industry with **46 dedicated team members** focused solely on medical reinsurance. This team averages over 25 years of experience
 - ✓ **Comparable Plans:** RSC currently works with 6 regional Medi-Cal plans in Northern California as well as many large health systems. We understand the Medi-Cal marketplace and have a tremendous amount of data to help us advise our clients on the appropriate reinsurance structure.
 - ✓ Endorsed as the recommended Reinsurance broker for the **ACAP association**. We work with many Medicaid plans across the country.



Claims Service Center



Marketing Summary

2025 Marketing Responses	
Berkley	Quoted
Chatham Insurance	Quoted
Odyssey Re	Quoted
PartnerRe	Quoted
RGA	Quoted
Starline	Quoted
Saltus Re	Uncompetitive Indication
Hannover Re	Decline – IOA Re/Carbon Partnership
HM Life	Decline - Uncompetitive
Renaissance Re	Decline - Uncompetitive
Swiss Re	Decline - at max capacity for CA Medicaid
Granular Insurance	No response
Ironshore	No Response

2025 Rate Summary – ASD and ADMs

2025 Projected Member Months
4,581,720

IOA Re Expiring (2024 Rates Using 2025 Projected Membership)						
Expiring Retention	Pay Rate	Annualized Pay Rate	Aggregating Spec Factor	Annualized Aggregating Spec Factor	Max out of pocket	Annualized Out of Pocket Max
\$350,000	\$0.28	\$1,282,882	\$0.20	\$916,344	\$0.48	\$2,199,226

\$350K Expiring Retention \$2M	Chatham		
	Pay Rate	Aggregating Spec Factor	Total Out of Pocket Max
	\$0.33	\$0.23	\$0.56
Total Annual Premium	\$1,511,968		
Total Annual Aggregating Spec Pool	\$1,053,796		
Total Annual Out of Pocket Max	\$2,565,763		
% Change from Expiring	17.80%	15.00%	16.67%

\$400K Retention \$2M	Chatham		
	Pay Rate	Aggregating Spec Factor	Total Out of Pocket Max
	\$0.25	\$0.17	\$0.42
Total Annual Premium	\$1,145,430		
Total Annual Aggregating Spec Pool	\$778,892		
Total Annual Out of Pocket Max	\$1,924,322		
% Change from Expiring	-10.71%	-15.00%	-12.50%

2025 Rate Summary – ASD No ADMs

2025 Projected Member Months
4,581,720

IOA Re Expiring (2024 Rates Using 2025 Projected Membership)						
Expiring Retention	Pay Rate	Annualized Pay Rate	Aggregating Spec Factor	Annualized Aggregating Spec Factor	Max out of pocket	Annualized Out of Pocket Max
\$350,000	\$0.28	\$1,282,882	\$0.20	\$916,344	\$0.48	\$2,199,226

\$750K \$2M	Odyssey Blended		
	Blended Pay Rate	Aggregating Spec Factor	Total Out of Pocket Max
	\$0.71	\$0.45	\$1.16
Total Annual Premium	\$3,253,021		
Total Annual Aggregating Spec Pool	\$2,061,774		
Total Annual Out of Pocket Max	\$5,314,795		
% Change from Expiring	153.57%	125.00%	141.67%

NOTE: Odyssey rates are by membership type, the Odyssey pay rates and aggregating spec factors above are blended for Non-SPD (\$0.55 pay rate and \$0.35 agg spec) and SPD (\$3.16 pay rate and \$1.99 agg spec)

Net Cost Analysis

ASD and ADMs (Expiring Coverage)				
Member Months	4,581,720			
Carrier	Chatham		Chatham	
Retention	\$350,000		\$400,000	
Pay Rate	\$0.33	\$1,511,968	\$0.25	\$1,145,430
Aggregating Spec Factor	\$0.23	\$1,053,796	\$0.17	\$778,892
Projected Claim Cost pmpm	\$0.69	\$3,161,387	\$0.55	\$2,519,946
Total Cost	(\$0.13)	(\$595,624)	(\$0.13)	(\$595,624)
Expected Loss Ratio	123%		131%	

ASD no ADMs		
Member Months	4,581,720	
Carrier	Odyssey	
Retention	\$750,000	
Pay Rate	\$0.71	\$3,253,021
Aggregating Spec Factor	\$0.45	\$2,061,774
Projected Claim Cost pmpm	\$2.00	\$9,163,440
Total Cost	(\$0.84)	(\$3,848,645)
Expected Loss Ratio	172%	

*Projected claim costs are based on the average of Kern's 2022, 2023, and 2024 claims, and each claim year is trended forward at 3% per year.

Recommendation

We are recommending that KHS move to eliminate the ADM limits and purchase reinsurance with the 750,000 deductible. The blended premium rate from Odyssey Re is \$.71 pmpm and the blended aggregate corridor deductible is \$.45 pmpm with an estimated total exposure of \$5,314,795. This is comprised of \$3,253,021 for paid premium and \$2,061,774 for the aggregate corridor deductible.

Our analytics which scores the cost of Reinsurance based on various program offerings clearly leans towards this coverage as the optimal structure and best return for KHS.

Coverage Summary

	Chatham (ASD & ADM)	Odyssey (ASD Only)
Paper/Rating	United States Fire Insurance Company: AM Best A (Excellent) Financial Size XV	AM Best A+ (Superior) Financial Size XV
Agreement Period	January 1, 2025 – January 1, 2026	January 1, 2025 – January 1, 2026
Claim Basis	Claims incurred within the policy period and paid and submitted within 12 months after the agreement period	Claims incurred within the policy period and paid and submitted within 12 months after the agreement period
Covered Membership	SPD and Non SPD	SPD and Non SPD
Eligible Services	<ul style="list-style-type: none"> Hospital Inpatient Services Including LTAC Facility Charges Transplant Services and related Physician Services Pharmaceuticals 	Facility Inpatient Facility Outpatient SNF
Exclusions	<ul style="list-style-type: none"> All services not specified above Cellular and Gene Therapy services 	<ul style="list-style-type: none"> Professional (except when provided in the facilities above) Pharmacy (except when provided in the facilities above) Cellular and Gene Therapy services
Claim Valuation	<ul style="list-style-type: none"> \$2K ADM for Bakersfield, Delano, Kern, and Tehachapi \$6K ADM for all other facilities ADM is waived for Transplant Confinement paid at a fixed fee or Medicaid DRG Physician Services paid at Medicare allowable 	Paid
Coinsurance	90%	90%
Carry-forward	31 days included	31 days included
Limit	\$2M per member per year	\$2M per member per year
Lasers	Subject to final disclosure and medical review	Subject to final disclosure and medical review
Minimum Premium	75% of estimated annual premium	75% of estimated annual premium and \$2M minimum ASD



SEASONED, CONNECTED, PASSIONATE AND CREATIVE

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MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Bruce Wearda, Director of Pharmacy

SUBJECT: DSNP PBM contract

DATE: December 19, 2024

Background

As Kern Health Systems (KHS) prepares to set up a DSNP Medicare plan, a Pharmacy Benefits Manager (PBM) is needed, and an RFP was proffered for these services. KHS will use a PBM to process NCPDP, version D.0 claims, administer a Formulary and associated activities and reporting. Medication Therapy Management (MTM) services will also be provided. Cost savings and other efficiencies have been projected through this arrangement.

Discussion

MedImpact will provide PBM Services for the DSNP line of business with implementation beginning in, 2025. Claim and other member services begin January 1, 2026. These services may include but are not limited to: claims processing for outpatient/retail prescriptions, formulary management and reporting, Pharmacy & Therapeutics (P&T) support, Medicare Part D reporting, Paid Drug Event (PDE) reports, Network management, determination/redetermination and exception processing, special monitoring programs such as FWA, STARs enhancement, and other clinical programs, and MTM activities. MedImpact will process the claims submitted in NCPDP version D.0 format. PBM services are required by Medicare. PBM services are not easily replicated, if at all by internal means.

Financial Impact

As this is a new line of business, and no historical data to rely on, assumptions were made. Rates for services are fixed and guaranteed. Enrollment numbers, actual claims, and mix can impact the projections. Average membership was assumed to be 2,200 members starting in 2026 and increasing over the next two years, 52,500 prescriptions filled the first year. Claim processing fees are \$2.20 per claim plus other clinical programs are available on a PMPM basis. With these parameters, the projected administrative cost for the contract term is \$3,800,000. An Implementation fee of \$75,000, which is a component of the \$3,800,000 and will be incurred in 2025. Based on above membership and estimated drug mix, drug costs are expected to be an additional \$23,800,000 over the term of the contract.

Requested Action

Approve; Authorize the CEO to enter into a new agreement for a four (4) year term with a not to exceed amount of \$3,800,000 in administrative costs for the entire term of the agreement.

D-SNP Pharmacy Benefit Manager

December 19, 2024

Bruce Wearda, BS Pharm, R.Ph
Director of Pharmacy



Agenda

- Background
- Request for Proposal (RFP) Process
- Vendor Selection Scoring Criteria
- Projected Cost Analysis
- Board Request



Background

As Kern Health Systems (KHS) prepares to launch its Medicare D-SNP plan, a Pharmacy Benefits Manager (PBM) is a critical requirement to meet CMS regulations and ensure efficient pharmacy operations. Following a thorough RFP process, a vendor has been selected to provide essential PBM services, including:

- 1) Processing Prescription claims, version D.0 claims;
- 2) Administering a Formulary and Pharmacy and Therapeutics Committee (P&T)
- 3) Associated Clinical Programs (Enhanced Fraud Waste and Abuse, Opioid, STARs, other)
- 4) Specific Part D reporting
- 5) Network Management
- 6) Medication Therapy Management (MTM) services.

The services being provided by the selected PBM are areas where KHS cannot replicate the expertise or scale of a PBM, and the arrangement also ensures cost savings and operational efficiencies.

The proposed PBM vendor successfully passed a rigorous cybersecurity assessment, aligning with KHS's robust security posture. With a CMS filing deadline of February 12, 2025, it is imperative to execute the contract promptly to ensure compliance and timely implementation of the new Medicare line of business.



Request for Proposal (RFP) Process

- **Engaged Consultant Support:** Partnered with Rebellis to define requirements for pharmacy-based claims and support the RFP process.
- **Developed and Published RFP:** Created a comprehensive RFP for PBM services, posted it on the organization's website, and notified seven targeted PBMs.
- **Vendor Engagement:** One PBM declined to bid, while two submitted proposals for evaluation.
- **Thorough Analysis:** Conducted a detailed review and analysis of vendor submissions to ensure alignment with organizational needs and goals.
- **Board Recommendation:** Prepared a final recommendation for the Board of Directors based on the evaluation outcomes.



Vendor Selection Scoring Criteria

To ensure a thorough and fair evaluation of PBM proposals, the scoring criteria below was designed to prioritize key areas critical to the success of our Medicare D-SNP program. Each proposal was scored on a scale of 0 (lowest) to 5 (highest) across the following weighted categories:

1. General Requirements, Compliance, and Implementation (20%): Assessed the vendor's ability to meet baseline requirements, adhere to compliance standards, and execute a seamless implementation process.
2. Member/Provider/Customer Services and Account Management (15%): Evaluated the quality of services provided to members, providers, and stakeholders, including account management support.
3. Technology, Capabilities, and Security (20%): Focused on the vendor's technological infrastructure, capabilities, and commitment to cybersecurity.
4. Financing Arrangements, Financial Guarantees, and Costs (20%): Reviewed financial models, guarantees, and overall cost-effectiveness.
5. Medicare Experience (15%): Considered the vendor's expertise and experience in managing Medicare-related services.
6. PBM Flexibility (10%): Measured the vendor's ability to adapt to KHS initiatives and provide customized solutions beyond a one-size-fits-all approach.

This weighted scoring approach ensured a balanced evaluation of technical, financial, and strategic factors to identify the best-fit PBM for our needs.



Vendor Selection Scoring

RFP Section/Category	Weight	Vendor A	MedImpact
		Score	Score
General Requirements, Compliance, and Implementation ¹	20%	3.4	3.9
Member/ Provider/ Customer Services and Account Management	15%	3.9	4.1
Technology/ Capabilities/ Security	20%	3.8	3.9
Financing Arrangements/ Financial and Guarantees/ Costs	20%	2.9	4.3
MediCare Experience	15%	2.7	4.3
PBM Flexibility	10%	3.6	2.3
Total Points	100%	3.37	3.91
0 = lowest, 5 = highest			
¹ Vendor A did not sign our paper (MSA/BAA)			



Projected Administrative Cost Analysis

Numbers listed below are estimates due to no historical data to draw from. Assuming average membership of 2200 members/year, Admin fee \$2.20 per paid claim, and 2.1 prescriptions filled per member per month. An Implementation Fee of \$75,000 will be paid in 2025.

Projected Cost 01/01/2026-12/31/2028					
	2025	2026	2027	2028	Totals
Anticipated Average Annual Membership	0	2,200	4,400	6,600	
Administrative Fees ¹	\$ -	\$ 560,545	\$ 1,261,090	\$ 1,886,635	\$ 3,708,270
Implementation Fee	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Grand Total					\$ 3,783,270

1. Base Admin fees (Per claim fee), Coverage Determination, Redetermination, MTM, Enhanced FWA, Enhance Opioid , STARs, Electronic prescribe file



Board of Directors Request

Authorize the CEO to sign and enter into the D-SNP PBM contract with MedImpact, not to exceed \$3,800,000, for administrative costs such as: clinical programs and Medicare D reporting, and Medication Therapy Management (MTM) activities, not including expected drug costs of \$23,800,000 for the processing of D-SNP pharmacy claims. Term begins January 1, 2025, for Implementation, and Core PBM functions starting January 1, 2026, running through December 31, 2028.



You + Us = **a better day!**

Questions

Please contact:

Bruce Wearda, BS Pharm, R.Ph

Director of Pharmacy

661-664-5100

Brucew@khs-net.com





MEMORANDUM

TO: Kern Health Systems Board of Directors

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

SUBJECT: Contract Renewal with Cotiviti for Health Effectiveness Data and Information Set

DATE: December 19, 2024

BACKGROUND

In California, Managed Care Health Plans are required to have a certified Health Effectiveness Data and Information Set (HEDIS) software primarily for standardized quality measurements that are reported annually to the State of California. HEDIS, a comprehensive set of performance metrics developed by the National Committee for Quality Assurance (NCQA), is essential for assessing various aspects of healthcare, such as preventive care and treatment effectiveness. This software enables health plans to systematically collect, analyze, and report data on these metrics. Annually, the software, processes, and policies are reviewed by NCQA/HSAG to verify the accuracy of the KHS HEDIS results. Additionally, the State publishes all the health plans HEDIS results to enhance transparency, aiding consumers in making informed decisions, and driving health plans to continuously improve their services.

DISCUSSION

HEDIS software is vital for health plans to meet regulatory requirements, ensure quality care, and maintain competitiveness in California's healthcare market. Cotiviti supports KHS quality measurement initiatives in a single healthcare audit solution and KHS requires additional support with provision of workflow services such as retrieving patient records and summarizing their contents. This relieves KHS Quality staff from performing medical record retrieval. Staffing resources available in Quality Performance (QP) are insufficient to support a comprehensive records collection process. As a result, QP seeks to add Medical Record Retrieval (MRR) services to the existing agreement for HEDIS/MCAS software.

FINANCIAL IMPACT

Cost for a one (1) year renewal term not to exceed \$200,000 from the date of December 2024 through December 2025 for the certified Cotiviti HEDIS/MCAS software Medical Record Retrieval service. The retrieval fees are \$18.70 per record retrieved with a 5,000 minimum volume. The chase list is expected to be approximately 10,000 chases. Outsourcing medical record retrievals for KHS over approximately a 3-month period will be more cost effective than hiring temporary staff, as the current staffing resources are insufficient to support a comprehensive record collection process.

REQUESTED ACTION

Approve; Authorize Chief Executive Officer to Sign, to amend contract for one (1) year term and increasing the not to exceed amount under the Cotiviti agreement by \$200,000 from \$199,000 to \$399,000 for the entire term of the contract.



MEMORANDUM

TO: Kern Health Systems Board Committee
FROM: Cesar Delgado, Deputy Chief Information Officer
SUBJECT: Contract Extension Request with CitiusTech
DATE: December 19, 2024

Background

In 2019, KHS initiated a Request for Proposal (RFP) to solicit vendors for a solution to enhance patient access to health information in compliance with the Professional Services Interoperability and Patient Access Rule (CMS-9115-F). CitiusTech was selected as the vendor for these services. CitiusTech provides KHS with the FAST+ software solution, including professional resource implementation to accelerate FHIR deployment, and ensure compliance with the CMS Interoperability and Patient Access Rule requirement.

Discussion

KHS is seeking approval for a one (1) year extension of the FHIR licensing, along with a one (1) year contract for knowledge transfer and troubleshooting support.

Financial Impact

Cost for a one (1) year renewal term is not to exceed \$102,575 in budgeted expenses. This renewal will bring the total recorded aggregate expenses amount to \$853,880 for this service.

Requested Action

Approve; Authorize Chief Executive Officer to Sign, to amend contract for a one (1) year term and increasing the not to exceed amount under CitiusTech agreement by \$102,575 from \$751,305 to \$853,880 for the entire term of the contract.



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Cesar Delgado, Deputy Chief Information Officer
SUBJECT: Continuation of License Agreement with Gartner, Inc.
DATE: December 19, 2024

Background

Gartner for IT is the definitive, comprehensive research and advisory resource for IT decision-makers. Kern Health Systems has held a license agreement for this resource since 2022 and seeks to continue the agreement for calendar year 2025.

Discussion

The Gartner subscription agreement provides the IT function with different levels of access to services. The proposed agreement continuation provides (1) one license for the Deputy Chief Information Officer with an executive partner from Gartner to give direct one-on-one guidance from a seasoned and experienced former CIO, who can provide insight on formulating IT strategies and responses to emerging issues. The agreement also includes license seats for (2) two directors within IT, with access to Gartner's vast research materials on current and trending technology practices. The IT department will also have access to diagnostic tools to gauge the maturity and strength of Kern Health System's IT practices.

Financial Impact

Gartner will provide Kern Health Systems with (3) three licenses, (1) one for the Deputy Chief Information Officer Team Leader and two (2) for Directors as Team Advisor Members for a (1) one-year term from January 1, 2025, through December 31, 2025.

The cost for the upcoming year, from January 1, 2025, through December 31, 2025, will be \$211,600, bringing the total cost for Gartner, including the previous agreement, to a total of \$401,365.

Requested Action

Approve; Authorize Chief Executive Officer to Sign, to amend contract for one (1) year term and increasing the not to exceed amount under Gartner agreement by \$211,600 from \$189,765 to \$401,365 for the entire term of the contract.



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Devin W. Brown, Chief Legal and Human Resources Officer
SUBJECT: Continuation of License Agreement with Gartner, Inc.
DATE: December 19, 2024

Background

Gartner for Human Resources (HR) is the definitive, comprehensive research and advisory resource for human resources decision makers. Kern Health Systems has held a license agreement for this resource since March 2024 and seeks to continue the agreement for calendar year 2025.

Discussion

The Gartner subscription agreement provides the HR function with different levels of access to services. The proposed agreement continuation provides the Chief HR Officer with an executive partner from Gartner to give direct one-on-one guidance from a seasoned and experienced form CHRO, who can provide insight on formulating HR strategies and responses to emerging issues. The agreement also includes license seats for two directors and one manager within HR with access to Gartner's vast research materials on current and trending Human Resources practices. The HR department also will have access to diagnostic tools to gauge the maturity and strength of Kern Health System's HR practices.

Financial Impact

Gartner will provide Kern Health Systems with (4) four licenses, one for Chief Human Resources Officer Team Leader, two for Team Advisor Members and one for a Team Reference member for a (1) one-year term from January 1, 2025, through December 31, 2025.

The cost for the upcoming year, from January 1, 2025, through December 31, 2025, will be \$175,000 bringing the total cost for Gartner, including the previous agreement to a total of \$359,800.

Requested Action

Approve; Authorize Chief Executive Officer to Sign, to amend contract for one (1) year term and increasing the not to exceed amount under the Gartner agreement by \$175,000 from \$184,800 to \$359,800 for the term of the contract.



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Robert Landis, Chief Financial Officer
SUBJECT: September 2024 Financial Results
DATE: December 19, 2024

The September results reflect a \$43.5 million loss in Net Position which is a \$43.9 million unfavorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$152.8 million favorable variance primarily due to:
 - A) \$32.0 million unfavorable variance in Premium Revenue primarily due to receiving Amended CY 2024 Rates from DHCS on September 24, 2024 retroactive to January 1, 2024 due to:
 - 1) \$30 million unfavorable variance from **Risk-Adjustments** to our rates primarily due to DHCS/Mercer believing that the transitioning HealthNet members are lower utilizers of medical services.
 - 2) \$9.4 million unfavorable variance from **Population Acuity Adjustment** to our rates primarily due to more healthier members staying with KHS during the redetermination process than had been anticipated by DHCS/Mercer.
 - 3) \$7.6 million favorable variance primarily due to higher-than-expected budgeted membership.
 - B) \$1.9 million favorable variance in Enhanced Care Management primarily due from receiving Amended CY 2024 Rates from DHCS on September 24, 2024 retroactive to January 1, 2024 offset against amounts included in 2E (3) below.
 - C) \$1.2 million unfavorable timing variances primarily due to unfavorable timing differences on waiting for DHCS approval under the CalAim Incentive Payment Program and the Student Behavioral Health Incentive Program.
 - D) \$180.4 million favorable variance in MCO Tax Premium primarily due to receiving revised MCO Tax information from DHCS on September 24, 2024 offset against an unfavorable variance included in the MCO Tax Expense line item on the Income Statement for the same amount.

- E) \$2.7 million favorable variance in Premium-Hospital Directed Payments primarily due to receiving updated rate information from DHCS for Calendar Year 2024 offset against amounts included in 2G below.
 - F) \$1.6 million favorable variance in Investment Earnings and Other Income primarily due from higher than forecasted interest rates being earned on the investment portfolio.
 - G) \$2.2 million unfavorable variance in Rate Adjustment -Hospital Directed Payments primarily due to receiving retroactive rate adjustments for the periods July 1, 2019-December 31, 2021.
 - H) \$1.6 million favorable variance in Rate/Income Adjustments primarily due to revenue relating to 2023 (\$1.0 million) and reinsurance recoveries relating to 2023 (\$.6 million).
- 2) Total Medical Costs reflect a \$18.0 million unfavorable variance primarily due to:
- A) \$4.9 million unfavorable variance in Physician Services is primarily due to higher-than-expected utilization (\$2.3 million) and higher-than-expected Targeted Rate Increases (“TRI”) amounts allocated to PCP, Specialty and Urgent Care services (\$2.6 million). As previously reported, we began paying TRI amounts in May and believed it was necessary to increase our accruals for these categories of expenses. This amount is offset against amounts included Other Professional Services and Mental Health Services included in 2B (3) & 2B (4) below.
 - B) \$6.2 million favorable variance in Other Professional Services primarily due from:
 - 1) \$1.4 million favorable variance due to the timing of hiring 2024 Budgeted Utilization Management Employees during the first 9 months of 2024.
 - 2) \$1.1 million favorable variance from lower-than-expected utilization of Autism services.
 - 3) \$.6 million favorable variance in Mental Health Services is primarily due to higher-than- expected utilization (\$.1 million) and lower-than-expected TRI expenses (\$.7 million) offset against amounts included in 2A above.
 - 4) \$3.1 million favorable variance in Other Professional Services primarily due to lowering our accruals for TRI expenses offset against amounts included in 2A above.
 - C) \$4.7 million unfavorable variance in Inpatient primarily due to higher-than-expected utilization over the last several months.
 - D) \$2.0 million unfavorable variance in Outpatient Hospital primarily due to higher-than-expected utilization over the last several months.

- E) \$10.0 million unfavorable variance in Other Medical primarily from:
- 1) \$2.9 million unfavorable variance in Ambulance and Non-emergency Medical Transportation (“NEMT”) due to higher-than-expected utilization of NEMT services over the last several months by our members.
 - 2) \$2.5 million unfavorable variance in Long Term Care expense primarily due to higher-than-expected utilization over the last several months.
 - 3) \$1.7 million unfavorable variance in Enhanced Care management primarily due to receiving Amended CY 2024 Rates from DHCS on September 24, 2024 retroactive to January 1, 2024 offset against amounts included in 1B above.
 - 4) \$2.2 million unfavorable variance in CalAim Incentive Programs due to timing differences of receiving provider invoices.
- F) \$2.1 million unfavorable variance in Risk Corridor Expense relating to Adult Unsatisfactory Immigration Status (“UIS”) members having a Medical Expense ratio below 95% for the nine months ended September 30, 2024.
- G) \$2.7 million unfavorable variance in Hospital Directed Payments primarily due to receiving updated rate information from DHCS for Calendar Year 2024 offset against amounts included in 1E above.
- H) \$1.8 million favorable variance in IBNR, Incentives, Paid Claims Adjustment primarily relating to IBNR Adjustments relating to the prior year.

The September Medical Loss Ratio is 134.6% which is unfavorable to the 92.4% budgeted amount. The September Administrative Expense Ratio is 7.2% which is unfavorable to the 6.0% budgeted amount. Including the \$39.4 million of negative retroactive rate adjustments, the Medical Loss Ratio would have been 95.8% for the month and the Administrative Expense Ratio would have been 5.1%.

The results for the 9 months ended September 30, 2024 reflect a Net Decrease in Net Position of \$35.8 million. This is a \$40.5 million unfavorable variance to the budget and includes approximately \$14.9 million of favorable adjustments from the prior year and approximately \$39.4 million of unfavorable retroactive revenue rate adjustments for the current year. The year-to-date Medical Loss Ratio is 96.8% which is unfavorable to the 92.4% budgeted amount. Including the \$39.4 million of negative retroactive revenue rate adjustments, the Medical Loss Ratio would have been 94.0%. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 5.9% budgeted amount.



**Financial Packet
September 2024**

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**MEDI-CAL
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2024**



ASSETS	September	August	Increase/ (Decrease)
Cash and Cash Equivalents	108,091,102	82,229,490	25,861,612
Short-Term Investments	523,354,928	515,703,638	7,651,289
Premiums Receivable	79,307,636	104,541,088	(25,233,452)
Premiums Receivable - MCO Tax	176,615,263	45,025,721	131,589,542
Premiums Receivable - Hospital Directed Payments	481,706,474	517,952,194	(36,245,721)
Interest Receivable	177,754	92,432	85,322
Provider Advance Payment	872,105	873,451	(1,346)
Other Receivables	1,601,929	1,647,654	(45,726)
Prepaid Expenses & Other Current Assets	7,592,619	7,893,210	(300,590)
Total Current Assets	1,379,319,809	1,275,958,877	103,360,931
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,330,812	869,473	461,340
Computer Equipment - Net	16,881,824	17,206,562	(324,738)
Building and Improvements - Net	32,506,704	32,583,760	(77,056)
Capital Projects In Process	4,420,336	4,961,497	(541,161)
Total Capital Assets	59,230,384	59,711,999	(481,615)
Restricted Assets	300,000	300,000	-
Officer Life Insurance Receivables	1,637,454	1,657,258	(19,804)
SBITA Asset	6,799,897	6,799,897	-
Total Long-Term Assets	8,737,351	8,757,155	(19,804)
Deferred Outflow of Resources	8,814,061	8,814,061	-
Total Assets and Deferred Outflows of Resources	1,456,101,605	1,353,242,092	102,859,512
CURRENT LIABILITIES			
Accrued Salaries and Benefits	6,295,741	6,074,713	221,028
Accrued Other Operating Expenses	7,291,875	7,319,959	(28,084)
MCO Tax Payable	308,757,164	132,734,102	176,023,061
Claims Payable (Reported)	15,703,413	14,858,384	845,029
IBNR - Inpatient Claims	71,650,643	69,108,469	2,542,174
IBNR - Physician Claims	9,615,705	11,702,277	(2,086,572)
IBNR - Accrued Other Medical	41,467,474	32,020,804	9,446,670
Risk Pool and Withholds Payable	6,572,552	7,096,713	(524,161)
Allowance for Claims Processing Expense	3,824,312	3,824,312	-
Other Liabilities	137,423,535	141,242,470	(3,818,934)
SBITA Liability – Current portion	2,617,467	2,617,467	-
Accrued Hospital Directed Payments	483,207,014	519,479,660	(36,272,646)
Total Current Liabilities	1,094,426,896	948,079,330	146,347,565
NONCURRENT LIABILITIES			
Net Pension Liability	12,965,462	12,965,462	-
SBITA Liability, net of current portion	4,182,430	4,182,430	-
Total NonCurrent Liabilities	17,147,892	17,147,892	-
Deferred Inflow of Resources	158,303	158,303	-
NET POSITION:			
Net Position at Beginning of Year	380,188,379	380,188,379	-
Increase (Decrease) in Net Position - Current Year	(35,819,865)	7,668,188	(43,488,053)
Total Net Position	344,368,514	387,856,567	(43,488,053)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	1,456,101,605	1,353,242,092	102,859,512

MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION
FOR THE MONTH ENDED SEPTEMBER 30, 2024



	September	Budget	Variance	Year to Date	Budget	Variance
Family Members	241,606	244,144	(2,538)	2,202,880	2,218,295	(15,415)
Expansion Members	113,138	111,811	1,327	1,036,850	1,024,298	12,552
SPD Members	23,131	19,927	3,204	205,061	182,342	22,719
LTC Members	523	555	(32)	4,600	4,993	(393)
Other Members	23,558	24,164	(606)	206,949	217,472	(10,523)
Total Members - MCAL	401,956	400,600	1,356	3,656,340	3,647,400	8,940
REVENUES						
Medicaid - Family and Other	47,143,352	52,754,149	(5,610,797)	488,565,041	478,916,321	9,648,720
Medicaid - Expansion Members	25,578,416	44,880,044	(19,301,628)	399,294,018	411,145,459	(11,851,441)
Medicaid - SPD Members	15,514,183	20,956,459	(5,442,276)	206,971,204	191,763,130	15,208,074
Medicaid - LTC Members	3,673,451	4,470,309	(796,857)	36,924,155	40,232,778	(3,308,622)
Premium - MCO Tax	225,224,150	44,859,188	180,364,962	540,329,989	408,435,852	131,894,137
Premium - Hospital Directed Payments	24,650,569	21,961,065	2,689,504	221,437,163	200,399,975	21,037,189
Investment Earnings And Other Income	3,630,475	2,067,919	1,562,556	24,778,452	18,773,122	6,005,330
Reinsurance Recoveries	-	112,168	(112,168)	-	1,021,272	(1,021,272)
Rate Adjustments - Hospital Directed Payments	(2,168,580)	-	(2,168,580)	(6,688,505)	-	(6,688,505)
Rate/Income Adjustments	1,598,001	-	1,598,001	672,802	-	672,802
Total Revenues	344,844,017	192,061,301	152,782,717	1,912,284,319	1,750,687,908	161,596,411
EXPENSES						
MEDICAL COSTS						
Physician Services	34,021,968	29,081,159	(4,940,809)	296,198,859	265,077,014	(31,121,845)
Other Professional Services	9,068,160	15,258,233	6,190,074	94,018,242	139,055,743	45,037,501
Emergency Room	6,283,494	6,487,985	204,491	57,626,631	59,127,475	1,500,844
Inpatient	32,589,946	27,905,075	(4,684,871)	286,221,873	254,755,656	(31,466,217)
Reinsurance Expense	112,562	112,168	(394)	1,009,267	1,021,272	12,005
Outpatient Hospital	14,853,348	12,879,872	(1,973,476)	131,880,600	117,582,303	(14,298,297)
Other Medical	33,376,773	23,363,865	(10,012,908)	262,300,140	212,521,770	(49,778,370)
Pay for Performance Quality Incentive	602,934	600,900	(2,034)	5,484,500	5,471,100	(13,399)
Risk Corridor Expense	2,133,095	-	(2,133,095)	2,133,095	-	(2,133,095)
Hospital Directed Payments	24,650,569	21,961,065	(2,689,504)	221,437,163	200,399,975	(21,037,189)
Hospital Directed Payment Adjustment	185,219	-	(185,219)	(3,806,705)	-	3,806,705
Non-Claims Expense Adjustment	(414,162)	-	414,162	(3,960,313)	-	3,960,313
IBNR, Incentive, Paid Claims Adjustment	(1,847,593)	-	1,847,593	(13,105,344)	-	13,105,344
Total Medical Costs	155,616,313	137,650,322	(17,965,991)	1,337,438,008	1,255,012,307	(82,425,701)
GROSS MARGIN	189,227,704	54,410,978	134,816,726	574,846,311	495,675,601	79,170,710
ADMINISTRATIVE COSTS						
Compensation	3,445,542	4,142,126	696,584	32,463,896	37,529,130	5,065,234
Purchased Services	1,939,952	1,739,891	(200,061)	17,177,833	15,659,018	(1,518,816)
Supplies	197,976	372,344	174,369	2,194,433	3,351,100	1,156,667
Depreciation	875,296	710,921	(164,375)	6,488,819	6,398,291	(90,528)
Other Administrative Expenses	526,643	554,843	28,200	4,948,297	4,993,588	45,291
Administrative Expense Adjustment	135	(43,839)	(43,975)	117,010	(394,555)	(511,565)
Total Administrative Expenses	6,985,543	7,476,286	490,742	63,390,287	67,536,571	4,146,283
TOTAL EXPENSES	162,601,856	145,126,608	(17,475,248)	1,400,828,295	1,322,548,878	(78,279,418)
OPERATING INCOME (LOSS) BEFORE TAX	182,242,161	46,934,693	135,307,468	511,456,024	428,139,030	83,316,994
MCO TAX	225,224,150	44,859,188	(180,364,962)	540,329,989	408,435,852	(131,894,137)
OPERATING INCOME (LOSS) NET OF TAX	(42,981,990)	2,075,505	(45,057,494)	(28,873,965)	19,703,178	(48,577,143)
NON-OPERATING REVENUE (EXPENSE)						
Provider Grants/CalAIM/Home Health	(389,199)	(824,899)	435,700	(5,286,649)	(7,521,349)	2,234,700
D-SNP Expenses	(116,864)	(824,899)	708,035	(1,659,251)	(7,521,349)	5,862,098
Total Non-Operating Revenue (Expense)	(506,063)	(1,649,798)	1,143,735	(6,945,900)	(15,042,697)	8,096,798
NET INCREASE (DECREASE) IN NET POSITION	(43,488,053)	425,706	(43,913,759)	(35,819,865)	4,660,481	(40,480,345)
MEDICAL LOSS RATIO	134.6%	92.4%	-42.3%	96.8%	92.4%	-4.4%
ADMINISTRATIVE EXPENSE RATIO	7.2%	6.0%	-1.2%	5.5%	5.9%	0.4%



MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION
FOR THE MONTH ENDED SEPTEMBER 30, 2024

	September	Budget	Variance	Year to Date	Budget	Variance
Family Members	241,606	244,144	(2,538)	2,202,880	2,218,295	(15,415)
Expansion Members	113,138	111,811	1,327	1,036,850	1,024,298	12,552
SPD Members	23,131	19,927	3,204	205,061	182,342	22,719
LTC Members	523	555	(32)	4,600	4,993	(393)
Other Members	23,558	24,164	(606)	206,949	217,472	(10,523)
Total Members - MCAL	401,956	400,600	1,356	3,656,340	3,647,400	8,940
REVENUES						
Medicaid - Family and Other	177.79	196.62	(18.83)	202.74	196.62	6.12
Medicaid - Expansion Members	226.08	401.39	(175.31)	385.10	401.39	(16.29)
Medicaid - SPD Members	670.71	1,051.67	(380.96)	1,009.32	1,051.67	(42.35)
Medicaid - LTC Members	7,023.81	8,058.24	(1,034.43)	8,026.99	8,058.24	(31.25)
Premium - MCO Tax	9,560.41	1,856.49	7,703.92	2,610.93	1,878.11	732.82
Premium - Hospital Directed Payments	61.33	54.82	6.51	60.56	54.94	5.62
Investment Earnings And Other Income	9.03	5.16	3.87	6.78	5.15	1.63
Reinsurance Recoveries	-	0.28	(0.28)	-	0.28	(0.28)
Rate Adjustments - Hospital Directed Payments	(5.40)	-	(5.40)	(1.83)	-	(1.83)
Rate/Income Adjustments	3.98	-	3.98	0.18	-	0.18
Total Revenues	857.91	479.43	378.48	523.01	479.98	43.02
EXPENSES						
MEDICAL COSTS						
Physician Services	84.64	72.59	(12.05)	81.01	72.68	(8.33)
Other Professional Services	22.56	38.09	15.53	25.71	38.12	12.41
Emergency Room	15.63	16.20	0.56	15.76	16.21	0.45
Inpatient	81.08	69.66	(11.42)	78.28	69.85	(8.44)
Reinsurance Expense	0.28	0.28	(0.00)	0.28	0.28	0.00
Outpatient Hospital	36.95	32.15	(4.80)	36.07	32.24	(3.83)
Other Medical	83.04	58.32	(24.71)	71.74	58.27	(13.47)
Pay for Performance Quality Incentive	1.50	1.50	(0.00)	1.50	1.50	0.00
Risk Corridor Expense	5.31	-	(5.31)	0.58	-	(0.58)
Hospital Directed Payments	61.33	54.82	(6.51)	60.56	54.94	(5.62)
Hospital Directed Payment Adjustment	0.46	-	(0.46)	(1.04)	-	1.04
Non-Claims Expense Adjustment	(1.03)	-	1.03	(1.08)	-	1.08
IBNR, Incentive, Paid Claims Adjustment	(4.60)	-	4.60	(3.58)	-	3.58
Total Medical Costs	387.15	343.61	(43.54)	365.79	344.08	(21.70)
GROSS MARGIN	470.77	135.82	334.94	157.22	135.90	21.32
ADMINISTRATIVE COSTS						
Compensation	8.57	10.34	1.77	8.88	10.29	1.41
Purchased Services	4.83	4.34	(0.48)	4.70	4.29	(0.40)
Supplies	0.49	0.93	0.44	0.60	0.92	0.32
Depreciation	2.18	1.77	(0.40)	1.77	1.75	(0.02)
Other Administrative Expenses	1.31	1.39	0.07	1.35	1.37	0.02
Administrative Expense Adjustment	0.00	(0.11)	(0.11)	0.03	(0.11)	(0.14)
Total Administrative Expenses	17.38	18.66	1.28	17.34	18.52	1.18
TOTAL EXPENSES	404.53	362.27	(42.25)	383.12	362.60	(20.52)
OPERATING INCOME (LOSS) BEFORE TAX	453.39	117.16	336.23	139.88	117.38	22.50
MCO TAX	560.32	111.98	(448.34)	147.78	111.98	(35.80)
OPERATING INCOME (LOSS) NET OF TAX	(106.93)	5.18	(112.11)	(7.90)	5.40	(13.30)
NON-OPERATING REVENUE (EXPENSE)						
Provider Grants/CalAIM/Home Health	(0.29)	(2.06)	1.77	(0.45)	(2.06)	1.61
D-SNP Expenses	(0.97)	(2.06)	1.09	(1.45)	(2.06)	0.62
Total Non-Operating Revenue (Expense)	(1.26)	(4.12)	2.86	(1.90)	(4.12)	2.22
NET INCREASE (DECREASE) IN NET POSITION	(108.19)	1.06	(109.25)	(9.80)	1.28	(11.07)
MEDICAL LOSS RATIO	-3.7%	-20.2%	-16.5%	-14.3%	-19.9%	-5.6%
ADMINISTRATIVE EXPENSE RATIO	-0.2%	-1.3%	-1.1%	-0.8%	-1.3%	-0.5%

**MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION BY QUARTER
ROLLING 4 QUARTERS
FOR THE MONTH ENDED SEPTEMBER 30, 2024**

	2023 - Q3	2023 - Q4	2024 - Q1	2024 - Q2	Rolling 4-Quarter Totals	CURRENT QUARTER 2024 - Q3
Total Members - MCAL	1,064,368	1,038,591	1,234,656	1,217,132	4,554,747	1,204,552
REVENUES						
Medicaid - Family and Other	130,829,220	119,336,194	163,114,742	168,098,248	581,378,404	157,352,051
Medicaid - Expansion Members	114,676,254	97,694,167	142,141,972	141,387,639	495,900,032	115,764,407
Medicaid - SPD Members	58,948,915	59,165,633	70,643,949	72,382,078	261,140,575	63,945,176
Medicaid - LTC Members	9,102,869	9,599,451	12,120,676	12,644,500	43,467,496	12,158,979
Premium - MCO Tax	-	375,849,146	118,164,689	118,164,689	612,178,524	304,000,610
Premium - Hospital Directed Payments	65,557,702	63,752,178	74,715,152	73,085,162	277,110,194	73,636,849
Investment Earnings And Other Income	4,444,990	9,031,183	6,526,452	7,627,603	27,630,227	10,624,397
Rate Adjustments - Hospital Directed Payments	545,253	(26,268,027)	2,628,208	(467,208)	(23,561,773)	(8,849,506)
Rate/Income Adjustments	2,190,288	495,587	3,361,928	(4,999,343)	1,048,459	2,310,217
Total Revenues	386,295,491	708,655,511	593,417,768	587,923,369	2,276,292,139	730,943,182
EXPENSES						
MEDICAL COSTS						
Physician Services	62,419,530	61,076,433	93,110,533	102,259,757	318,866,253	100,828,569
Other Professional Services	18,664,943	19,381,164	37,861,872	28,897,182	104,805,160	27,259,189
Emergency Room	16,279,390	15,523,588	19,266,762	19,274,640	70,344,380	19,085,229
Inpatient	67,920,330	79,244,732	91,080,658	97,071,689	335,317,408	98,069,526
Reinsurance Expense	288,694	190,133	324,349	347,257	1,150,433	337,661
Outpatient Hospital	32,005,177	40,939,501	44,304,385	41,034,136	158,283,198	46,542,079
Other Medical	72,388,155	79,194,627	80,881,278	88,283,888	320,747,947	93,134,975
Pay for Performance Quality Incentive	1,599,049	1,555,236	1,851,974	1,825,698	6,831,956	1,806,828
Risk Corridor Expense	-	-	-	-	-	2,133,095
Hospital Directed Payments	65,557,702	63,752,178	74,715,152	73,085,162	277,110,194	73,636,849
Hospital Directed Payment Adjustment	(12,049)	(26,330,241)	2,663,543	18,927	(23,659,821)	(6,489,175)
Non-Claims Expense Adjustment	695,678	1,571,341	356,533	(22,398)	2,601,155	(4,294,448)
IBNR, Incentive, Paid Claims Adjustment	1,846,700	1,506,238	622,759	(7,396,288)	(3,420,592)	(6,331,814)
Total Medical Costs	339,653,299	337,604,928	447,039,796	444,679,650	1,568,977,672	445,718,563
GROSS MARGIN	46,642,192	371,050,583	146,377,973	143,243,720	707,314,467	285,224,619
ADMINISTRATIVE COSTS						
Compensation	11,815,434	13,584,268	10,509,085	10,907,085	46,815,872	11,047,726
Purchased Services	4,614,262	5,339,166	5,448,763	5,076,649	20,478,840	6,652,421
Supplies	801,939	680,996	764,751	722,573	2,970,259	707,109
Depreciation	2,073,030	2,099,363	2,040,936	2,164,109	8,377,438	2,283,774
Other Administrative Expenses	1,797,993	1,406,817	1,644,704	1,714,820	6,564,335	1,588,772
Administrative Expense Adjustment	9,949	1,580,132	96,938	22,381	1,709,400	(2,309)
Total Administrative Expenses	21,112,607	24,690,742	20,505,176	20,607,617	86,916,143	22,277,493
TOTAL EXPENSES	360,765,906	362,295,670	467,544,972	465,287,267	1,655,893,815	467,996,056
OPERATING INCOME (LOSS) BEFORE TAX	25,529,585	346,359,841	125,872,796	122,636,102	620,398,324	262,947,125
MCO TAX	-	376,495,887	118,164,689	118,164,689	612,825,265	304,000,610
OPERATING INCOME (LOSS) NET OF TAX	25,529,585	(30,136,046)	7,708,107	4,471,413	7,573,059	(41,053,485)
NON-OPERATING REVENUE (EXPENSE)						
Total Non-Operating Revenue (Expense)	(1,246,978)	(1,454,633)	(2,207,215)	(3,489,571)	(8,398,397)	(1,249,113)
NET INCREASE (DECREASE) IN NET POSITION	24,282,607	(31,590,679)	5,500,891	981,842	(825,338)	(42,302,598)
MEDICAL LOSS RATIO	85.6%	101.6%	92.9%	93.6%	93.3%	104.5%
ADMINISTRATIVE EXPENSE RATIO	6.6%	8.4%	5.2%	5.2%	6.2%	6.2%

**MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION BY QUARTER
ROLLING 4 QUARTERS PMPM
FOR THE MONTH ENDED SEPTEMBER 30, 2024**

	2023 - Q3	2023 - Q4	2024 - Q1	2024 - Q2	Rolling Quarter Totals	CURRENT QUARTER 2024 - Q3
Total Members - MCAL	1,064,368	1,038,591	1,234,656	1,217,132	4,554,747	1,204,552
REVENUES						
Medicaid - Family and Other	185.41	172.27	237.94	237.34	208.22	196.04
Medicaid - Expansion Members	379.60	338.10	486.57	469.83	418.79	335.32
Medicaid - SPD Members	1,063.89	1,063.71	1,298.20	1,303.90	1,181.85	944.33
Medicaid - LTC Members	7,467.49	7,447.21	15,094.24	10,441.37	9,612.45	7,885.20
Premium - MCO Tax	-	361.88	95.71	97.08	134.40	252.38
Premium - Hospital Directed Payments	61.59	61.38	60.51	60.05	60.84	61.13
Investment Earnings And Other Income	4.18	8.70	5.29	6.27	6.07	8.82
Rate Adjustments - Hospital Directed Payments	0.51	(25.29)	2.13	(0.38)	(5.17)	(7.35)
Rate/Income Adjustments	2.06	0.48	2.72	(4.11)	0.23	1.92
Total Revenues	362.93	682.32	480.63	483.04	499.76	606.82
EXPENSES						
MEDICAL COSTS						
Physician Services	58.64	58.81	75.41	84.02	70.01	83.71
Other Professional Services	17.54	18.66	30.67	23.74	23.01	22.63
Emergency Room	15.29	14.95	15.60	15.84	15.44	15.84
Inpatient	63.81	76.30	73.77	79.75	73.62	81.42
Reinsurance Expense	0.27	0.18	0.26	0.29	0.25	0.28
Outpatient Hospital	30.07	39.42	35.88	33.71	34.75	38.64
Other Medical	68.01	76.25	65.51	72.53	70.42	77.32
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.50	1.50	1.50
Risk Corridor Expense	-	-	-	-	-	1.77
Hospital Directed Payments	61.59	61.38	60.51	60.05	60.84	61.13
Hospital Directed Payment Adjustment	(0.01)	(25.35)	2.16	0.02	(5.19)	(5.39)
Non-Claims Expense Adjustment	0.65	1.51	0.29	(0.02)	0.57	(3.57)
IBNR, Incentive, Paid Claims Adjustment	1.74	1.45	0.50	(6.08)	(0.75)	(5.26)
Total Medical Costs	319.11	325.06	362.08	365.35	344.47	370.03
GROSS MARGIN	43.82	357.26	118.56	117.69	155.29	236.79
ADMINISTRATIVE COSTS						
Compensation	11.10	13.08	8.51	8.96	10.28	9.17
Purchased Services	4.34	5.14	4.41	4.17	4.50	5.52
Supplies	0.75	0.66	0.62	0.59	0.65	0.59
Depreciation	1.95	2.02	1.65	1.78	1.84	1.90
Other Administrative Expenses	1.69	1.35	1.33	1.41	1.44	1.32
Administrative Expense Adjustment	0.01	1.52	0.08	0.02	0.38	(0.00)
Total Administrative Expenses	19.84	23.77	16.61	16.93	19.08	18.49
TOTAL EXPENSES	338.95	348.83	378.68	382.28	363.55	388.52
OPERATING INCOME (LOSS) BEFORE TAX	23.99	333.49	101.95	100.76	136.21	218.29
MCO TAX	-	362.51	95.71	97.08	134.55	252.38
OPERATING INCOME (LOSS) NET OF TAX	23.99	(29.02)	6.24	3.67	1.66	(34.08)
NON-OPERATING REVENUE (EXPENSE)						
Total Non-Operating Revenue (Expense)	(1.17)	(1.40)	(1.79)	(2.87)	(1.84)	(1.04)
NET INCREASE (DECREASE) IN NET POSITION	22.81	(30.42)	4.46	0.81	(0.18)	(35.12)
MEDICAL LOSS RATIO	85.6%	101.6%	92.9%	93.6%	93.3%	104.5%
ADMINISTRATIVE EXPENSE RATIO	6.6%	8.4%	5.2%	5.2%	6.2%	6.2%

MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION BY MONTH
ROLLING 6 MONTHS
FOR THE MONTH ENDED SEPTEMBER 30, 2024



	MARCH 2024	APRIL 2024	MAY 2024	JUNE 2024	JULY 2024	AUGUST 2024	Prior 6 Month YTD	SEPTEMBER 2024
Total Members - MCAL	415,923	407,608	405,829	403,695	402,008	400,588	2,435,651	401,956
REVENUES								
Medicaid - Family and Other	55,159,087	62,317,189	51,326,322	54,454,738	54,814,574	55,394,125	333,466,034	47,143,352
Medicaid - Expansion Members	47,298,530	49,970,629	46,004,215	45,412,795	45,242,639	44,943,353	278,872,161	25,578,416
Medicaid - SPD Members	23,691,358	24,349,771	23,846,423	24,185,884	24,362,723	24,068,270	144,504,429	15,514,183
Medicaid - LTC Members	4,054,703	4,060,726	4,122,208	4,461,566	4,316,218	4,169,310	25,184,731	3,673,451
Premium - MCO Tax	39,388,230	39,388,230	39,388,230	39,388,230	39,388,230	39,388,230	236,329,379	225,224,150
Premium - Hospital Directed Payments	25,515,722	24,754,858	22,990,345	25,339,960	24,576,449	24,409,832	147,587,165	24,650,569
Investment Earnings And Other Income	1,962,344	2,077,703	2,965,401	2,584,498	3,396,336	3,597,586	16,583,869	3,630,475
Rate Adjustments - Hospital Directed Payments	226,495	99,262	(108,928)	(457,542)	(6,686,334)	5,409	(6,921,638)	(2,168,580)
Rate/Income Adjustments	524,085	(7,486,909)	(794,733)	3,282,299	594,496	117,721	(3,763,042)	1,598,001
Total Revenues	197,820,554	199,531,458	189,739,482	198,652,429	190,005,330	196,093,834	1,171,843,087	344,844,017
EXPENSES								
MEDICAL COSTS								
Physician Services	30,301,995	32,742,882	32,962,778	36,554,096	32,448,391	34,358,210	199,368,353	34,021,968
Other Professional Services	13,296,336	10,516,696	9,231,655	9,148,831	8,910,610	9,280,419	60,384,547	9,068,160
Emergency Room	6,246,167	6,286,018	6,322,930	6,665,692	6,362,602	6,439,132	38,322,542	6,283,494
Inpatient	31,316,403	33,608,353	30,704,459	32,758,876	32,835,724	32,643,856	193,867,672	32,589,946
Reinsurance Expense	129,066	118,429	118,429	110,398	113,134	111,965	701,421	112,562
Outpatient Hospital	14,996,564	14,993,746	12,540,794	13,499,596	16,572,741	15,115,990	87,719,431	14,853,348
Other Medical	26,248,792	28,995,931	29,760,839	29,527,118	28,667,716	31,090,485	174,290,882	33,376,773
Pay for Performance Quality Incentive	623,885	611,412	608,744	605,543	603,012	600,882	3,653,477	602,934
Risk Corridor Expense	-	-	-	-	-	-	-	2,133,095
Hospital Directed Payments	25,515,722	24,754,858	22,990,345	25,339,960	24,576,449	24,409,832	147,587,165	24,650,569
Hospital Directed Payment Adjustment	226,351	134,240	(95,313)	(20,001)	(6,679,802)	5,409	(6,429,116)	185,219
Non-Claims Expense Adjustment	99,211	74,266	(37,068)	(59,596)	1,831	(3,882,116)	(3,803,473)	(414,162)
IBNR, Incentive, Paid Claims Adjustment	128,506	(929,497)	(3,039,235)	(3,427,557)	(2,330,501)	(2,153,720)	(11,752,003)	(1,847,593)
Total Medical Costs	149,128,998	151,907,335	142,069,357	150,702,957	142,081,906	148,020,343	883,910,897	155,616,313
GROSS MARGIN	48,691,556	47,624,123	47,670,125	47,949,472	47,923,423	48,073,491	287,932,190	189,227,704
ADMINISTRATIVE COSTS								
Compensation	3,433,013	3,489,806	3,615,998	3,747,089	3,543,998	3,719,030	21,548,935	3,445,542
Purchased Services	1,860,964	1,561,384	1,716,357	1,750,418	1,609,874	2,266,065	10,765,061	1,939,952
Supplies	259,860	150,254	118,212	204,536	399,825	406,426	1,539,113	197,976
Depreciation	634,912	680,312	680,312	778,841	704,955	704,955	4,184,288	875,296
Other Administrative Expenses	551,825	429,859	693,862	531,586	489,373	608,392	3,304,897	526,643
Administrative Expense Adjustment	(160,374)	(712)	(28,014)	2,765	47,630	-	(138,705)	135
Total Administrative Expenses	6,580,201	6,310,903	6,796,727	7,015,235	6,795,655	7,704,868	41,203,589	6,985,543
TOTAL EXPENSES	155,709,198	158,218,238	148,866,085	157,718,192	148,877,562	155,725,211	925,114,486	162,601,856
OPERATING INCOME (LOSS) BEFORE TAX	42,111,355	41,313,220	40,873,398	40,934,237	41,127,768	40,368,623	246,728,601	182,242,161
MCO TAX	39,388,230	39,388,230	39,388,230	39,388,230	39,388,230	39,388,230	236,329,379	225,224,150
OPERATING INCOME (LOSS) NET OF TAX	2,723,125	1,924,990	1,485,168	1,546,007	1,739,538	980,394	10,399,222	(42,981,989)
NON-OPERATING REVENUE (EXPENSE)								
Total Non-Operating Revenue (Expense)	(573,245)	(1,092,939)	(873,906)	(1,490,047)	(826,998)	(660,952)	(5,518,088)	(506,063)
NET INCREASE (DECREASE) IN NET POSITION	2,149,880	832,051	611,262	55,961	912,540	319,441	4,881,135	(43,488,053)
MEDICAL LOSS RATIO	93.0%	93.9%	93.5%	93.3%	93.6%	93.4%	93.4%	134.6%
ADMINISTRATIVE EXPENSE RATIO	5.0%	4.7%	5.3%	5.2%	5.1%	5.8%	5.2%	7.2%

MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION BY MONTH
PMPM ROLLING 6 MONTHS
FOR THE MONTH ENDED SEPTEMBER 30, 2024

	MARCH 2024	APRIL 2024	MAY 2024	JUNE 2024	JULY 2024	AUGUST 2024	6 Month Prior YTD	SEPTEMBER 2024
Total Members - MCAL	415,923	407,608	405,829	403,695	402,008	400,588	2,435,651	401,956
REVENUES								
Medicaid - Family and Other	203.63	226.61	191.45	203.33	205.51	208.04	208.58	178.10
Medicaid - Expansion Members	396.45	424.14	394.53	394.31	398.75	399.18	408.60	229.33
Medicaid - SPD Members	1,020.78	1,077.04	1,064.10	1,083.31	1,060.22	1,063.41	1,052.46	651.23
Medicaid - LTC Members	8,013.25	8,170.47	8,277.53	8,629.72	8,190.17	8,002.51	8,103.20	7,037.26
Premium - MCO Tax	94.70	96.63	97.06	97.57	97.98	98.33	97.03	560.32
Premium - Hospital Directed Payments	61.35	60.73	56.65	62.77	61.13	60.94	60.59	61.33
Investment Earnings And Other Income	4.72	5.10	7.31	6.40	8.45	8.98	6.81	9.03
Rate Adjustments - Hospital Directed Payments	0.54	0.24	(0.27)	(1.13)	(16.63)	0.01	(2.84)	(5.40)
Rate/Income Adjustments	1.26	(18.37)	(1.96)	8.13	1.48	0.29	(1.54)	3.98
Total Revenues	475.62	489.52	467.54	492.09	472.64	489.51	481.12	857.91
EXPENSES								
MEDICAL COSTS								
Physician Services	72.85	80.33	81.22	90.55	80.72	85.77	81.85	84.64
Other Professional Services	31.97	25.80	22.75	22.66	22.17	23.17	24.79	22.56
Emergency Room	15.02	15.42	15.58	16.51	15.83	16.07	15.73	15.63
Inpatient	75.29	82.45	75.66	81.15	81.68	81.49	79.60	81.08
Reinsurance Expense	0.31	0.29	0.29	0.27	0.28	0.28	0.29	0.28
Outpatient Hospital	36.06	36.78	30.90	33.44	41.22	37.73	36.01	36.95
Other Medical	63.11	71.14	73.33	73.14	71.31	77.61	71.56	83.04
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Risk Corridor Expense	-	-	-	-	-	-	-	5.31
Hospital Directed Payments	61.35	60.73	56.65	62.77	61.13	60.94	60.59	61.33
Hospital Directed Payment Adjustment	0.54	0.33	(0.23)	(0.05)	(16.62)	0.01	(2.64)	0.46
Non-Claims Expense Adjustment	0.24	0.18	(0.09)	(0.15)	0.00	(9.69)	(1.56)	(1.03)
IBNR, Incentive, Paid Claims Adjustment	0.31	(2.28)	(7.49)	(8.49)	(5.80)	(5.38)	(4.82)	(4.60)
Total Medical Costs	358.55	372.68	350.07	373.31	353.43	369.51	362.91	387.15
GROSS MARGIN	117.07	116.84	117.46	118.78	119.21	120.01	118.22	470.77
ADMINISTRATIVE COSTS								
Compensation	8.25	8.56	8.91	9.28	8.82	9.28	8.85	8.57
Purchased Services	4.47	3.83	4.23	4.34	4.00	5.66	4.42	4.83
Supplies	0.62	0.37	0.29	0.51	0.99	1.01	0.63	0.49
Depreciation	1.53	1.67	1.68	1.93	1.75	1.76	1.72	2.18
Other Administrative Expenses	1.33	1.05	1.71	1.32	1.22	1.52	1.36	1.31
Administrative Expense Adjustment	(0.39)	(0.00)	(0.07)	0.01	0.12	-	(0.06)	0.00
Total Administrative Expenses	15.82	15.48	16.75	17.38	16.90	19.23	16.92	17.38
TOTAL EXPENSES	374.37	388.16	366.82	390.69	370.33	388.74	379.82	404.53
OPERATING INCOME (LOSS) BEFORE TAX	101.25	101.36	100.72	101.40	102.31	100.77	101.30	453.39
MCO TAX	94.70	96.63	97.06	97.57	97.98	98.33	97.03	560.32
OPERATING INCOME (LOSS) NET OF TAX	6.55	4.72	3.66	3.83	4.33	2.45	4.27	(106.93)
NON-OPERATING REVENUE (EXPENSE)								
Total Non-Operating Revenue (Expense)	(1.38)	(2.68)	(2.15)	(3.69)	(2.06)	(1.65)	(2.27)	(1.26)
NET INCREASE (DECREASE) IN NET POSITION	5.17	2.04	1.51	0.14	2.27	0.80	2.00	(108.19)
MEDICAL LOSS RATIO	93.0%	93.9%	93.5%	93.3%	93.6%	93.4%	93.4%	134.6%
ADMINISTRATIVE EXPENSE RATIO	5.0%	4.7%	5.3%	5.2%	5.1%	5.8%	5.2%	7.2%

**MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED SEPTEMBER 30, 2024**

REVENUES	September	Budget	Variance	Year to Date	Budget	Variance
Premium - Medi-Cal	39,944,804	46,144,513	(6,199,709)	424,266,329	418,912,275	5,354,053
Premium - Maternity Kick	3,323,673	3,246,005	77,668	28,437,337	29,468,103	(1,030,766)
Premium - Enhanced Care Management	2,161,904	1,375,362	786,542	12,752,979	12,485,906	267,073
Premium - Major Organ Transplant	264,484	236,378	28,106	2,319,619	2,145,904	173,715
Premium - Provider Enhancement	1,180,202	1,077,995	102,208	10,484,701	9,786,324	698,377
Premium - GEMT	169,297	186,068	(16,770)	1,657,594	1,689,171	(31,577)
Premium - Cal AIM	-	330,815	(330,815)	-	3,003,228	(3,003,228)
Premium - Student Behavioral Health Incentive	-	157,013	(157,013)	798,493	1,425,409	(626,916)
Premium - Housing and Homelessness Incentive	-	-	-	6,395,468	-	6,395,468
Premium - Equity & Practice Transformation	-	-	-	569,537	-	569,537
Premium - Distinct Part Nursing Facility	2,025	-	2,025	2,025	-	2,025
Other	96,962	-	96,962	880,958	-	880,958
TOTAL MEDICAID - FAMILY & OTHER	47,143,352	52,754,149	(5,610,797)	488,565,041	478,916,321	9,648,720
Premium - Medi-Cal	21,913,683	41,406,918	(19,493,235)	367,276,306	379,328,197	(12,051,891)
Premium - Maternity Kick	403,958	422,753	(18,795)	3,599,570	3,872,831	(273,261)
Premium - Enhanced Care Management	2,242,374	1,585,202	657,172	15,145,364	14,522,014	623,350
Premium - Major Organ Transplant	422,787	414,707	8,080	3,858,610	3,799,124	59,486
Premium - Provider Enhancement	368,793	354,794	13,999	3,356,533	3,250,263	106,270
Premium - GEMT	181,442	262,662	(81,220)	2,316,239	2,406,241	(90,002)
Premium - Cal AIM	-	293,640	(293,640)	-	2,690,031	(2,690,031)
Premium - Student Behavioral Health Incentive	-	139,369	(139,369)	342,085	1,276,758	(934,672)
Premium - Housing and Homelessness Incentive	-	-	-	2,739,905	-	2,739,905
Premium - Equity & Practice Transformation	-	-	-	243,998	-	243,998
Premium - Distinct Part Nursing Facility	71	-	71	71	-	71
Other	45,308	-	45,308	415,338	-	415,338
TOTAL MEDICAID - EXPANSION MEMBERS	25,578,416	44,880,044	(19,301,628)	399,294,018	411,145,459	(11,851,441)
Premium - Medi-Cal	13,902,698	19,583,522	(5,680,824)	194,285,903	179,200,000	15,085,903
Premium - Enhanced Care Management	1,158,208	727,727	430,480	7,674,793	6,659,106	1,015,687
Premium - Major Organ Transplant	310,765	263,364	47,401	2,683,939	2,409,922	274,016
Premium - Provider Enhancement	28,496	24,705	3,791	249,601	226,064	23,536
Premium - GEMT	114,017	147,909	(33,892)	1,438,731	1,353,450	85,282
Premium - Cal AIM	-	141,888	(141,888)	-	1,298,355	(1,298,355)
Premium - Student Behavioral Health Incentive	-	67,344	(67,344)	65,644	616,233	(550,589)
Premium - Housing and Homelessness Incentive	-	-	-	525,772	-	525,772
Premium - Equity & Practice Transformation	-	-	-	46,822	-	46,822
Premium - Distinct Part Nursing Facility	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL MEDICAID - SPD MEMBERS	15,514,183	20,956,459	(5,442,276)	206,971,204	191,763,130	15,208,074
Premium - Medi-Cal	3,633,618	4,395,083	(761,465)	36,660,512	39,555,749	(2,895,237)
Premium - Enhanced Care Management	9,897	10,315	(418)	85,313	92,834	(7,521)
Premium - Major Organ Transplant	14,648	15,235	(587)	125,980	137,117	(11,137)
Premium - Provider Enhancement	4	4	(0)	35	39	(4)
Premium - GEMT	6,278	3,176	3,102	29,279	28,584	695
Premium - Cal AIM	-	31,530	(31,530)	-	283,770	(283,770)
Premium - Student Behavioral Health Incentive	-	14,965	(14,965)	1,443	134,685	(133,241)
Premium - Housing and Homelessness Incentive	-	-	-	11,558	-	11,558
Premium - Equity & Practice Transformation	-	-	-	1,029	-	1,029
Premium - Distinct Part Nursing Facility	9,006	-	9,006	9,006	-	9,006
Other	-	-	-	-	-	-
TOTAL MEDICAID - LTC MEMBERS	3,673,451	4,470,309	(796,857)	36,924,155	40,232,778	(3,308,622)

MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED SEPTEMBER 30, 2024



REVENUES	January	February	March	April	May	June	July	August	September	Year to Date
Premium - Medi-Cal	47,241,506	48,947,162	49,229,878	48,457,890	45,604,186	48,268,333	48,440,858	48,131,710	39,944,804	424,266,329
Premium - Maternity Kick	2,781,366	2,862,736	2,796,161	3,040,270	3,173,420	2,907,119	3,321,365	4,231,227	3,323,673	28,437,337
Premium - Enhanced Care Management	1,360,425	1,373,690	1,369,893	1,329,522	1,080,066	1,437,528	1,324,442	1,315,508	2,161,904	12,752,979
Premium - Major Organ Transplant	242,912	264,248	268,461	260,651	203,323	289,608	263,632	262,300	264,484	2,319,619
Premium - Cal AIM	-	-	-	-	-	-	-	-	-	-
Premium - Provider Enhancement	1,115,725	1,189,379	1,203,274	1,179,009	1,008,150	1,255,995	1,180,759	1,172,208	1,180,202	10,484,701
Premium - GEMT	187,833	192,364	192,415	187,592	158,941	198,874	185,899	184,380	169,297	1,657,594
Premium - Student Behavioral Health Incentive	-	-	-	798,493	-	-	-	-	-	798,493
Premium - Housing and Homelessness Incentive	-	-	-	6,395,468	-	-	-	-	-	6,395,468
Premium - Equity & Practice Transformation	-	-	-	569,537	-	-	-	-	-	569,537
Premium - Distinct Part Nursing Facility	-	-	-	-	-	-	-	-	2,025	2,025
Other	97,449	98,860	99,005	98,756	98,236	97,279	97,619	96,791	96,962	880,958
TOTAL MEDICAID - FAMILY & OTHER	53,027,216	54,928,439	55,159,087	62,317,189	51,326,322	54,454,738	54,814,574	55,394,125	47,143,352	488,565,041
Premium - Medi-Cal	43,459,690	44,508,533	44,016,473	43,567,402	43,005,883	42,475,755	42,240,002	42,088,885	21,913,683	367,276,306
Premium - Maternity Kick	576,986	710,136	503,013	325,479	281,096	258,904	340,274	199,726	403,958	3,599,570
Premium - Enhanced Care Management	1,651,191	1,664,324	1,642,575	1,626,006	1,605,210	1,579,736	1,569,286	1,564,662	2,242,374	15,145,364
Premium - Major Organ Transplant	432,007	442,199	437,523	433,298	427,929	422,778	420,674	419,415	422,787	3,858,610
Premium - Cal AIM	-	-	-	-	-	-	-	-	-	-
Premium - Provider Enhancement	373,632	384,099	380,389	376,842	372,278	368,239	366,657	365,604	368,793	3,356,533
Premium - GEMT	271,454	274,545	271,386	268,943	265,767	261,970	260,625	260,108	181,442	2,316,239
Premium - Student Behavioral Health Incentive	-	-	-	342,085	-	-	-	-	-	342,085
Premium - Housing and Homelessness Incentive	-	-	-	2,739,905	-	-	-	-	-	2,739,905
Premium - Equity & Practice Transformation	-	-	-	243,998	-	-	-	-	-	243,998
Premium - Distinct Part Nursing Facility	-	-	-	-	-	-	-	-	71	71
Other	46,893	47,755	47,171	46,671	46,053	45,413	45,122	44,952	45,308	415,338
TOTAL MEDICAID - EXPANSION MEMBERS	46,811,852	48,031,590	47,298,530	49,970,629	46,004,215	45,412,795	45,242,639	44,943,353	25,578,416	399,294,018
Premium - Medi-Cal	22,135,884	22,247,086	22,395,301	22,414,824	22,542,535	22,863,443	23,030,954	22,753,177	13,902,698	194,285,903
Premium - Enhanced Care Management	802,416	805,446	810,071	809,677	813,823	825,377	830,598	819,178	1,158,208	7,674,793
Premium - Major Organ Transplant	289,069	291,313	293,840	294,966	297,016	301,270	304,130	301,571	310,765	2,683,939
Premium - Cal AIM	-	-	-	-	-	-	-	-	-	-
Premium - Provider Enhancement	27,257	27,350	27,490	27,471	27,602	27,999	28,168	27,768	28,496	249,601
Premium - GEMT	163,069	163,702	164,656	164,596	165,447	167,796	168,873	166,576	114,017	1,438,731
Premium - Student Behavioral Health Incentive	-	-	-	65,644	-	-	-	-	-	65,644
Premium - Housing and Homelessness Incentive	-	-	-	525,772	-	-	-	-	-	525,772
Premium - Equity & Practice Transformation	-	-	-	46,822	-	-	-	-	-	46,822
Premium - Distinct Part Nursing Facility	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
TOTAL MEDICAID - SPD MEMBERS	23,417,694	23,534,898	23,691,358	24,349,771	23,846,423	24,185,884	24,362,723	24,068,270	15,514,183	206,971,204
Premium - Medi-Cal	3,950,994	4,064,582	4,029,135	4,021,131	4,096,164	4,433,079	4,288,666	4,143,142	3,633,618	36,660,512
Premium - Enhanced Care Management	9,002	9,285	9,206	9,179	9,347	10,145	9,808	9,445	9,897	85,313
Premium - Major Organ Transplant	13,131	13,656	13,568	13,567	13,823	15,086	14,595	13,905	14,648	125,980
Premium - Cal AIM	-	-	-	-	-	-	-	-	-	-
Premium - Provider Enhancement	3	4	4	4	4	5	5	4	4	35
Premium - GEMT	2,536	2,779	2,790	2,814	2,870	3,252	3,145	2,814	6,278	29,279
Premium - Student Behavioral Health Incentive	-	-	-	1,443	-	-	-	-	-	1,443
Premium - Housing and Homelessness Incentive	-	-	-	11,558	-	-	-	-	-	11,558
Premium - Equity & Practice Transformation	-	-	-	1,029	-	-	-	-	-	1,029
Premium - Distinct Part Nursing Facility	-	-	-	-	-	-	-	-	9,006	9,006
Other	-	-	-	-	-	-	-	-	-	-
TOTAL MEDICAID - LTC MEMBERS	3,975,666	4,090,307	4,054,703	4,060,726	4,122,208	4,461,566	4,316,218	4,169,310	3,673,451	36,924,155

MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED SEPTEMBER 30, 2024



	September	Budget	Variance	Year to Date	Budget	Variance
Physician Services						
Primary Care Physician Services	6,536,360	5,612,797	(923,563)	64,828,864	51,105,414	(13,723,450)
Referral Specialty Services	24,186,802	20,802,312	(3,384,490)	202,590,473	189,701,364	(12,889,109)
Urgent Care & After Hours Advice	3,289,806	2,656,751	(633,056)	28,697,322	24,188,036	(4,509,286)
Hospital Admitting Team	9,000	9,300	300	82,200	82,200	-
Total Physician Services	34,021,968	29,081,159	(4,940,809)	296,198,859	265,077,014	(31,121,845)
Other Professional Services						
Vision Service Capitation	341,707	340,510	(1,197)	2,908,866	3,100,290	191,424
221 - Business Intelligence	170,932	155,492	(15,440)	1,374,482	1,417,844	43,362
310 - Health Services - Utilization Management	652,308	1,115,627	463,318	6,778,061	10,172,788	3,394,727
311 - Health Services - Quality Improvement	217,269	336,726	119,457	1,653,301	3,070,420	1,417,118
312 - Health Services Education	302,858	384,760	81,902	2,366,448	3,508,414	1,141,967
313 - Pharmacy	109,561	136,001	26,440	973,882	1,240,122	266,240
314 - Enhanced Care Management	338,260	422,337	84,076	2,819,314	3,851,056	1,031,742
316 - Population Health Management	511,968	655,860	143,892	4,511,205	5,980,432	1,469,227
317 - In Lieu of Services	110,397	138,070	27,673	895,991	1,258,985	362,994
321 - Homeless Management Information Services	41,115	33,011	(8,103)	283,785	301,013	17,228
330 - Member Services	981,352	1,061,656	80,303	9,178,721	9,680,656	501,935
331 - Member Outreach	65,445	336,832	271,387	365,135	3,071,384	2,706,249
410 - Member Engagement	46,888	75,876	28,988	528,330	691,870	163,541
601 - Behavioral Health	131,794	170,299	38,505	1,037,737	1,552,859	515,122
602 - Quality & Health Equity	71,525	73,985	2,461	647,903	674,633	26,730
604 - Clinical Operations, Strategy, and Analytics	113,657	128,216	14,559	811,031	1,169,129	358,098
Behavior Health Treatment	2,674,105	3,739,664	1,065,559	23,170,739	34,021,606	10,850,867
Mental Health Services	450,090	1,070,354	620,265	5,733,140	9,786,511	4,053,371
Other Professional Services	1,736,929	4,882,958	3,146,029	27,980,171	44,505,731	16,525,560
Total Other Professional Services	9,068,160	15,258,233	6,190,074	94,018,242	139,055,743	45,037,501
Emergency Room	6,283,494	6,487,985	204,491	57,626,631	59,127,475	1,500,844
Inpatient Hospital	32,589,946	27,905,075	(4,684,871)	286,221,873	254,755,656	(31,466,217)
Reinsurance Expense Premium	112,562	112,168	(394)	1,009,267	1,021,272	12,005
Outpatient Hospital	14,853,348	12,879,872	(1,973,476)	131,880,600	117,582,303	(14,298,297)
Other Medical						
Ambulance and NEMT	5,700,653	2,758,429	(2,942,224)	40,846,994	25,147,556	(15,699,438)
Home Health Services & CBAS	1,307,115	867,444	(439,671)	11,651,598	7,918,860	(3,732,738)
Utilization and Quality Review Expenses	1,606,585	1,719,834	113,249	10,387,667	15,682,222	5,294,554
Long Term/SNf/Hospice	11,456,571	8,992,761	(2,463,810)	98,306,388	81,438,891	(16,867,497)
Provider Enhancement Expense - Prop. 56	1,498,620	1,525,137	26,516	13,383,186	12,599,557	(783,630)
Provider Enhancement Expense - GEMT	732,408	429,310	(303,098)	6,768,536	5,203,574	(1,564,962)
Enhanced Care Management	5,191,340	3,538,426	(1,652,914)	33,568,783	32,298,601	(1,270,182)
Major Organ Transplant	962,050	883,200	(78,850)	8,536,838	8,067,464	(469,374)
Cal AIM Incentive Programs	2,919,047	757,980	(2,161,067)	18,477,530	6,911,615	(11,565,915)
Student Behavioral Health Incentive	-	359,757	359,757	-	3,280,430	3,280,430
Housing and Homelessness Incentive	200,000	-	(200,000)	4,164,729	-	(4,164,729)
Distinct Part Nursing Facility Expense	11,102	-	(11,102)	11,102	-	(11,102)
DME/Rebates	1,791,282	1,531,588	(259,694)	16,196,789	13,973,000	(2,223,789)
Total Other Medical	33,376,773	23,363,865	(10,012,908)	262,300,140	212,521,770	(49,778,370)
Pay for Performance Quality Incentive	602,934	600,900	(2,034)	5,484,500	5,471,100	(13,399)
Risk Corridor Expense	2,133,095	-	(2,133,095)	2,133,095	-	(2,133,095)
Hospital Directed Payments	24,650,569	21,961,065	(2,689,504)	221,437,163	200,399,975	(21,037,189)
Hospital Directed Payment Adjustment	185,219	-	(185,219)	(3,806,705)	-	3,806,705
Non-Claims Expense Adjustment	(414,162)	-	414,162	(3,960,313)	-	3,960,313
IBNR, Incentive, Paid Claims Adjustment	(1,847,593)	-	1,847,593	(13,105,344)	-	13,105,344
Total Medical Costs	155,616,313	137,650,322	(17,965,991)	1,337,438,008	1,255,012,307	(82,425,701)

* MEDICAL COSTS PER DMHC REGULATIONS

MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED SEPTEMBER 30, 2024

	September	Budget	Variance	Year to Date	Budget	Variance
TOTAL MEMBERS - MCAL	401,956	400,600	1,356	3,656,340	3,647,400	8,940
Physician Services						
Primary Care Physician Services	16.26	14.01	(2.25)	17.73	14.01	(3.72)
Referral Specialty Services	60.17	51.93	(8.24)	55.41	52.01	(3.40)
Urgent Care & After Hours Advice	8.18	6.63	(1.55)	7.85	6.63	(1.22)
Hospital Admitting Team	0.02	0.02	0.00	0.02	0.02	0.00
Total Physician Services	84.64	72.59	(12.05)	81.01	72.68	(8.33)
Other Professional Services						
Vision Service Capitation	0.85	0.85	(0.00)	0.80	0.85	0.05
221 - Business Intelligence	0.43	0.39	(0.04)	0.38	0.39	0.01
310 - Health Services - Utilization Management	1.62	2.78	1.16	1.85	2.79	0.94
311 - Health Services - Quality Improvement	0.54	0.84	0.30	0.45	0.84	0.39
312 - Health Services Education	0.75	0.96	0.21	0.65	0.96	0.31
313 - Pharmacy	0.27	0.34	0.07	0.27	0.34	0.07
314 - Enhanced Care Management	0.84	1.05	0.21	0.77	1.06	0.28
316 - Population Health Management	1.27	1.64	0.36	1.23	1.64	0.41
317 - In Lieu of Services	0.27	0.34	0.07	0.25	0.35	0.10
321 - Homeless Management Information Services	0.10	0.08	(0.02)	0.08	0.08	0.00
330 - Member Services	2.44	2.65	0.21	2.51	2.65	0.14
331 - Member Outreach	0.16	0.84	0.68	0.10	0.84	0.74
410 - Member Engagement	0.12	0.19	0.07	0.14	0.19	0.05
601 - Behavioral Health	0.33	0.43	0.10	0.28	0.43	0.14
602 - Quality & Health Equity	0.18	0.18	0.01	0.18	0.18	0.01
604 - Clinical Operations, Strategy, and Analytics	0.28	0.32	0.04	0.22	0.32	0.10
Behavior Health Treatment	6.65	9.34	2.68	6.34	9.33	2.99
Mental Health Services	1.12	2.67	1.55	1.57	2.68	1.12
Other Professional Services	4.32	12.19	7.87	7.65	12.20	4.55
Total Other Professional Services	22.56	38.09	15.53	25.71	38.12	12.41
Emergency Room	15.63	16.20	0.56	15.76	16.21	0.45
Inpatient Hospital	81.08	69.66	(11.42)	78.28	69.85	(8.44)
Reinsurance Expense Premium	0.28	0.28	(0.00)	0.28	0.28	0.00
Outpatient Hospital	36.95	32.15	(4.80)	36.07	32.24	(3.83)
Other Medical						
Ambulance and NEMT	14.18	6.89	(7.30)	11.17	6.89	(4.28)
Home Health Services & CBAS	3.25	2.17	(1.09)	3.19	2.17	(1.02)
Utilization and Quality Review Expenses	4.00	4.29	0.30	2.84	4.30	1.46
Long Term/SNF/Hospice	28.50	22.45	(6.05)	26.89	22.33	(4.56)
Provider Enhancement Expense - Prop. 56	3.73	3.81	0.08	3.66	3.45	(0.21)
Provider Enhancement Expense - GEMT	1.82	1.07	(0.75)	1.85	1.43	(0.42)
Enhanced Care Management	12.92	8.83	(4.08)	9.18	8.86	(0.33)
Major Organ Transplant	2.39	2.20	(0.19)	2.33	2.21	(0.12)
Cal AIM Incentive Programs	7.26	1.89	(5.37)	5.05	1.89	(3.16)
Student Behavioral Health Incentive	-	0.90	0.90	-	0.90	0.90
Housing and Homelessness Incentive	0.50	-	(0.50)	1.14	-	(1.14)
Distinct Part Nursing Facility Expense	0.03	-	(0.03)	0.00	-	(0.00)
DME/Rebates	4.46	3.82	(0.63)	4.43	3.83	(0.60)
Total Other Medical	83.04	58.32	(24.71)	71.74	58.27	(13.47)
Pay for Performance Quality Incentive	1.50	1.50	(0.00)	1.50	1.50	0.00
Risk Corridor Expense	5.31	-	(5.31)	0.58	-	(0.58)
Hospital Directed Payments	61.33	54.82	(6.51)	60.56	54.94	(5.62)
Hospital Directed Payment Adjustment	0.46	-	(0.46)	(1.04)	-	1.04
Non-Claims Expense Adjustment	(1.03)	-	1.03	(1.08)	-	1.08
IBNR, Incentive, Paid Claims Adjustment	(4.60)	-	4.60	(3.58)	-	3.58
Total Medical Costs	387.15	343.61	(43.54)	365.79	344.08	(21.70)

MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED SEPTEMBER 30, 2024



	January	February	March	April	May	June	July	August	September	Year to Date
Physician Services										
Primary Care Physician Services	6,499,076	6,559,994	7,176,252	8,439,162	7,656,483	10,560,497	4,814,529	6,586,511	6,536,360	64,828,864
Referral Specialty Services	21,255,092	22,977,486	20,309,856	21,606,841	21,227,905	22,534,971	24,157,015	24,334,504	24,186,802	202,590,473
Urgent Care & After Hours Advice	2,319,250	3,179,640	2,806,586	2,687,879	4,069,091	3,449,628	3,467,547	3,427,895	3,289,806	28,697,322
Hospital Admitting Team	9,300	8,700	9,300	9,000	9,300	9,000	9,300	9,300	9,000	82,200
Total Physician Services	30,082,718	32,725,820	30,301,995	32,742,882	32,962,778	36,554,096	32,448,391	34,358,210	34,021,968	296,198,859
Other Professional Services										
Vision Service Capitation	140,322	296,413	344,110	359,517	404,063	339,399	343,443	339,893	341,707	2,908,866
221 - Business Intelligence	166,419	154,838	154,693	149,676	157,920	164,059	162,549	93,397	170,932	1,374,482
310 - Health Services - Utilization Management	852,585	802,658	800,584	810,297	790,917	700,035	698,997	669,680	652,308	6,778,061
311 - Health Services - Quality Improvement	240,989	241,505	131,143	25,469	194,860	181,920	202,485	217,662	217,269	1,653,301
312 - Health Services Education	238,074	244,710	246,020	243,125	259,637	263,229	286,717	282,077	302,858	2,366,448
313 - Pharmacy	117,253	108,343	102,637	102,244	111,483	107,476	102,845	112,041	109,561	973,882
314 - Enhanced Care Management	296,401	292,841	287,850	309,036	318,231	301,102	332,277	343,316	338,260	2,819,314
316 - Population Health Management	495,663	471,064	489,719	503,611	532,764	469,214	507,513	529,689	511,968	4,511,205
317 - In Lieu of Services	88,658	84,311	80,050	94,979	105,477	95,152	117,324	119,643	110,397	895,991
321 - Homeless Management Information Services	-	9,044	676	101,045	26,625	30,523	37,075	37,682	41,115	283,785
330 - Member Services	996,071	988,648	974,384	1,059,971	1,115,929	914,815	1,092,015	1,055,537	981,352	9,178,721
410 - Member Engagement	68,866	68,715	62,767	70,719	55,899	53,496	45,774	55,207	46,888	528,330
601 - Behavioral Health	63,991	79,219	103,195	113,713	138,092	134,174	137,330	136,230	131,794	1,037,737
602 - Quality & Health Equity	76,057	71,516	71,726	71,420	73,359	72,782	67,412	72,107	71,525	647,903
604 - Clinical Operations, Strategy, and Analytics	77,153	69,408	82,369	83,076	79,230	90,449	102,114	113,575	113,657	811,031
Behavior Health Treatment	3,612,672	1,051,116	3,458,567	1,308,993	2,602,725	2,931,009	2,668,314	2,863,238	2,674,105	23,170,739
Mental Health Services	1,525,645	620,225	1,069,857	826,611	393,105	330,088	173,541	343,978	450,090	5,733,140
Other Professional Services	4,642,734	5,211,408	4,823,947	4,258,014	1,813,653	1,904,534	1,762,191	1,826,761	1,736,929	27,980,171
Total Other Professional Services	13,699,554	10,865,981	13,296,336	10,516,696	9,231,655	9,148,831	8,910,610	9,280,419	9,068,160	94,018,242
Emergency Room	6,905,833	6,114,762	6,246,167	6,286,018	6,322,930	6,665,692	6,362,602	6,439,132	6,283,494	57,626,631
Inpatient Hospital	30,185,040	29,579,215	31,316,403	33,608,353	30,704,459	32,758,876	32,835,724	32,643,856	32,589,946	286,221,873
Reinsurance Expense Premium	96,765	98,519	129,066	118,429	118,429	110,398	113,134	111,965	112,562	1,009,267
Outpatient Hospital	13,495,747	15,812,073	14,996,564	14,993,746	12,540,794	13,499,596	16,572,741	15,115,990	14,853,348	131,880,600
Other Medical										
Ambulance and NEMT	3,214,531	3,869,951	4,117,183	4,046,350	4,886,538	4,694,674	4,700,022	5,617,091	5,700,653	40,846,994
Home Health Services & CBAS	821,583	1,260,395	1,162,579	1,286,263	1,383,467	1,803,391	1,254,827	1,371,979	1,307,115	11,651,598
Utilization and Quality Review Expenses	778,360	1,419,906	764,904	659,673	1,094,286	1,057,105	1,593,640	1,413,209	1,606,585	10,387,667
Long Term/SNF/Hospice	8,782,404	11,938,647	10,174,399	11,100,770	11,407,241	11,520,690	10,338,299	11,587,366	11,456,571	98,306,388
Provider Enhancement Expense - Prop. 56	1,440,786	1,520,790	1,530,599	1,504,160	1,337,631	1,569,564	1,493,732	1,487,305	1,498,620	13,383,186
Provider Enhancement Expense - GEMT	697,353	720,314	727,161	758,687	923,611	813,870	1,021,009	374,123	732,408	6,768,536
Enhanced Care Management	3,631,882	3,736,622	3,563,643	3,585,665	3,333,024	3,660,671	3,445,004	3,420,931	5,191,340	33,568,783
Major Organ Transplant	928,263	960,846	962,722	952,357	894,987	1,132,655	795,627	947,331	962,050	8,536,838
Cal AIM Incentive Programs	1,210,017	1,499,955	1,042,387	3,055,050	2,549,702	1,503,170	2,048,408	2,649,795	2,919,047	18,477,530
Housing and Homelessness Incentive	516,672	1,955,761	401,264	409,983	271,034	-	-	410,015	200,000	4,164,729
Distinct Part Nursing Facility Expense	-	-	-	-	-	-	-	-	11,102	11,102
DME	1,444,613	2,282,835	1,801,951	1,636,974	1,679,318	1,771,328	1,977,148	1,811,340	1,791,282	16,196,789
Total Other Medical	23,466,463	31,166,022	26,248,792	28,995,931	29,760,839	29,527,118	28,667,716	31,090,485	33,376,773	262,300,140
Pay for Performance Quality Incentive	607,242	620,847	623,885	611,412	608,744	605,543	603,012	600,882	602,934	5,484,500
Risk Corridor Expense	-	-	-	-	-	-	-	-	2,133,095	2,133,095
Hospital Directed Payments	24,282,372	24,917,058	25,515,722	24,754,858	22,990,345	25,339,960	24,576,449	24,409,832	24,650,569	221,437,163
Hospital Directed Payment Adjustment	42,165	2,395,027	226,351	134,240	(95,313)	(20,001)	(6,679,802)	5,409	185,219	(3,806,705)
Non-Claims Expense Adjustment	141,502	115,821	99,211	74,266	(37,068)	(59,596)	1,831	(3,882,116)	(414,162)	(3,960,313)
IBNR, Incentive, Paid Claims Adjustment	164,572	329,680	128,506	(929,497)	(3,039,235)	(3,427,557)	(2,330,501)	(2,153,720)	(1,847,593)	(13,105,344)
Total Medical Costs	143,169,973	154,740,825	149,128,998	151,907,335	142,069,357	150,702,957	142,081,906	148,020,343	155,616,313	1,337,438,008

* MEDICAL COSTS PER DMHC REGULATIONS

MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED SEPTEMBER 30, 2024



	January	February	March	April	May	June	July	August	September	Year to Date
Physician Services										
Primary Care Physician Services	16.05	15.85	17.25	20.70	18.87	26.16	11.98	16.44	16.26	17.73
Referral Specialty Services	52.50	55.51	48.83	53.01	52.31	55.82	60.09	60.75	60.17	55.41
Urgent Care & After Hours Advice	5.73	7.68	6.75	6.59	10.03	8.55	8.63	8.56	8.18	7.85
Hospital Admitting Team	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Total Physician Services	74.31	79.07	72.85	80.33	81.22	90.55	80.72	85.77	84.64	81.01
Other Professional Services										
Vision Service Capitation	0.35	0.72	0.83	0.88	1.00	0.84	0.85	0.85	0.85	0.80
221 - Business Intelligence	0.41	0.37	0.37	0.37	0.39	0.41	0.40	0.23	0.43	0.38
310 - Health Services - Utilization Management	2.11	1.94	1.92	1.99	1.95	1.73	1.74	1.67	1.62	1.85
311 - Health Services - Quality Improvement	0.60	0.58	0.32	0.06	0.48	0.45	0.50	0.54	0.54	0.45
312 - Health Services Education	0.59	0.59	0.59	0.60	0.64	0.65	0.71	0.70	0.75	0.65
313 - Pharmacy	0.29	0.26	0.25	0.25	0.27	0.27	0.26	0.28	0.27	0.27
314 - Enhanced Care Management	0.73	0.71	0.69	0.76	0.78	0.75	0.83	0.86	0.84	0.77
316 - Population Health Management	1.22	1.14	1.18	1.24	1.31	1.16	1.26	1.32	1.27	1.23
317 - In Lieu of Services	0.22	0.20	0.19	0.23	0.26	0.24	0.29	0.30	0.27	0.25
330 - Member Services	2.46	2.39	2.34	2.60	2.75	2.27	2.72	2.63	2.44	2.51
410 - Member Engagement	0.17	0.17	0.15	0.17	0.14	0.13	0.11	0.14	0.12	0.14
601 - Behavioral Health	0.16	0.19	0.25	0.28	0.34	0.33	0.34	0.34	0.33	0.28
602 - Quality & Health Equity	0.19	0.17	0.17	0.18	0.18	0.18	0.17	0.18	0.18	0.18
604 - Clinical Operations, Strategy, and Analytics	0.19	0.17	0.20	0.20	0.20	0.22	0.25	0.28	0.28	0.22
Behavior Health Treatment	8.92	2.54	8.32	3.21	6.41	7.26	6.64	7.15	6.65	6.34
Mental Health Services	3.77	1.50	2.57	2.03	0.97	0.82	0.43	0.86	1.12	1.57
Other Professional Services	11.47	12.59	11.60	10.45	4.47	4.72	4.38	4.56	4.32	7.65
Total Other Professional Services	33.84	26.25	31.97	25.80	22.75	22.66	22.17	23.17	22.56	25.71
Emergency Room	17.06	14.77	15.02	15.42	15.58	16.51	15.83	16.07	15.63	15.76
Inpatient Hospital	74.56	71.46	75.29	82.45	75.66	81.15	81.68	81.49	81.08	78.28
Reinsurance Expense Premium	0.24	0.24	0.31	0.29	0.29	0.27	0.28	0.28	0.28	0.28
Outpatient Hospital	33.34	38.20	36.06	36.78	30.90	33.44	41.22	37.73	36.95	36.07
Other Medical										
Ambulance and NEMT	7.94	9.35	9.90	9.93	12.04	11.63	11.69	14.02	14.18	11.17
Home Health Services & CBAS	2.03	3.05	2.80	3.16	3.41	4.47	3.12	3.42	3.25	3.19
Utilization and Quality Review Expenses	1.92	3.43	1.84	1.62	2.70	2.62	3.96	3.53	4.00	2.84
Long Term/SNF/Hospice	21.69	28.84	24.46	27.23	28.11	28.54	25.72	28.93	28.50	26.89
Provider Enhancement Expense - Prop. 56	3.56	3.67	3.68	3.69	3.30	3.89	3.72	3.71	3.73	3.66
Provider Enhancement Expense - GEMT	1.72	1.74	1.75	1.86	2.28	2.02	2.54	0.93	1.82	1.85
Enhanced Care Management	8.97	9.03	8.57	8.80	8.21	9.07	8.57	8.54	12.92	9.18
Major Organ Transplant	2.29	2.32	2.31	2.34	2.21	2.81	1.98	2.36	2.39	2.33
Cal AIM Incentive Programs	2.99	3.62	2.51	7.50	6.28	3.72	5.10	6.61	7.26	5.05
Housing and Homelessness Incentive	1.28	4.73	0.96	1.01	0.67	-	-	1.02	0.50	1.14
DME	3.57	5.52	4.33	4.02	4.14	4.39	4.92	4.52	4.46	0.00
Total Other Medical	57.97	75.30	63.11	71.14	73.33	73.14	71.31	77.61	83.01	67.31
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	-
Risk Corridor Expense	-	-	-	-	-	-	-	-	-	1.50
Hospital Directed Payments	59.98	60.20	61.35	60.73	56.65	62.77	61.13	60.94	61.33	0.58
Hospital Directed Payment Adjustment	0.10	5.79	0.54	0.33	(0.23)	(0.05)	(16.62)	0.01	0.46	60.56
Non-Claims Expense Adjustment	0.35	0.28	0.24	0.18	(0.09)	(0.15)	0.00	(9.69)	(1.03)	(1.04)
IBNR, Incentive, Paid Claims Adjustment	0.41	0.80	0.31	(2.28)	(7.49)	(8.49)	(5.80)	(5.38)	(4.60)	(1.08)
Total Medical Costs	353.65	373.86	358.55	372.68	350.07	373.31	353.43	369.51	387.12	364.94

MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED SEPTEMBER 30, 2024

	September	Budget	Variance	Year to Date	Budget	Variance
110 - Executive	453,299	531,130	77,831	5,536,305	5,030,173	(506,132)
112 - Government Relations	40,735	47,358	6,623	480,567	426,221	(54,346)
210 - Accounting	446,987	351,597	(95,390)	2,808,701	3,164,376	355,675
220 - Management Information Systems (MIS)	436,888	276,982	(159,906)	2,924,930	2,492,841	(432,089)
221 - Business Intelligence	227,722	202,179	(25,543)	2,310,633	1,819,610	(491,023)
222 - MIS Development	351,618	381,923	30,305	3,095,573	3,437,309	341,736
223 - Enterprise Configuration	263,228	178,406	(84,822)	1,917,810	1,605,651	(312,159)
225 - Infrastructure	702,793	859,136	156,343	6,494,586	7,732,222	1,237,636
226 - Technical Administrative Services	91,727	220,111	128,385	1,378,298	1,981,003	602,706
230 - Claims	731,866	795,470	63,604	6,849,584	7,159,226	309,641
240 - Project Development	313,617	417,789	104,173	2,967,357	3,760,105	792,748
310 - Health Services - Utilization Management	24,076	55,322	31,246	248,745	497,895	249,150
311 - Health Services - Quality Improvement	6,951	45,141	38,190	54,226	406,268	352,043
312 - Health Services - Education	-	357	357	1,875	3,210	1,335
313 - Pharmacy	10,500	38,333	27,833	105,954	345,000	239,046
314 - Enhanced Care Management	16,154	24,753	8,600	318,277	222,779	(95,498)
316 - Population Health Management	1,121	2,975	1,854	4,621	26,775	22,154
317 - Community Support Services	78	1,625	1,547	734	14,625	13,891
318 - Housing & Homeless Incentive Program (HHIP)	-	-	-	(0)	-	0
319 - CAL AIM Incentive Payment Program (IPP)	-	-	-	0	-	(0)
320 - Provider Network Management	267,867	325,800	57,933	2,393,457	2,932,204	538,747
321 - Homeless Management Information Services	(32)	896	927	1,168	8,062	6,894
322 - Delegation & Oversight	67,406	31,116	(36,289)	433,080	280,048	(153,032)
330 - Member Services	133,829	272,551	138,722	1,980,539	2,452,960	472,421
331 - Member Outreach	-	-	-	-	-	-
340 - Corporate Services	1,185,328	1,034,659	(150,668)	9,154,019	9,311,934	157,915
360 - Audit & Investigative Services	204,729	241,240	36,511	1,883,334	2,171,160	287,826
410 - Member Engagement	47,464	100,456	52,992	601,460	904,104	302,644
420 - Sales/Marketing/Public Relations	217,603	270,104	52,501	2,410,346	2,430,934	20,588
510 - Human Resources	398,713	464,570	65,858	4,132,666	4,181,131	48,466
601 - Behavioral Health	-	1,779	1,779	28,226	16,012	(12,214)
602 - Quality & Health Equity	62,219	40,769	(21,450)	297,637	366,920	69,284
604 - Clinical Operations, Strategy & Analytics	-	479	479	-	4,312	4,312
605 - Quality Performance	280,925	305,117	24,192	2,458,573	2,746,056	287,482
Administrative Expense Adjustment	135	(43,839)	(43,975)	117,010	(394,555)	(511,565)
Total Administrative Expenses	6,985,543	7,476,286	490,742	63,390,287	67,536,570	4,146,283

MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED SEPTEMBER 30, 2024

	January	February	March	April	May	June	July	August	September	YTD TOTALS
110 - Executive	624,355	577,007	603,344	648,716	539,284	580,943	711,301	798,056	453,299	5,536,305
112 - Government Relations	68,770	45,458	47,484	87,379	45,680	47,575	47,612	49,875	40,735	480,567
210 - Accounting	304,846	303,886	292,257	252,083	318,893	293,744	282,315	313,691	446,987	2,808,701
220 - Management Information Systems (MIS)	391,965	262,588	237,010	146,132	253,670	336,226	372,267	488,182	436,888	2,924,930
221 - Business Intelligence	269,666	199,076	187,188	165,837	228,645	197,729	360,364	474,405	227,722	2,310,633
222 - MIS Development	377,641	315,894	321,173	281,395	395,954	355,456	337,554	358,888	351,618	3,095,573
223 - Enterprise Configuration	174,793	155,969	171,033	161,377	180,934	136,019	266,274	408,183	263,228	1,917,810
225 - Infrastructure	617,597	874,756	639,101	642,546	760,253	834,263	815,160	608,118	702,793	6,494,586
226 - Technical Administrative Services	49,489	108,635	117,698	325,913	126,222	172,900	180,639	205,076	91,727	1,378,298
230 - Claims	819,584	766,126	717,167	701,834	775,174	698,241	869,709	769,883	731,866	6,849,584
240 - Project Development	347,377	265,411	322,425	313,084	371,811	303,949	348,056	381,627	313,617	2,967,357
310 - Health Services - Utilization Management	30,997	29,562	29,327	29,768	28,807	26,129	25,555	24,524	24,076	248,745
311 - Health Services - Quality Improvement	8,514	7,726	4,159	858	6,234	5,820	7,001	6,963	6,951	54,226
312 - Health Services - Education	341	138	436	581	-	-	243	137	-	1,875
313 - Pharmacy	21,270	10,500	10,861	10,822	10,500	10,500	10,500	10,500	10,500	105,954
314 - Enhanced Care Management	44,036	43,641	48,782	54,522	24,778	55,043	25,259	6,064	16,154	318,277
316 - Population Health Management	656	700	1,145	-	-	999	-	-	1,121	4,621
317 - Community Support Services	34	-	280	25	-	94	-	224	78	734
318 - Housing & Homeless Incentive Program (HHIP)	3	12	(16)	1	-	-	-	-	-	(0)
319 - CAL AIM Incentive Payment Program (IPP)	22,503	12,348	2,057	(36,908)	-	0	-	-	-	0
320 - Provider Network Management	386,421	336,270	234,388	95,804	284,140	250,781	276,996	260,789	267,867	2,393,457
322 - Delegation & Oversight	21,948	20,301	29,846	95,971	39,170	37,054	52,664	68,721	67,406	433,080
330 - Member Services	667,205	268,918	162,283	166,335	135,344	143,090	159,911	143,624	133,829	1,980,539
340 - Corporate Services	1,024,905	966,025	929,506	977,234	1,148,873	959,922	1,002,122	960,105	1,185,328	9,154,019
360 - Audit & Investigative Services	195,508	186,054	187,655	202,574	244,557	223,461	226,650	212,147	204,729	1,883,334
410 - Member Engagement	76,778	80,429	69,534	82,742	63,776	65,519	52,063	63,155	47,464	601,460
420 - Sales/Marketing/Public Relations	177,987	306,155	176,484	267,848	246,762	228,632	593,890	194,985	217,603	2,410,346
510 - Human Resources	447,072	430,722	409,608	641,247	485,837	462,781	389,991	466,695	398,713	4,132,666
601 - Behavioral Health	43	-	167	22,281	63	-	57	5,616	-	28,226
602 - Quality & Health Equity	40,103	59,304	81,243	(38,694)	14,311	59,557	8,554	11,040	62,219	297,637
604 - Clinical Operations, Strategy & Analytics	-	-	-	-	-	-	-	-	-	-
605 - Quality Performance	143,642	106,967	277,993	525,434	282,798	261,599	282,161	297,054	280,925	2,458,573
Administrative Expense Adjustment	258,024	(160,374)	(712)	(28,014)	2,765	47,630	-	(2,444)	135	117,010
Total Administrative Expenses	7,614,072	6,580,201	6,310,903	6,796,727	7,015,235	6,795,655	7,704,868	7,587,082	6,985,543	63,390,287

KHS - GROUP HEALTH PLAN
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2024



ASSETS	September 2024	August 2024	Increase/ (Decrease)
Cash and Cash Equivalents	1,219,925	1,213,037	6,888
Interest Receivable	14,374	9,000	5,374
Total Current Assets	1,234,298	1,222,037	12,262
CURRENT LIABILITIES			
Other Liabilities	-	-	-
Total Current Liabilities	-	-	-
NET POSITION:			
Net Position at Beginning of Year	1,183,678	1,183,678	-
Increase (Decrease) in Net Position - Current Year	50,620	38,358	12,262
Total Net Position	1,234,298	1,222,037	12,262
TOTAL LIABILITIES AND NET POSITION	1,234,298	1,222,037	12,262



KHS - GROUP HEALTH PLAN
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION
FOR THE MONTH ENDED SEPTEMBER 30, 2024

	September	Budget	Variance	Year to Date	Budget	Variance
REVENUES						
Premium	-	-	-	-	-	-
Interest	5,374	-	5,374	40,567	-	40,567
Other Investment Income	6,888	-	6,888	10,053	-	10,053
Total Revenues	12,262	-	12,262	50,620	-	50,620
EXPENSES						
MEDICAL COSTS						
IBNR and Paid Claims Adjustment	-	-	-	-	-	-
Total Medical Costs	-	-	-	-	-	-
GROSS MARGIN	12,262	-	12,262	50,620	-	50,620
ADMINISTRATIVE COSTS						
Management Fee Expense and Other Admin Exp	-	-	-	-	-	-
Total Administrative Expenses	-	-	-	-	-	-
TOTAL EXPENSES	-	-	-	-	-	-
OPERATING INCOME (LOSS) BEFORE TAX	12,262	-	12,262	50,620	-	50,620
NON-OPERATING REVENUE (EXPENSE)						
Total Non-Operating Revenue (Expense)	-	-	-	-	-	-
NET INCREASE (DECREASE) IN NET POSITION	12,262	-	12,262	50,620	-	50,620
MEDICAL LOSS RATIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ADMINISTRATIVE EXPENSE RATIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%


**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

MEDI-CAL		2024 MEMBER MONTHS	JAN'24	FEB'24	MAR'24	APR'24	MAY'24	JUN'24	JUL'24	AUG'24	SEP'24	OCT'24	NOV'24	DEC'24
ADULT AND FAMILY														
ADULT (SEE COMMENT)	666,233	73,352	78,663	78,717	63,272	74,432	74,454	74,349	74,525	74,469				
CHILD	1,532,908	169,496	168,966	173,240	181,718	169,847	169,044	168,098	165,943	166,556				
SUB-TOTAL ADULT & FAMILY	2,199,141	242,848	247,629	251,957	244,990	244,279	243,498	242,447	240,468	241,025	0	0	0	0
OTHER MEMBERS														
PARTIAL DUALS - FAMILY	5,978	774	770	790	694	629	601	551	588	581				
PARTIAL DUALS - CHILD	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	39	6	5	5	3	5	4	7	1	3				
BCCTP - TABACCO SETTLEMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)														
SPD FULL DUALS	204,961	21,544	22,475	22,251	22,380	22,903	22,959	23,243	23,651	23,555				
SUBTOTAL OTHER MEMBERS	210,978	22,324	23,250	23,046	23,077	23,537	23,564	23,801	24,240	24,139	0	0	0	0
TOTAL FAMILY & OTHER	2,410,119	265,172	270,879	275,003	268,067	267,816	267,062	266,248	264,708	265,164	0	0	0	0
SDP MEMBERS														
SPD (AGED AND DISABLED)	204,771	21,942	23,209	22,608	22,438	22,326	22,645	22,649	23,823	23,131				
TOTAL CLASSIC MEMBERS	2,614,890	287,114	294,088	297,611	290,505	290,142	289,707	288,897	288,531	288,295	0	0	0	0
ACA OE - MEDI-CAL OPTIONAL EXPANSION														
ACA Expansion Adult-Citizen	1,028,950	115,850	117,787	116,589	115,661	114,198	112,827	112,212	111,077	112,749				
EXPANSION DUALS	7,900	1,382	1,517	1,226	944	972	634	378	458	389				
TOTAL ACA OE	1,036,850	117,232	119,304	117,815	116,605	115,170	113,461	112,590	111,535	113,138	0	0	0	0
LONG TERM CARE (LTC)														
LTC	454	38	49	47	46	53	57	52	55	57				
LTC DUALS	4,146	451	457	450	452	464	470	469	467	466				
TOTAL LTC	4,600	489	506	497	498	517	527	521	522	523	0	0	0	0
GRAND TOTAL	3,656,340	404,835	413,898	415,923	407,608	405,829	403,695	402,008	400,588	401,956	0	0	0	0



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Robert Landis, Chief Financial Officer
SUBJECT: October 2024 Financial Results
DATE: December 19, 2024

The October results reflect a \$10.6 million loss in Net Position which is a \$11.0 million unfavorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$21.7 million favorable variance primarily due to:
 - A) \$6.3 million favorable variance primarily due to higher-than-expected budgeted membership.
 - B) \$4.0 million unfavorable variance due to receiving Amended CY 2024 Rates from DHCS on September 24, 2024.
 - C) \$2.5 million favorable variances primarily due to favorable timing differences for Maternity Revenue (\$1.5 million) and for the Student Behavioral Health Incentive Program (\$1.0 million) offset against amounts included in F4 & F5 below.
 - D) \$14.6 million favorable variance in MCO Tax Premium primarily due to receiving revised MCO Tax information from DHCS on September 24, 2024 offset against an unfavorable variance included in the MCO Tax Expense line item on the Income Statement for the same amount.
 - E) \$2.6 million favorable variance in Premium-Hospital Directed Payments primarily due to receiving updated rate information from DHCS for Calendar Year 2024 offset against amounts included in 2H below.
- 2) Total Medical Costs reflect a \$18.1 million unfavorable variance primarily due to:
 - A) \$13.5 million unfavorable variance in Physician Services is primarily due to higher-than-expected utilization (\$3.5 million) and higher-than-expected Targeted Rate Increases ("TRI") amounts allocated to PCP, Specialty and Urgent Care services (\$10.0 million). As previously reported, we began paying TRI amounts in May and believed it was necessary to increase our accruals for these categories of expenses. This amount is offset against amounts included Other Professional Services and Mental Health Services included in 2B (3) & 2B (4) below.

- B) \$18.5 million favorable variance in Other Professional Services primarily due from:
- 1) \$1.1 million favorable variance due to the timing of hiring 2024 Budgeted Utilization Management Employees during the first 9 months of 2024.
 - 2) \$.5 million favorable variance from lower-than-expected utilization of Autism services.
 - 3) \$2.6 million favorable variance in Mental Health Services is primarily due to lower-than-expected utilization (\$.3 million) and lower-than-expected TRI expenses (\$2.3 million) offset against amounts included in 2A above.
 - 4) \$14.4 million favorable variance in Other Professional Services primarily due to lowering our accruals for TRI expenses offset against amounts included in 2A above.
- C) \$1.1 million unfavorable variance in Emergency Room primarily due to higher-than-expected utilization over the last several months.
- D) \$6.1 million unfavorable variance in Inpatient primarily due to higher-than-expected utilization over the last several months.
- E) \$2.3 million unfavorable variance in Outpatient Hospital primarily due to higher-than-expected utilization over the last several months.
- F) \$11.5 million unfavorable variance in Other Medical primarily from:
- 1) \$3.5 million unfavorable variance in Ambulance and Non-emergency Medical Transportation (“NEMT”) due to higher-than-expected utilization of NEMT services over the last several months by our members.
 - 2) \$1.7 million unfavorable variance in Long Term Care expense primarily due to higher-than-expected utilization over the last several months.
 - 3) \$.9 million unfavorable variance in Ground Emergency Medical Transportation (GMET) due to higher-than-expected utilization of services.
 - 4) \$3.4 million unfavorable variance in CalAim Incentive Programs due to timing differences of receiving provider invoices offset against amounts included in 1C above.
 - 5) \$.8 million unfavorable variance in Student Behavioral Health primarily due to timing differences of receiving invoices offset against amounts included in 1C above.
- G) \$1.4 million favorable variance in Risk Corridor Expense relating to consolidating the risk corridor for both Adult and Expansions Unsatisfactory Immigration Status (“UIS”) members having a Medical Expense ratio below 95% for the ten months ended October 31, 2024.

- H) \$2.6 million unfavorable variance in Hospital Directed Payments primarily due to receiving updated rate information from DHCS for Calendar Year 2024 offset against amounts included in 1E above.
- I) \$.9 million unfavorable variance in IBNR, Incentives, Paid Claims Adjustment primarily relating to IBNR Adjustments relating to the prior year.

The October Medical Loss Ratio is 101.1% which is unfavorable to the 92.4% budgeted amount. The October Administrative Expense Ratio is 5.7% which is favorable to the 6.0% budgeted amount. Including the \$4.0 million of negative retroactive revenue rate adjustments, the Medical Loss Ratio would have been 98.1% for the month and the Administrative Expense Ratio would have been 5.5%.

The results for the 10 months ended October 31, 2024 reflect a Net Decrease in Net Position of \$46.4 million. This is a \$51.5 million unfavorable variance to the budget and includes approximately \$14.1 million of favorable adjustments from the prior year and approximately \$43.4 million of unfavorable retroactive revenue rate adjustments for the current year. The year-to-date Medical Loss Ratio is 97.2% which is unfavorable to the 92.4% budgeted amount. Including the \$43.4 million of negative retroactive revenue rate adjustments, the Medical Loss Ratio would have been 94.1%. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 6.0% budgeted amount.



**Financial Packet
October 2024**

KHS – Medi-Cal Line of Business

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KHS Group Health Plan – Healthy Families Line of Business

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**MEDI-CAL
STATEMENT OF NET POSITION
AS OF OCTOBER 31, 2024**



ASSETS	October	September	Increase/ (Decrease)
Cash and Cash Equivalents	351,395,795	108,091,102	243,304,694
Short-Term Investments	181,248,858	523,354,928	(342,106,070)
Premiums Receivable	76,668,143	79,307,636	(2,639,493)
Premiums Receivable - MCO Tax	191,021,848	176,615,263	14,406,585
Premiums Receivable - Hospital Directed Payments	506,264,063	481,706,474	24,557,590
Interest Receivable	559,836	177,754	382,082
Provider Advance Payment	869,262	872,105	(2,843)
Other Receivables	2,245,057	1,601,929	643,128
Prepaid Expenses & Other Current Assets	8,017,849	7,592,619	425,230
Total Current Assets	1,318,290,711	1,379,319,809	(61,029,097)
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,275,126	1,330,812	(55,687)
Computer Equipment - Net	16,317,485	16,881,824	(564,339)
Building and Improvements - Net	32,429,649	32,506,704	(77,056)
Capital Projects In Process	5,035,465	4,420,336	615,129
Total Capital Assets	59,148,431	59,230,384	(81,953)
Restricted Assets	300,000	300,000	-
Officer Life Insurance Receivables	1,637,454	1,637,454	-
SBITA Asset	6,799,897	6,799,897	-
Total Long-Term Assets	8,737,351	8,737,351	-
Deferred Outflow of Resources	8,814,061	8,814,061	-
Total Assets and Deferred Outflows of Resources	1,394,990,555	1,456,101,605	(61,111,050)
CURRENT LIABILITIES			
Accrued Salaries and Benefits	6,975,596	6,295,741	679,855
Accrued Other Operating Expenses	6,779,569	7,291,875	(512,307)
MCO Tax Payable	250,009,721	308,757,164	(58,747,442)
Claims Payable (Reported)	16,345,888	15,703,413	642,475
IBNR - Inpatient Claims	67,435,282	71,650,643	(4,215,361)
IBNR - Physician Claims	9,639,093	9,615,705	23,388
IBNR - Accrued Other Medical	35,514,231	41,467,474	(5,953,243)
Risk Pool and Withholds Payable	7,175,913	6,572,552	603,362
Allowance for Claims Processing Expense	3,824,312	3,824,312	-
Other Liabilities	129,825,950	137,423,535	(7,597,585)
SBITA Liability – Current portion	2,617,467	2,617,467	-
Accrued Hospital Directed Payments	507,764,879	483,207,014	24,557,865
Total Current Liabilities	1,043,907,901	1,094,426,896	(50,518,994)
NONCURRENT LIABILITIES			
Net Pension Liability	12,965,462	12,965,462	-
SBITA Liability, net of current portion	4,182,430	4,182,430	-
Total NonCurrent Liabilities	17,147,892	17,147,892	-
Deferred Inflow of Resources	158,303	158,303	-
NET POSITION:			
Net Position at Beginning of Year	380,188,379	380,188,379	-
Increase (Decrease) in Net Position - Current Year	(46,411,920)	(35,819,865)	(10,592,056)
Total Net Position	333,776,458	344,368,514	(10,592,056)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	1,394,990,555	1,456,101,605	(61,111,050)



MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION
FOR THE MONTH ENDED OCTOBER 31, 2024

	October	Budget	Variance	Year to Date	Budget	Variance
Family Members	241,527	244,644	(3,117)	2,444,407	2,462,939	(18,532)
Expansion Members	113,404	111,811	1,593	1,150,254	1,136,109	14,145
SPD Members	23,202	19,927	3,275	228,263	202,269	25,994
LTC Members	530	555	(25)	5,130	5,548	(418)
Other Members	23,578	24,164	(586)	230,527	241,635	(11,108)
Total Members - MCAL	402,241	401,100	1,141	4,058,581	4,048,500	10,081
REVENUES						
Medicaid - Family and Other	55,766,852	52,852,458	2,914,394	544,331,893	531,768,779	12,563,115
Medicaid - Expansion Members	44,274,896	44,880,044	(605,148)	443,568,914	456,025,503	(12,456,589)
Medicaid - SPD Members	23,582,809	20,956,459	2,626,350	230,554,013	212,719,589	17,834,424
Medicaid - LTC Members	4,161,018	4,470,309	(309,291)	41,085,173	44,703,086	(3,617,913)
Premium - MCO Tax	59,470,965	44,915,178	14,555,787	599,800,954	453,351,030	146,449,924
Premium - Hospital Directed Payments	24,613,116	21,977,686	2,635,430	246,050,280	222,377,661	23,672,618
Investment Earnings And Other Income	2,035,919	2,071,772	(35,854)	26,814,371	20,844,894	5,969,477
Reinsurance Recoveries	-	112,308	(112,308)	-	1,133,580	(1,133,580)
Rate Adjustments - Hospital Directed Payments	(55,251)	-	(55,251)	(6,743,756)	-	(6,743,756)
Rate/Income Adjustments	102,639	-	102,639	726,785	-	726,785
Total Revenues	213,952,963	192,236,214	21,716,749	2,126,188,626	1,942,924,122	183,264,504
EXPENSES						
MEDICAL COSTS						
Physician Services	42,641,203	29,110,418	(13,530,785)	338,840,062	294,187,432	(44,652,630)
Other Professional Services	(3,203,582)	15,273,176	18,476,757	90,814,661	154,328,919	63,514,259
Emergency Room	7,576,830	6,494,788	(1,082,041)	65,203,461	65,622,263	418,803
Inpatient	33,979,229	27,923,310	(6,055,919)	320,201,103	282,678,966	(37,522,137)
Reinsurance Expense	111,767	112,308	541	1,121,034	1,133,580	12,546
Outpatient Hospital	15,182,189	12,888,403	(2,293,786)	147,062,788	130,470,705	(16,592,083)
Other Medical	34,893,013	23,381,737	(11,511,276)	297,190,186	235,903,507	(61,286,679)
Pay for Performance Quality Incentive	603,362	601,650	(1,712)	6,090,828	6,072,750	(18,078)
Risk Corridor Expense	(1,390,990)	-	1,390,990	742,105	-	(742,105)
Hospital Directed Payments	24,613,116	21,977,686	(2,635,430)	246,050,280	222,377,661	(23,672,618)
Hospital Directed Payment Adjustment	(55,251)	-	55,251	(3,861,956)	-	3,861,956
Non-Claims Expense Adjustment	(329)	-	329	(3,960,642)	-	3,960,642
IBNR, Incentive, Paid Claims Adjustment	905,899	-	(905,899)	(12,248,101)	-	12,248,101
Total Medical Costs	155,856,455	137,763,477	(18,092,978)	1,493,245,807	1,392,775,784	(100,470,023)
GROSS MARGIN	58,096,509	54,472,738	3,623,771	632,942,820	550,148,339	82,794,481
ADMINISTRATIVE COSTS						
Compensation	3,800,976	4,142,126	341,149	36,264,872	41,671,255	5,406,383
Purchased Services	1,959,335	1,739,891	(219,444)	19,137,168	17,398,908	(1,738,260)
Supplies	250,386	372,344	121,959	2,444,819	3,723,444	1,278,625
Depreciation	718,614	710,921	(7,693)	7,207,433	7,109,212	(98,221)
Other Administrative Expenses	706,468	554,843	(151,624)	5,654,764	5,548,431	(106,333)
Administrative Expense Adjustment	-	(43,839)	(43,839)	117,010	(438,395)	(555,404)
Total Administrative Expenses	7,435,779	7,476,286	40,507	70,826,066	75,012,856	4,186,790
TOTAL EXPENSES	163,292,234	145,239,762	(18,052,471)	1,564,071,873	1,467,788,640	(96,283,233)
OPERATING INCOME (LOSS) BEFORE TAX	50,660,730	46,996,452	3,664,277	562,116,753	475,135,482	86,981,271
MCO TAX	59,470,965	44,915,178	(14,555,787)	599,800,954	453,351,030	(146,449,924)
OPERATING INCOME (LOSS) NET OF TAX	(8,810,236)	2,081,274	(10,891,510)	(37,684,201)	21,784,452	(59,468,653)
NON-OPERATING REVENUE (EXPENSE)						
Provider Grants/CalAIM/Home Health	(2,640,541)	(825,558)	(1,814,983)	(7,927,190)	(8,346,907)	419,716
D-SNP Expenses	858,721	(825,558)	1,684,280	(800,529)	(8,346,907)	7,546,378
Total Non-Operating Revenue (Expense)	(1,781,820)	(1,651,116)	(130,704)	(8,727,720)	(16,693,814)	7,966,094
NET INCREASE (DECREASE) IN NET POSITION	(10,592,056)	430,158	(11,022,214)	(46,411,920)	5,090,639	(51,502,559)
MEDICAL LOSS RATIO	101.1%	92.4%	-8.7%	97.2%	92.4%	-4.8%
ADMINISTRATIVE EXPENSE RATIO	5.7%	6.0%	0.2%	5.5%	5.9%	0.4%



MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION
FOR THE MONTH ENDED OCTOBER 31, 2024

	October	Budget	Variance	Year to Date	Budget	Variance
Family Members	241,527	244,644	(3,117)	2,444,407	2,462,939	(18,532)
Expansion Members	113,404	111,811	1,593	1,150,254	1,136,109	14,145
SPD Members	23,202	19,927	3,275	228,263	202,269	25,994
LTC Members	530	555	(25)	5,130	5,548	(418)
Other Members	23,578	24,164	(586)	230,527	241,635	(11,108)
Total Members - MCAL	402,241	401,100	1,141	4,058,581	4,048,500	10,081
REVENUES						
Medicaid - Family and Other	210.36	196.62	13.74	203.49	196.62	6.88
Medicaid - Expansion Members	390.42	401.39	(10.97)	385.63	401.39	(15.77)
Medicaid - SPD Members	1,016.41	1,051.67	(35.25)	1,010.04	1,051.67	(41.63)
Medicaid - LTC Members	7,850.98	8,058.24	(207.26)	8,008.81	8,058.24	(49.43)
Premium - MCO Tax	2,522.31	1,858.80	663.50	2,601.87	1,876.18	725.69
Premium - Hospital Directed Payments	61.19	54.79	6.40	60.62	54.93	5.70
Investment Earnings And Other Income	5.06	5.17	(0.10)	6.61	5.15	1.46
Reinsurance Recoveries	-	0.28	(0.28)	-	0.28	(0.28)
Rate Adjustments - Hospital Directed Payments	(0.14)	-	(0.14)	(1.66)	-	(1.66)
Rate/Income Adjustments	0.26	-	0.26	0.18	-	0.18
Total Revenues	531.90	479.27	52.63	523.87	479.91	43.96
EXPENSES						
MEDICAL COSTS						
Physician Services	106.01	72.58	(33.43)	83.49	72.67	(10.82)
Other Professional Services	(7.96)	38.08	46.04	22.38	38.12	15.74
Emergency Room	18.84	16.19	(2.64)	16.07	16.21	0.14
Inpatient	84.47	69.62	(14.86)	78.89	69.82	(9.07)
Reinsurance Expense	0.28	0.28	0.00	0.28	0.28	0.00
Outpatient Hospital	37.74	32.13	(5.61)	36.24	32.23	(4.01)
Other Medical	86.75	58.29	(28.45)	73.23	58.27	(14.96)
Pay for Performance Quality Incentive	1.50	1.50	(0.00)	1.50	1.50	(0.00)
Risk Corridor Expense	(3.46)	-	3.46	0.18	-	(0.18)
Hospital Directed Payments	61.19	54.79	(6.40)	60.62	54.93	(5.70)
Hospital Directed Payment Adjustment	(0.14)	-	0.14	(0.95)	-	0.95
Non-Claims Expense Adjustment	(0.00)	-	0.00	(0.98)	-	0.98
IBNR, Incentive, Paid Claims Adjustment	2.25	-	(2.25)	(3.02)	-	3.02
Total Medical Costs	387.47	343.46	(44.01)	367.92	344.02	(23.90)
GROSS MARGIN	144.43	135.81	8.62	155.95	135.89	20.06
ADMINISTRATIVE COSTS						
Compensation	9.45	10.33	0.88	8.94	10.29	1.36
Purchased Services	4.87	4.34	(0.53)	4.72	4.30	(0.42)
Supplies	0.62	0.93	0.31	0.60	0.92	0.32
Depreciation	1.79	1.77	(0.01)	1.78	1.76	(0.02)
Other Administrative Expenses	1.76	1.38	(0.37)	1.39	1.37	(0.02)
Administrative Expense Adjustment	-	(0.11)	(0.11)	0.03	(0.11)	(0.14)
Total Administrative Expenses	18.49	18.64	0.15	17.45	18.53	1.08
TOTAL EXPENSES	405.96	362.10	(43.85)	385.37	362.55	(22.82)
OPERATING INCOME (LOSS) BEFORE TAX	125.95	117.17	8.78	138.50	117.36	21.14
MCO TAX	147.85	111.98	(35.87)	147.79	111.98	(35.81)
OPERATING INCOME (LOSS) NET OF TAX	(21.90)	5.19	(27.09)	(9.29)	5.38	(14.67)
NON-OPERATING REVENUE (EXPENSE)						
Provider Grants/CalAIM/Home Health	2.13	(2.06)	4.19	(0.20)	(2.06)	1.86
D-SNP Expenses	(6.56)	(2.06)	(4.51)	(1.95)	(2.06)	0.11
Total Non-Operating Revenue (Expense)	(4.43)	(4.12)	(0.31)	(2.15)	(4.12)	1.97
NET INCREASE (DECREASE) IN NET POSITION	(26.33)	1.07	(27.41)	(11.44)	1.26	(12.69)
MEDICAL LOSS RATIO	-15.9%	-20.1%	-4.2%	-14.4%	-19.9%	-5.5%
ADMINISTRATIVE EXPENSE RATIO	-0.9%	-1.3%	-0.4%	-0.8%	-1.3%	-0.5%

**MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION BY QUARTER
ROLLING 4 QUARTERS
FOR THE MONTH ENDED OCTOBER 31, 2024**

	2023 - Q4	2024 - Q1	2024 - Q2	2024 - Q3	Rolling 4-Quarter Totals	CURRENT QUARTER 2024 - Q4
Total Members - MCAL	1,038,591	1,234,656	1,217,132	1,204,552	4,694,931	402,241
REVENUES						
Medicaid - Family and Other	119,336,194	163,114,742	168,098,248	157,352,051	607,901,235	55,766,852
Medicaid - Expansion Members	97,694,167	142,141,972	141,387,639	115,764,407	496,988,185	44,274,896
Medicaid - SPD Members	59,165,633	70,643,949	72,382,078	63,945,176	266,136,837	23,582,809
Medicaid - LTC Members	9,599,451	12,120,676	12,644,500	12,158,979	46,523,606	4,161,018
Premium - MCO Tax	375,849,146	118,164,689	118,164,689	304,000,610	916,179,134	59,470,965
Premium - Hospital Directed Payments	63,752,178	74,715,152	73,085,162	73,636,849	285,189,341	24,613,116
Investment Earnings And Other Income	9,031,183	6,526,452	7,627,603	10,624,397	33,809,635	2,035,919
Rate Adjustments - Hospital Directed Payments	(26,268,027)	2,628,208	(467,208)	(8,849,506)	(32,956,532)	(55,251)
Rate/Income Adjustments	495,587	3,361,928	(5,047,999)	2,310,217	1,119,733	102,639
Total Revenues	708,655,511	593,417,768	587,874,713	730,943,182	2,620,891,174	213,952,963
EXPENSES						
MEDICAL COSTS						
Physician Services	61,076,433	93,110,533	102,259,757	100,828,569	357,275,292	42,641,203
Other Professional Services	19,381,164	37,861,872	28,897,182	27,259,189	113,399,406	(3,203,582)
Emergency Room	15,523,588	19,266,762	19,274,640	19,085,229	73,150,218	7,576,830
Inpatient	79,244,732	91,080,658	97,071,689	98,069,526	365,466,605	33,979,229
Reinsurance Expense	190,133	324,349	347,257	337,661	1,199,400	111,767
Outpatient Hospital	40,939,501	44,304,385	41,034,136	46,542,079	172,820,101	15,182,189
Other Medical	79,194,627	80,881,278	88,283,888	93,132,007	341,491,800	34,893,013
Pay for Performance Quality Incentive	1,555,236	1,851,974	1,825,698	1,809,795	7,042,703	603,362
Risk Corridor Expense	-	-	-	2,133,095	2,133,095	(1,390,990)
Hospital Directed Payments	63,752,178	74,715,152	73,085,162	73,636,849	285,189,341	24,613,116
Hospital Directed Payment Adjustment	(26,330,241)	2,663,543	18,927	(6,489,175)	(30,136,947)	(55,251)
Non-Claims Expense Adjustment	1,571,341	356,533	(22,398)	(4,294,448)	(2,388,972)	(329)
IBNR, Incentive, Paid Claims Adjustment	1,506,238	622,759	(7,444,944)	(6,331,814)	(11,647,762)	905,899
Total Medical Costs	337,604,928	447,039,996	444,630,994	445,718,563	1,674,994,280	155,856,455
GROSS MARGIN	371,050,583	146,377,773	143,243,720	285,224,619	945,896,894	58,096,509
ADMINISTRATIVE COSTS						
Compensation	13,584,268	10,509,085	10,907,085	11,047,726	46,048,164	3,800,976
Purchased Services	5,339,166	5,448,763	5,076,649	6,652,421	22,516,999	1,959,335
Supplies	680,996	764,751	722,573	707,109	2,875,429	250,386
Depreciation	2,099,363	2,040,936	2,164,109	2,283,774	8,588,182	718,614
Other Administrative Expenses	1,406,817	1,644,704	1,714,820	1,588,772	6,355,113	706,468
Administrative Expense Adjustment	1,580,132	96,938	22,381	(2,309)	1,697,142	0
Total Administrative Expenses	24,690,742	20,505,176	20,607,617	22,277,493	88,081,029	7,435,779
TOTAL EXPENSES	362,295,670	467,544,972	465,238,611	467,996,056	1,763,075,309	163,292,234
OPERATING INCOME (LOSS) BEFORE TAX	346,359,841	125,872,796	122,636,102	262,947,125	857,815,865	50,660,730
MCO TAX	376,495,887	118,164,689	118,164,689	304,000,610	916,825,875	59,470,965
OPERATING INCOME (LOSS) NET OF TAX	(30,136,046)	7,708,107	4,471,413	(41,053,485)	(59,010,011)	(8,810,236)
NON-OPERATING REVENUE (EXPENSE)						
Provider Grants/CalAIM/Home Health	25,418	(1,329,860)	(2,537,763)	(1,419,027)	(5,261,231)	(2,640,541)
D-SNP Expenses	(1,480,051)	(877,356)	(951,808)	169,913	(3,139,302)	858,721
Total Non-Operating Revenue (Expense)	(1,454,633)	(2,207,215)	(3,489,571)	(1,249,113)	(8,400,533)	(1,781,820)
NET INCREASE (DECREASE) IN NET POSITION	(31,590,679)	5,500,891	981,842	(42,302,598)	(67,410,544)	(10,592,056)
MEDICAL LOSS RATIO	101.6%	92.9%	93.6%	104.5%	97.8%	101.1%
ADMINISTRATIVE EXPENSE RATIO	8.4%	5.2%	5.2%	6.2%	6.1%	5.7%

**MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION BY QUARTER
ROLLING 4 QUARTERS PMPM
FOR THE MONTH ENDED OCTOBER 31, 2024**

	2023 - Q4	2024 - Q1	2024 - Q2	2024 - Q3	Rolling Quarter Totals	CURRENT QUARTER 2024 - Q4
Total Members - MCAL	1,038,591	1,234,656	1,217,132	1,204,552	3,490,379	402,241
REVENUES						
Medicaid - Family and Other	172.27	201.11	209.43	197.64	217.72	210.36
Medicaid - Expansion Members	338.10	401.13	409.54	343.25	419.71	390.42
Medicaid - SPD Members	1,063.71	1,042.58	1,068.92	918.92	1,204.46	1,016.41
Medicaid - LTC Members	7,447.21	8,123.78	8,200.06	7,764.35	10,288.28	7,850.98
Premium - MCO Tax	361.88	95.71	97.08	252.38	195.14	147.85
Premium - Hospital Directed Payments	61.38	60.51	60.05	61.13	60.74	61.19
Investment Earnings And Other Income	8.70	5.29	6.27	8.82	7.20	5.06
Rate Adjustments - Hospital Directed Payments	(25.29)	2.13	(0.38)	(7.35)	(7.02)	(0.14)
Rate/Income Adjustments	0.48	2.72	(4.15)	1.92	0.24	0.26
Total Revenues	682.32	480.63	483.00	606.82	558.24	531.90
EXPENSES						
MEDICAL COSTS						
Physician Services	58.81	75.41	84.02	83.71	76.10	106.01
Other Professional Services	18.66	30.67	23.74	22.63	24.15	(7.96)
Emergency Room	14.95	15.60	15.84	15.84	15.58	18.84
Inpatient	76.30	73.77	79.75	81.42	77.84	84.47
Reinsurance Expense	0.18	0.26	0.29	0.28	0.26	0.28
Outpatient Hospital	39.42	35.88	33.71	38.64	36.81	37.74
Other Medical	76.25	65.51	72.53	77.32	72.74	86.75
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.50	1.50	1.50
Risk Corridor Expense	-	-	-	1.77	0.45	(3.46)
Hospital Directed Payments	61.38	60.51	60.05	61.13	60.74	61.19
Hospital Directed Payment Adjustment	(25.35)	2.16	0.02	(5.39)	(6.42)	(0.14)
Non-Claims Expense Adjustment	1.51	0.29	(0.02)	(3.57)	(0.51)	(0.00)
IBNR, Incentive, Paid Claims Adjustment	1.45	0.50	(6.12)	(5.26)	(2.48)	2.25
Total Medical Costs	325.06	362.08	365.31	370.03	356.77	387.47
GROSS MARGIN	357.26	118.56	117.69	236.79	201.47	144.43
ADMINISTRATIVE COSTS						
Compensation	13.08	8.51	8.96	9.17	9.81	9.45
Purchased Services	5.14	4.41	4.17	5.52	4.80	4.87
Supplies	0.66	0.62	0.59	0.59	0.61	0.62
Depreciation	2.02	1.65	1.78	1.90	1.83	1.79
Other Administrative Expenses	1.35	1.33	1.41	1.32	1.35	1.76
Administrative Expense Adjustment	1.52	0.08	0.02	(0.00)	0.36	0.00
Total Administrative Expenses	23.77	16.61	16.93	18.49	18.76	18.49
TOTAL EXPENSES	348.83	378.68	382.24	388.52	375.53	405.96
OPERATING INCOME (LOSS) BEFORE TAX	333.49	101.95	100.76	218.29	182.71	125.95
MCO TAX	362.51	95.71	97.08	252.38	195.28	147.85
OPERATING INCOME (LOSS) NET OF TAX	(29.02)	6.24	3.67	(34.08)	(12.57)	(21.90)
NON-OPERATING REVENUE (EXPENSE)						
Provider Grants/CalAIM/Home Health	0.02	(1.08)	(2.09)	(1.18)	(1.12)	(6.56)
D-SNP Expenses	(1.43)	(0.71)	(0.78)	0.14	(0.67)	2.13
Total Non-Operating Revenue (Expense)	(1.40)	(1.79)	(2.87)	(1.04)	(1.79)	(4.43)
NET INCREASE (DECREASE) IN NET POSITION	(30.42)	4.46	0.81	(35.12)	(14.36)	(26.33)
MEDICAL LOSS RATIO	101.6%	92.9%	93.6%	104.5%	97.8%	101.1%
ADMINISTRATIVE EXPENSE RATIO	8.4%	5.2%	5.2%	6.2%	6.1%	5.7%

MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION BY MONTH
ROLLING 6 MONTHS
FOR THE MONTH ENDED OCTOBER 31, 2024

	APRIL 2024	MAY 2024	JUNE 2024	JULY 2024	AUGUST 2024	SEPTEMBER 2024	Prior 6 Month YTD	OCTOBER 2024
Total Members - MCAL	407,608	405,829	403,695	402,008	400,588	401,956	2,421,684	402,241
REVENUES								
Medicaid - Family and Other	62,317,189	51,326,322	54,454,738	54,814,574	55,394,125	47,143,352	325,450,299	55,766,852
Medicaid - Expansion Members	49,970,629	46,004,215	45,412,795	45,242,639	44,943,353	25,578,416	257,152,046	44,274,896
Medicaid - SPD Members	24,349,771	23,846,423	24,185,884	24,362,723	24,068,270	15,514,183	136,327,254	23,582,809
Medicaid - LTC Members	4,060,726	4,122,208	4,461,566	4,316,218	4,169,310	3,673,451	24,803,479	4,161,018
Premium - MCO Tax	39,388,230	39,388,230	39,388,230	39,388,230	39,388,230	225,224,150	422,165,299	59,470,965
Premium - Hospital Directed Payments	24,754,858	22,990,345	25,339,960	24,576,449	24,409,832	24,650,569	146,722,012	24,613,116
Investment Earnings And Other Income	2,077,703	2,965,401	2,584,498	3,396,336	3,597,586	3,630,475	18,252,000	2,035,919
Rate Adjustments - Hospital Directed Payments	99,262	(108,928)	(457,542)	(6,686,334)	5,409	(2,168,580)	(9,316,713)	(55,251)
Rate/Income Adjustments	(7,486,909)	(843,366)	3,282,276	594,484	117,732	1,598,001	(2,737,782)	102,639
Total Revenues	199,531,458	189,690,849	198,652,406	190,005,318	196,093,846	344,844,017	1,318,817,895	213,952,963
EXPENSES								
MEDICAL COSTS								
Physician Services	32,742,882	32,962,778	36,554,096	32,448,391	34,358,210	34,021,968	203,088,326	42,641,203
Other Professional Services	10,516,696	9,231,655	9,148,831	8,910,610	9,280,419	9,068,160	56,156,371	(3,203,582)
Emergency Room	6,286,018	6,322,930	6,665,692	6,362,602	6,439,132	6,283,494	38,359,869	7,576,830
Inpatient	33,608,353	30,704,459	32,758,876	32,835,724	32,643,856	32,589,946	195,141,215	33,979,229
Reinsurance Expense	118,429	118,429	110,398	113,134	111,965	112,562	684,918	111,767
Outpatient Hospital	14,993,746	12,540,794	13,499,596	16,572,741	15,115,990	14,853,348	87,576,215	15,182,189
Other Medical	28,995,931	29,760,839	29,527,118	28,667,716	31,087,518	33,376,773	181,415,896	34,893,013
Pay for Performance Quality Incentive	611,412	608,744	605,543	603,012	603,849	602,934	3,635,493	603,362
Risk Corridor Expense	-	-	-	-	-	2,133,095	2,133,095	(1,390,990)
Hospital Directed Payments	24,754,858	22,990,345	25,339,960	24,576,449	24,409,832	24,650,569	146,722,012	24,613,116
Hospital Directed Payment Adjustment	134,240	(95,313)	(20,001)	(6,679,802)	5,409	185,219	(6,470,248)	(55,251)
Non-Claims Expense Adjustment	74,266	(37,068)	(59,596)	1,831	(3,882,116)	(414,162)	(4,316,846)	(329)
IBNR, Incentive, Paid Claims Adjustment	(929,497)	(3,087,868)	(3,427,580)	(2,330,513)	(2,153,708)	(1,847,593)	(13,776,759)	905,899
Total Medical Costs	151,907,335	142,020,725	150,702,934	142,081,895	148,020,355	155,616,313	890,349,556	155,856,455
GROSS MARGIN	47,624,123	47,670,125	47,949,472	47,923,423	48,073,491	189,227,704	428,468,338	58,096,509
ADMINISTRATIVE COSTS								
Compensation	3,615,998	3,747,089	3,543,998	3,719,030	3,883,154	3,445,542	21,954,811	3,800,976
Purchased Services	1,716,357	1,750,418	1,609,874	2,266,065	2,446,404	1,939,952	11,729,070	1,959,335
Supplies	118,212	204,536	399,825	406,426	102,708	197,976	1,429,682	250,386
Depreciation	680,312	778,841	704,955	704,955	703,523	875,296	4,447,883	718,614
Other Administrative Expenses	693,862	531,586	489,373	608,392	453,737	526,643	3,303,592	706,468
Administrative Expense Adjustment	(28,014)	2,765	47,630	-	(2,444)	135	20,072	0
Total Administrative Expenses	6,796,727	7,015,235	6,795,655	7,704,868	7,587,082	6,985,543	42,885,111	7,435,779
TOTAL EXPENSES	158,704,062	149,035,960	157,498,590	149,786,762	155,607,437	162,601,856	933,234,667	163,292,234
OPERATING INCOME (LOSS) BEFORE TAX	40,827,396	40,654,890	41,153,817	40,218,556	40,486,409	182,242,161	385,583,228	50,660,730
MCO TAX	39,388,230	39,388,230	39,388,230	39,388,230	39,388,230	225,224,150	422,165,299	59,470,965
OPERATING INCOME (LOSS) NET OF TAX	1,439,166	1,266,660	1,765,587	830,326	1,098,179	(42,981,989)	(36,582,072)	(8,810,236)
NON-OPERATING REVENUE (EXPENSE)								
Provider Grants/CalAIM/Home Health	(736,763)	(558,270)	(1,242,730)	(438,143)	(591,684)	(389,199)	(3,956,789)	(2,640,541)
D-SNP Expenses	(315,636)	(247,317)	(388,855)	(69,268)	356,045	(116,864)	(781,895)	858,721
Total Non-Operating Revenue (Expense)	(1,052,399)	(805,587)	(1,631,585)	(507,411)	(235,639)	(506,063)	(4,738,685)	(1,781,820)
NET INCREASE (DECREASE) IN NET POSITION	386,767	461,073	134,002	322,915	862,540	(43,488,053)	(41,320,756)	(10,592,056)
MEDICAL LOSS RATIO	93.9%	93.5%	93.3%	93.6%	93.4%	134.6%	98.8%	101.1%
ADMINISTRATIVE EXPENSE RATIO	5.0%	5.5%	5.1%	5.8%	5.7%	7.2%	5.6%	5.7%

MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION BY MONTH
PMPM ROLLING 6 MONTHS
FOR THE MONTH ENDED OCTOBER 31, 2024

	APRIL 2024	MAY 2024	JUNE 2024	JULY 2024	AUGUST 2024	SEPTEMBER 2024	6 Month Prior YTD	OCTOBER 2024
Total Members - MCAL	407,608	405,829	403,695	402,008	400,588	401,956	2,421,684	402,241
REVENUES								
Medicaid - Family and Other	226.61	191.45	203.33	205.51	208.04	177.79	203.94	210.67
Medicaid - Expansion Members	424.14	394.53	394.31	398.75	399.18	226.08	378.56	396.96
Medicaid - SPD Members	1,077.04	1,064.10	1,083.31	1,060.22	1,063.41	670.71	987.21	989.92
Medicaid - LTC Members	8,170.47	8,277.53	8,629.72	8,190.17	8,002.51	7,023.81	7,899.20	7,971.30
Premium - MCO Tax	96.63	97.06	97.57	97.98	98.33	560.32	174.33	147.85
Premium - Hospital Directed Payments	60.73	56.65	62.77	61.13	60.94	61.33	60.59	61.19
Investment Earnings And Other Income	5.10	7.31	6.40	8.45	8.98	9.03	7.54	5.06
Rate Adjustments - Hospital Directed Payments	0.24	(0.27)	(1.13)	(16.63)	0.01	(5.40)	(3.85)	(0.14)
Rate/Income Adjustments	(18.37)	(2.08)	8.13	1.48	0.29	3.98	(1.13)	0.26
Total Revenues	489.52	467.42	492.09	472.64	489.52	857.91	544.59	531.90
EXPENSES								
MEDICAL COSTS								
Physician Services	80.33	81.22	90.55	80.72	85.77	84.64	83.86	106.01
Other Professional Services	25.80	22.75	22.66	22.17	23.17	22.56	23.19	(7.96)
Emergency Room	15.42	15.58	16.51	15.83	16.07	15.63	15.84	18.84
Inpatient	82.45	75.66	81.15	81.68	81.49	81.08	80.58	84.47
Reinsurance Expense	0.29	0.29	0.27	0.28	0.28	0.28	0.28	0.28
Outpatient Hospital	36.78	30.90	33.44	41.22	37.73	36.95	36.16	37.74
Other Medical	71.14	73.33	73.14	71.31	77.60	83.04	74.91	86.75
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.50	1.51	1.50	1.50	1.50
Risk Corridor Expense	-	-	-	-	-	5.31	0.88	(3.46)
Hospital Directed Payments	60.73	56.65	62.77	61.13	60.94	61.33	60.59	61.19
Hospital Directed Payment Adjustment	0.33	(0.23)	(0.05)	(16.62)	0.01	0.46	(2.67)	(0.14)
Non-Claims Expense Adjustment	0.18	(0.09)	(0.15)	0.00	(9.69)	(1.03)	(1.78)	(0.00)
IBNR, Incentive, Paid Claims Adjustment	(2.28)	(7.61)	(8.49)	(5.80)	(5.38)	(4.60)	(5.69)	2.25
Total Medical Costs	372.68	349.95	373.31	353.43	369.51	387.15	367.66	387.47
GROSS MARGIN	116.84	117.46	118.78	119.21	120.01	470.77	176.93	144.43
ADMINISTRATIVE COSTS								
Compensation	8.87	9.23	8.78	9.25	9.69	8.57	9.07	9.45
Purchased Services	4.21	4.31	3.99	5.64	6.11	4.83	4.84	4.87
Supplies	0.29	0.50	0.99	1.01	0.26	0.49	0.59	0.62
Depreciation	1.67	1.92	1.75	1.75	1.76	2.18	1.84	1.79
Other Administrative Expenses	1.70	1.31	1.21	1.51	1.13	1.31	1.36	1.76
Administrative Expense Adjustment	(0.07)	0.01	0.12	-	(0.01)	0.00	0.01	0.00
Total Administrative Expenses	16.67	17.29	16.83	19.17	18.94	17.38	17.71	18.49
TOTAL EXPENSES	389.35	367.24	390.14	372.60	388.45	404.53	385.37	405.96
OPERATING INCOME (LOSS) BEFORE TAX	100.16	100.18	101.94	100.04	101.07	453.39	159.22	125.95
MCO TAX	96.63	97.06	97.57	97.98	98.33	560.32	174.33	147.85
OPERATING INCOME (LOSS) NET OF TAX	3.53	3.12	4.37	2.07	2.74	(106.93)	(15.11)	(21.90)
NON-OPERATING REVENUE (EXPENSE)								
Provider Grants/CalAIM/Home Health	(1.81)	(1.38)	(3.08)	(1.09)	(1.48)	(0.97)	(1.63)	(6.56)
D-SNP Expenses	(0.77)	(0.61)	(0.96)	(0.17)	0.89	(0.29)	(0.32)	2.13
Total Non-Operating Revenue (Expense)	(2.58)	(1.99)	(4.04)	(1.26)	(0.59)	(1.26)	(1.96)	(4.43)
NET INCREASE (DECREASE) IN NET POSITION	0.95	1.14	0.33	0.80	2.15	(108.19)	(17.06)	(26.33)
MEDICAL LOSS RATIO	93.9%	93.5%	93.3%	93.6%	93.4%	134.6%	98.8%	101.1%
ADMINISTRATIVE EXPENSE RATIO	5.0%	5.5%	5.1%	5.8%	5.7%	7.2%	5.6%	5.7%

MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED OCTOBER 31, 2024



REVENUES	October	Budget	Variance	Year to Date	Budget	Variance
Premium - Medi-Cal	47,187,381	46,230,505	956,876	471,453,709	465,142,780	6,310,929
Premium - Maternity Kick	4,552,613	3,252,054	1,300,559	32,989,950	32,720,156	269,794
Premium - Enhanced Care Management	1,407,300	1,377,925	29,375	14,160,279	13,863,831	296,448
Premium - Major Organ Transplant	263,074	236,819	26,256	2,582,694	2,382,723	199,971
Premium - Provider Enhancement	1,171,910	1,080,003	91,906	11,656,611	10,866,328	790,283
Premium - GEMT	182,217	186,414	(4,197)	1,839,811	1,875,586	(35,775)
Premium - Cal AIM	-	331,432	(331,432)	-	3,334,660	(3,334,660)
Premium - Student Behavioral Health Incentive	905,724	157,306	748,418	1,704,218	1,582,715	121,503
Premium - Housing and Homelessness Incentive	-	-	-	6,395,468	-	6,395,468
Premium - Equity & Practice Transformation	-	-	-	569,537	-	569,537
Premium - Distinct Part Nursing Facility	234	-	234	2,259	-	2,259
Other	96,399	-	96,399	977,357	-	977,357
TOTAL MEDICAID - FAMILY & OTHER	55,766,852	52,852,458	2,914,394	544,331,893	531,768,779	12,563,115
Premium - Medi-Cal	40,481,897	41,406,918	(925,020)	407,758,203	420,735,115	(12,976,912)
Premium - Maternity Kick	659,799	422,753	237,046	4,259,369	4,295,584	(36,214)
Premium - Enhanced Care Management	1,650,725	1,585,202	65,523	16,796,089	16,107,216	688,873
Premium - Major Organ Transplant	425,365	414,707	10,658	4,283,975	4,213,830	70,144
Premium - Provider Enhancement	371,296	354,794	16,502	3,727,829	3,605,057	122,772
Premium - GEMT	253,823	262,662	(8,839)	2,570,062	2,668,903	(98,841)
Premium - Cal AIM	-	293,640	(293,640)	-	2,983,671	(2,983,671)
Premium - Student Behavioral Health Incentive	386,447	139,369	247,078	728,532	1,416,127	(687,594)
Premium - Housing and Homelessness Incentive	-	-	-	2,739,905	-	2,739,905
Premium - Equity & Practice Transformation	-	-	-	243,998	-	243,998
Premium - Distinct Part Nursing Facility	4	-	4	74	-	74
Other	45,540	-	45,540	460,877	-	460,877
TOTAL MEDICAID - EXPANSION MEMBERS	44,274,896	44,880,044	(605,148)	443,568,914	456,025,503	(12,456,589)
Premium - Medi-Cal	22,134,559	19,583,522	2,551,037	216,420,462	198,783,522	17,636,940
Premium - Enhanced Care Management	868,382	727,727	140,654	8,543,175	7,386,833	1,156,341
Premium - Major Organ Transplant	309,714	263,364	46,350	2,993,653	2,673,286	320,366
Premium - Provider Enhancement	28,198	24,705	3,493	277,799	250,769	27,030
Premium - GEMT	162,947	147,909	15,038	1,601,678	1,501,359	100,320
Premium - Cal AIM	-	141,888	(141,888)	-	1,440,244	(1,440,244)
Premium - Student Behavioral Health Incentive	79,009	67,344	11,665	144,653	683,577	(538,924)
Premium - Housing and Homelessness Incentive	-	-	-	525,772	-	525,772
Premium - Equity & Practice Transformation	-	-	-	46,822	-	46,822
Premium - Distinct Part Nursing Facility	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL MEDICAID - SPD MEMBERS	23,582,809	20,956,459	2,626,350	230,554,013	212,719,589	17,834,424
Premium - Medi-Cal	4,130,690	4,395,083	(264,393)	40,791,202	43,950,832	(3,159,630)
Premium - Enhanced Care Management	9,613	10,315	(702)	94,926	103,149	(8,223)
Premium - Major Organ Transplant	14,396	15,235	(840)	140,375	152,352	(11,977)
Premium - Provider Enhancement	5	4	0	40	44	(4)
Premium - GEMT	3,543	3,176	367	32,822	31,760	1,062
Premium - Cal AIM	-	31,530	(31,530)	-	315,300	(315,300)
Premium - Student Behavioral Health Incentive	1,786	14,965	(13,179)	3,230	149,649	(146,420)
Premium - Housing and Homelessness Incentive	-	-	-	11,558	-	11,558
Premium - Equity & Practice Transformation	-	-	-	1,029	-	1,029
Premium - Distinct Part Nursing Facility	985	-	985	9,991	-	9,991
Other	-	-	-	-	-	-
TOTAL MEDICAID - LTC MEMBERS	4,161,018	4,470,309	(309,291)	41,085,173	44,703,086	(3,617,913)

MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED OCTOBER 31, 2024



REVENUES	January	February	March	April	May	June	July	August	September	October	Year to Date
Premium - Medi-Cal	47,241,506	48,947,162	49,229,878	48,457,890	45,604,186	48,268,333	48,440,858	48,131,710	39,944,804	47,187,381	471,453,709
Premium - Maternity Kick	2,781,366	2,862,736	2,796,161	3,040,270	3,173,420	2,907,119	3,321,365	4,231,227	3,323,673	4,552,613	32,989,950
Premium - Enhanced Care Management	1,360,425	1,373,690	1,369,893	1,329,522	1,080,066	1,437,528	1,324,442	1,315,508	2,161,904	1,407,300	14,160,279
Premium - Major Organ Transplant	242,912	264,248	268,461	260,651	203,323	289,608	263,632	262,300	264,484	263,074	2,582,694
Premium - Cal AIM	-	-	-	-	-	-	-	-	-	-	-
Premium - Provider Enhancement	1,115,725	1,189,379	1,203,274	1,179,009	1,008,150	1,255,995	1,180,759	1,172,208	1,180,202	1,171,910	11,656,611
Premium - GEMT	187,833	192,364	192,415	187,592	158,941	198,874	185,899	184,380	169,297	182,217	1,839,811
Premium - Student Behavioral Health Incentive	-	-	-	798,493	-	-	-	-	-	905,724	1,704,218
Premium - Housing and Homelessness Incentive	-	-	-	6,395,468	-	-	-	-	-	-	6,395,468
Premium - Equity & Practice Transformation	-	-	-	569,537	-	-	-	-	-	-	569,537
Premium - Distinct Part Nursing Facility	-	-	-	-	-	-	-	2,025	-	234	2,259
Other	97,449	98,860	99,005	98,756	98,236	97,279	97,619	96,791	96,962	96,399	977,357
TOTAL MEDICAID - FAMILY & OTHER	53,027,216	54,928,439	55,159,087	62,317,189	51,326,322	54,454,738	54,814,574	55,394,125	47,143,352	55,766,852	544,331,893
Premium - Medi-Cal	43,459,690	44,508,533	44,016,473	43,567,402	43,005,883	42,475,755	42,240,002	42,088,885	21,913,683	40,481,897	407,758,203
Premium - Maternity Kick	576,986	710,136	503,013	325,479	281,096	258,904	340,274	199,726	403,958	659,799	4,259,369
Premium - Enhanced Care Management	1,651,191	1,664,324	1,642,575	1,626,006	1,605,210	1,579,736	1,569,286	1,564,662	2,242,374	1,650,725	16,796,089
Premium - Major Organ Transplant	432,007	442,199	437,523	433,298	427,929	422,778	420,674	419,415	422,787	425,365	4,283,975
Premium - Cal AIM	-	-	-	-	-	-	-	-	-	-	-
Premium - Provider Enhancement	373,632	384,099	380,389	376,842	372,278	368,239	366,657	365,604	368,793	371,296	3,727,829
Premium - GEMT	271,454	274,545	271,386	268,943	265,767	261,970	260,625	260,108	181,442	253,823	2,570,062
Premium - Student Behavioral Health Incentive	-	-	-	342,085	-	-	-	-	-	386,447	728,532
Premium - Housing and Homelessness Incentive	-	-	-	2,739,905	-	-	-	-	-	-	2,739,905
Premium - Equity & Practice Transformation	-	-	-	243,998	-	-	-	-	-	-	243,998
Premium - Distinct Part Nursing Facility	-	-	-	-	-	-	-	-	71	4	74
Other	46,893	47,755	47,171	46,671	46,053	45,413	45,122	44,952	45,308	45,540	460,877
TOTAL MEDICAID - EXPANSION MEMBERS	46,811,852	48,031,590	47,298,530	49,970,629	46,004,215	45,412,795	45,242,639	44,943,353	25,578,416	44,274,896	443,568,914
Premium - Medi-Cal	22,135,884	22,247,086	22,395,301	22,414,824	22,542,535	22,863,443	23,030,954	22,753,177	13,902,698	22,134,559	216,420,462
Premium - Enhanced Care Management	802,416	805,446	810,071	809,677	813,823	825,377	830,598	819,178	1,158,208	868,382	8,543,175
Premium - Major Organ Transplant	289,069	291,313	293,840	294,966	297,016	301,270	304,130	301,571	310,765	309,714	2,993,653
Premium - Cal AIM	-	-	-	-	-	-	-	-	-	-	-
Premium - Provider Enhancement	27,257	27,350	27,490	27,471	27,602	27,999	28,168	27,768	28,496	28,198	277,799
Premium - GEMT	163,069	163,702	164,656	164,596	165,447	167,796	168,873	166,576	114,017	162,947	1,601,678
Premium - Student Behavioral Health Incentive	-	-	-	65,644	-	-	-	-	-	79,009	144,653
Premium - Housing and Homelessness Incentive	-	-	-	525,772	-	-	-	-	-	-	525,772
Premium - Equity & Practice Transformation	-	-	-	46,822	-	-	-	-	-	-	46,822
Premium - Distinct Part Nursing Facility	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
TOTAL MEDICAID - SPD MEMBERS	23,417,694	23,534,898	23,691,358	24,349,771	23,846,423	24,185,884	24,362,723	24,068,270	15,514,183	23,582,809	230,554,013
Premium - Medi-Cal	3,950,994	4,064,582	4,029,135	4,021,131	4,096,164	4,433,079	4,288,666	4,143,142	3,633,618	4,130,690	40,791,202
Premium - Enhanced Care Management	9,002	9,285	9,206	9,179	9,347	10,145	9,808	9,445	9,897	9,613	94,926
Premium - Major Organ Transplant	13,131	13,656	13,568	13,567	13,823	15,086	14,595	13,905	14,648	14,396	140,375
Premium - Cal AIM	-	-	-	-	-	-	-	-	-	-	-
Premium - Provider Enhancement	3	4	4	4	4	5	5	4	4	5	40
Premium - GEMT	2,536	2,779	2,790	2,814	2,870	3,252	3,145	2,814	6,278	3,543	32,822
Premium - Student Behavioral Health Incentive	-	-	-	1,443	-	-	-	-	-	1,786	3,230
Premium - Housing and Homelessness Incentive	-	-	-	11,558	-	-	-	-	-	-	11,558
Premium - Equity & Practice Transformation	-	-	-	1,029	-	-	-	-	-	-	1,029
Premium - Distinct Part Nursing Facility	-	-	-	-	-	-	-	-	9,006	985	9,991
Other	-	-	-	-	-	-	-	-	-	-	-
TOTAL MEDICAID - LTC MEMBERS	3,975,666	4,090,307	4,054,703	4,060,726	4,122,208	4,461,566	4,316,218	4,169,310	3,673,451	4,161,018	41,085,173

MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED OCTOBER 31, 2024



	October	Budget	Variance	Year to Date	Budget	Variance
Physician Services						
Primary Care Physician Services	5,921,529	5,619,765	(301,764)	70,750,393	56,725,179	(14,025,214)
Referral Specialty Services	28,485,057	20,821,241	(7,663,817)	231,075,530	210,522,604	(20,552,926)
Urgent Care & After Hours Advice	8,225,316	2,660,112	(5,565,204)	36,922,638	26,848,148	(10,074,490)
Hospital Admitting Team	9,300	9,300	-	91,500	91,500	-
Total Physician Services	42,641,203	29,110,418	(13,530,785)	338,840,062	294,187,432	(44,652,630)
Other Professional Services						
Vision Service Capitation	339,293	340,935	1,642	3,248,159	3,441,225	193,066
221 - Business Intelligence	173,297	155,612	(17,685)	1,547,780	1,573,456	25,676
310 - Health Services - Utilization Management	701,001	1,116,489	415,489	7,479,062	11,289,277	3,810,215
311 - Health Services - Quality Improvement	264,934	336,986	72,053	1,918,235	3,407,406	1,489,171
312 - Health Services Education	307,327	385,057	77,730	2,673,775	3,893,472	1,219,697
313 - Pharmacy	115,772	136,107	20,335	1,089,654	1,376,228	286,575
314 - Enhanced Care Management	358,890	422,663	63,773	3,178,204	4,273,719	1,095,515
316 - Population Health Management	554,856	656,368	101,512	5,066,061	6,636,800	1,570,739
317 - In Lieu of Services	125,854	138,177	12,323	1,021,845	1,397,161	375,317
321 - Homeless Management Information Services	39,330	33,037	(6,293)	323,115	334,050	10,936
330 - Member Services	995,963	1,062,477	66,514	10,174,684	10,743,133	568,449
331 - Member Outreach	75,137	337,092	261,955	440,272	3,408,476	2,968,204
410 - Member Engagement	61,979	75,935	13,956	590,308	767,805	177,497
601 - Behavioral Health	145,630	170,430	24,800	1,183,368	1,723,289	539,922
602 - Quality & Health Equity	70,009	74,043	4,034	717,912	748,676	30,764
604 - Clinical Operations, Strategy, and Analytics	144,430	128,315	(16,115)	955,461	1,297,444	341,983
Behavior Health Treatment	3,269,050	3,744,778	475,728	26,439,789	37,766,384	11,326,595
Mental Health Services	(1,482,154)	1,070,745	2,552,899	4,250,986	10,857,256	6,606,271
Other Professional Services	(9,464,178)	4,887,930	14,352,109	18,515,993	49,393,661	30,877,668
Total Other Professional Services	(3,203,582)	15,273,176	18,476,757	90,814,661	154,328,919	63,514,259
Emergency Room	7,576,830	6,494,788	(1,082,041)	65,203,461	65,622,263	418,803
Inpatient Hospital	33,979,229	27,923,310	(6,055,919)	320,201,103	282,678,966	(37,522,137)
Reinsurance Expense Premium	111,767	112,308	541	1,121,034	1,133,580	12,546
Outpatient Hospital	15,182,189	12,888,403	(2,293,786)	147,062,788	130,470,705	(16,592,083)
Other Medical						
Ambulance and NEMT	6,236,286	2,761,008	(3,475,277)	47,083,280	27,908,564	(19,174,715)
Home Health Services & CBAS	1,019,232	867,984	(151,248)	12,670,830	8,786,845	(3,883,985)
Utilization and Quality Review Expenses	2,230,594	1,721,164	(509,431)	12,618,262	17,403,385	4,785,124
Long Term/SNF/Hospice	10,694,224	8,999,067	(1,695,157)	109,000,612	90,437,958	(18,562,653)
Provider Enhancement Expense - Prop. 56	1,492,839	1,776,574	283,735	14,876,025	13,986,088	(889,937)
Provider Enhancement Expense - GEMT	1,050,507	180,111	(870,396)	7,819,043	5,773,727	(2,045,316)
Enhanced Care Management	3,636,796	3,540,861	(95,935)	37,205,579	35,839,462	(1,366,116)
Major Organ Transplant	961,922	883,618	(78,303)	9,498,760	8,951,082	(547,678)
Cal AIM Incentive Programs	4,113,393	758,565	(3,354,828)	22,587,956	7,670,180	(14,917,776)
Student Behavioral Health Incentive	1,159,360	360,035	(799,325)	1,159,360	3,640,464	2,481,104
Housing and Homelessness Incentive	-	-	-	4,164,729	-	(4,164,729)
Equity & Practice Transformation Expense	321,366	-	(321,366)	321,366	-	(321,366)
Distinct Part Nursing Facility Expense	1,222	-	(1,222)	12,324	-	(12,324)
DME/Rebates	1,975,272	1,532,750	(442,522)	18,172,061	15,505,750	(2,666,311)
Total Other Medical	34,893,013	23,381,737	(11,511,276)	297,190,186	235,903,507	(61,286,679)
Pay for Performance Quality Incentive	603,362	601,650	(1,712)	6,090,828	6,072,750	(18,078)
Risk Corridor Expense	(1,390,990)	-	1,390,990	742,105	-	(742,105)
Hospital Directed Payments	24,613,116	21,977,686	(2,635,430)	246,050,280	222,377,661	(23,672,618)
Hospital Directed Payment Adjustment	(55,251)	-	55,251	(3,861,956)	-	3,861,956
Non-Claims Expense Adjustment	(329)	-	329	(3,960,642)	-	3,960,642
IBNR, Incentive, Paid Claims Adjustment	905,899	-	(905,899)	(12,248,101)	-	12,248,101
Total Medical Costs	155,856,455	137,763,477	(18,092,978)	1,493,245,807	1,392,775,784	(100,470,023)

* MEDICAL COSTS PER DMHC REGULATIONS

MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED OCTOBER 31, 2024

	October	Budget	Variance	Year to Date	Budget	Variance
TOTAL MEMBERS - MCAL	402,241	401,100	1,141	4,058,581	4,048,500	10,081
Physician Services						
Primary Care Physician Services	14.72	14.01	(0.71)	17.43	14.01	(3.42)
Referral Specialty Services	70.82	51.91	(18.91)	56.94	52.00	(4.93)
Urgent Care & After Hours Advice	20.45	6.63	(13.82)	9.10	6.63	(2.47)
Hospital Admitting Team	0.02	0.02	0.00	0.02	0.02	0.00
Total Physician Services	106.01	72.58	(33.43)	83.49	72.67	(10.82)
Other Professional Services						
Vision Service Capitation	0.84	0.85	0.01	0.80	0.85	0.05
221 - Business Intelligence	0.43	0.39	(0.04)	0.38	0.39	0.01
310 - Health Services - Utilization Management	1.74	2.78	1.04	1.84	2.79	0.95
311 - Health Services - Quality Improvement	0.66	0.84	0.18	0.47	0.84	0.37
312 - Health Services Education	0.76	0.96	0.20	0.66	0.96	0.30
313 - Pharmacy	0.29	0.34	0.05	0.27	0.34	0.07
314 - Enhanced Care Management	0.89	1.05	0.16	0.78	1.06	0.27
316 - Population Health Management	1.38	1.64	0.26	1.25	1.64	0.39
317 - In Lieu of Services	0.31	0.34	0.03	0.25	0.35	0.09
321 - Homeless Management Information Services	0.10	0.08	(0.02)	0.08	0.08	0.00
330 - Member Services	2.48	2.65	0.17	2.51	2.65	0.15
331 - Member Outreach	0.19	0.84	0.65	0.11	0.84	0.73
410 - Member Engagement	0.15	0.19	0.04	0.15	0.19	0.04
601 - Behavioral Health	0.36	0.42	0.06	0.29	0.43	0.13
602 - Quality & Health Equity	0.17	0.18	0.01	0.18	0.18	0.01
604 - Clinical Operations, Strategy, and Analytics	0.36	0.32	(0.04)	0.24	0.32	0.09
Behavior Health Treatment	8.13	9.34	1.21	6.51	9.33	2.81
Mental Health Services	(3.68)	2.67	6.35	1.05	2.68	1.63
Other Professional Services	(23.53)	12.19	35.71	4.56	12.20	7.64
Total Other Professional Services	(7.96)	38.08	46.04	22.38	38.12	15.74
Emergency Room	18.84	16.19	(2.64)	16.07	16.21	0.14
Inpatient Hospital	84.47	69.62	(14.86)	78.89	69.82	(9.07)
Reinsurance Expense Premium	0.28	0.28	0.00	0.28	0.28	0.00
Outpatient Hospital	37.74	32.13	(5.61)	36.24	32.23	(4.01)
Other Medical						
Ambulance and NEMT	15.50	6.88	(8.62)	11.60	6.89	(4.71)
Home Health Services & CBAS	2.53	2.16	(0.37)	3.12	2.17	(0.95)
Utilization and Quality Review Expenses	5.55	4.29	(1.25)	3.11	4.30	1.19
Long Term/SNF/Hospice	26.59	22.44	(4.15)	26.86	22.34	(4.52)
Provider Enhancement Expense - Prop. 56	3.71	4.43	0.72	3.67	3.45	(0.21)
Provider Enhancement Expense - GEMT	2.61	0.45	(2.16)	1.93	1.43	(0.50)
Enhanced Care Management	9.04	8.83	(0.21)	9.17	8.85	(0.31)
Major Organ Transplant	2.39	2.20	(0.19)	2.34	2.21	(0.13)
Cal AIM Incentive Programs	10.23	1.89	(8.33)	5.57	1.89	(3.67)
Student Behavioral Health Incentive	2.88	0.90	(1.98)	0.29	0.90	0.61
Housing and Homelessness Incentive	-	-	-	1.03	-	(1.03)
Equity & Practice Transformation Expense	0.80	-	(0.80)	0.08	-	(0.08)
Distinct Part Nursing Facility Expense	0.00	-	(0.00)	0.00	-	(0.00)
DME/Rebates	4.91	3.82	(1.09)	4.48	3.83	(0.65)
Total Other Medical	86.75	58.29	(28.45)	73.23	58.27	(14.96)
Pay for Performance Quality Incentive	1.50	1.50	(0.00)	1.50	1.50	(0.00)
Risk Corridor Expense	(3.46)	-	3.46	0.18	-	(0.18)
Hospital Directed Payments	61.19	54.79	(6.40)	60.62	54.93	(5.70)
Hospital Directed Payment Adjustment	(0.14)	-	0.14	(0.95)	-	0.95
Non-Claims Expense Adjustment	(0.00)	-	0.00	(0.98)	-	0.98
IBNR, Incentive, Paid Claims Adjustment	2.25	-	(2.25)	(3.02)	-	3.02
Total Medical Costs	387.47	343.46	(44.01)	367.92	344.02	(23.90)



MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED OCTOBER 31, 2024

	January	February	March	April	May	June	July	August	September	October	Year to Date
Physician Services											
Primary Care Physician Services	6,499,076	6,559,994	7,176,252	8,439,162	7,656,483	10,560,497	4,814,529	6,586,511	6,536,360	5,921,529	70,750,393
Referral Specialty Services	21,255,092	22,977,486	20,309,856	21,606,841	21,227,905	22,534,971	24,157,015	24,334,504	24,186,802	28,485,057	231,075,530
Urgent Care & After Hours Advice	2,319,250	3,179,640	2,806,586	2,687,879	4,069,091	3,449,628	3,467,549	3,427,895	3,289,806	8,225,316	36,922,638
Hospital Admitting Team	9,300	8,700	9,300	9,000	9,300	9,000	9,300	9,300	9,000	9,300	91,500
Total Physician Services	30,082,718	32,725,820	30,301,995	32,742,882	32,962,778	36,554,096	32,448,391	34,358,210	34,021,968	42,641,203	338,840,062
Other Professional Services											
Vision Service Capitation	140,322	296,413	344,110	359,517	404,063	339,399	343,443	339,893	341,707	339,293	3,248,159
221 - Business Intelligence	166,419	154,838	154,693	149,676	157,920	164,059	162,549	93,397	170,932	173,297	1,547,780
310 - Health Services - Utilization Management	852,585	802,658	800,584	810,297	790,917	700,035	698,997	669,680	652,308	701,001	7,479,062
311 - Health Services - Quality Improvement	240,989	241,505	131,143	25,469	194,860	181,920	202,485	217,662	217,269	264,934	1,918,235
312 - Health Services Education	238,074	244,710	246,020	243,125	259,637	263,229	286,717	282,077	302,858	307,327	2,673,775
313 - Pharmacy	117,253	108,343	102,637	102,244	111,483	107,476	102,845	112,041	109,561	115,772	1,089,654
314 - Enhanced Care Management	296,401	292,841	287,850	309,036	318,231	301,102	332,277	343,316	338,260	358,890	3,178,204
316 - Population Health Management	495,663	471,064	489,719	503,611	532,764	469,214	507,513	529,689	511,968	554,856	5,066,061
317 - In Lieu of Services	88,658	84,311	80,050	94,979	105,477	95,152	117,324	119,643	110,397	125,854	1,021,845
321 - Homeless Management Information Services	-	9,044	676	101,045	26,625	30,523	37,075	37,682	41,115	39,330	323,115
330 - Member Services	996,071	988,648	974,384	1,059,971	1,115,929	914,815	1,092,015	1,055,537	981,352	995,963	10,174,684
410 - Member Engagement	68,866	68,715	62,767	70,719	55,899	53,496	45,774	55,207	46,888	61,979	590,308
601 - Behavioral Health	63,991	79,219	103,195	113,713	138,092	134,174	137,330	136,230	131,794	145,630	1,183,368
602 - Quality & Health Equity	76,057	71,516	71,726	71,420	73,359	72,782	67,412	72,107	71,525	70,009	717,912
604 - Clinical Operations, Strategy, and Analytics	77,153	69,408	82,369	83,076	79,230	90,449	102,114	113,575	113,657	144,430	955,461
Behavior Health Treatment	3,612,672	1,051,116	3,458,567	1,308,993	2,602,725	2,931,009	2,668,314	2,863,238	2,674,105	3,269,050	26,439,789
Mental Health Services	1,525,645	620,225	1,069,857	826,611	393,105	330,088	173,541	343,978	450,090	(1,482,154)	4,250,986
Other Professional Services	4,642,734	5,211,408	4,823,947	4,258,014	1,813,653	1,904,534	1,762,191	1,826,761	1,736,929	(9,464,178)	18,515,993
Total Other Professional Services	13,699,554	10,865,981	13,296,336	10,516,696	9,231,655	9,148,831	8,910,610	9,280,419	9,068,160	(3,203,582)	90,814,661
Emergency Room	6,905,833	6,114,762	6,246,167	6,286,018	6,322,930	6,665,692	6,362,602	6,439,132	6,283,494	7,576,830	65,203,461
Inpatient Hospital	30,185,040	29,579,215	31,316,403	33,608,353	30,704,459	32,758,876	32,835,724	32,643,856	32,589,946	33,979,229	320,201,103
Reinsurance Expense Premium	96,765	98,519	129,066	118,429	118,429	110,398	113,134	111,965	112,562	111,767	1,121,034
Outpatient Hospital	13,495,747	15,812,073	14,996,564	14,993,746	12,540,794	13,499,596	16,572,741	15,115,990	14,853,348	15,182,189	147,062,788
Other Medical											
Ambulance and NEMT	3,214,531	3,869,951	4,117,183	4,046,350	4,886,538	4,694,674	4,700,022	5,617,091	5,700,653	6,236,286	47,083,280
Home Health Services & CBAS	821,583	1,260,395	1,162,579	1,286,263	1,383,467	1,803,391	1,254,827	1,371,979	1,307,115	1,019,232	12,670,830
Utilization and Quality Review Expenses	778,360	1,419,906	764,904	659,673	1,094,286	1,057,105	1,593,640	1,413,209	1,606,585	2,230,594	12,618,262
Long Term/SNF/Hospice	8,782,404	11,938,647	10,174,399	11,100,770	11,407,241	11,520,690	10,338,299	11,587,366	11,456,571	10,694,224	109,000,612
Provider Enhancement Expense - Prop. 56	1,440,786	1,520,790	1,530,599	1,504,160	1,337,631	1,569,564	1,493,732	1,487,305	1,498,620	1,492,839	14,876,025
Provider Enhancement Expense - GEMT	697,353	720,314	727,161	758,687	923,611	813,870	1,021,009	374,123	732,408	1,050,507	7,819,043
Enhanced Care Management	3,631,882	3,736,622	3,563,643	3,585,665	3,333,024	3,660,671	3,445,004	3,420,931	5,191,340	3,636,796	37,205,579
Major Organ Transplant	928,263	960,846	962,722	952,357	894,987	1,132,655	795,627	947,331	962,050	961,922	9,498,760
Cal AIM Incentive Programs	1,210,017	1,499,955	1,042,387	3,055,050	2,549,702	1,503,170	2,048,408	2,646,828	2,919,047	4,113,393	22,587,956
Housing and Homelessness Incentive	516,672	1,955,761	401,264	409,983	271,034	-	-	410,015	200,000	-	4,164,729
Equity & Practice Transformation Expense	-	-	-	-	-	-	-	-	-	321,366	-
Distinct Part Nursing Facility Expense	-	-	-	-	-	-	-	-	11,102	1,222	12,324
DME/Rebates	1,444,613	2,282,835	1,801,951	1,636,974	1,679,318	1,771,328	1,977,148	1,811,340	1,791,282	1,975,272	18,172,061
Total Other Medical	23,466,463	31,166,022	26,248,792	28,995,931	29,760,839	29,527,118	28,667,716	31,087,518	33,376,773	34,893,013	297,190,186
Pay for Performance Quality Incentive	607,242	620,847	623,885	611,412	608,744	605,543	603,012	603,849	602,934	603,362	6,090,828
Risk Corridor Expense	-	-	-	-	-	-	-	-	2,133,095	(1,390,990)	742,105
Hospital Directed Payments	24,282,372	24,917,058	25,515,722	24,754,858	22,990,345	25,339,960	24,576,449	24,409,832	24,650,569	24,613,116	246,050,280
Hospital Directed Payment Adjustment	42,165	2,395,027	226,351	134,240	(95,313)	(20,001)	(6,679,802)	5,409	185,219	(55,251)	(3,861,956)
Non-Claims Expense Adjustment	141,502	115,821	99,211	74,266	(37,068)	(59,596)	1,831	(3,882,116)	(414,162)	(329)	(3,960,642)
IBNR, Incentive, Paid Claims Adjustment	164,572	329,680	128,506	(929,497)	(3,087,868)	(3,427,580)	(2,330,513)	(2,153,708)	(1,847,593)	905,899	(12,248,101)
Total Medical Costs	143,169,973	154,740,825	149,128,998	151,907,335	142,020,725	150,702,934	142,081,895	148,020,355	155,616,313	155,856,455	1,493,245,807

* MEDICAL COSTS PER DMHC REGULATIONS

MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED OCTOBER 31, 2024



	January	February	March	April	May	June	July	August	September	October	Year to Date
Physician Services											
Primary Care Physician Services	16.05	15.85	17.25	20.70	18.87	26.16	11.98	16.44	16.26	14.72	17.43
Referral Specialty Services	52.50	55.51	48.83	53.01	52.31	55.82	60.09	60.75	60.17	70.82	56.94
Urgent Care & After Hours Advice	5.73	7.68	6.75	6.59	10.03	8.55	8.63	8.56	8.18	20.45	9.10
Hospital Admitting Team	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Total Physician Services	74.31	79.07	72.85	80.33	81.22	90.55	80.72	85.77	84.64	106.01	83.49
Other Professional Services											
Vision Service Capitation	0.35	0.72	0.83	0.88	1.00	0.84	0.85	0.85	0.85	0.84	0.80
221 - Business Intelligence	0.41	0.37	0.37	0.37	0.39	0.41	0.40	0.23	0.43	0.43	0.38
310 - Health Services - Utilization Management	2.11	1.94	1.92	1.99	1.95	1.73	1.74	1.67	1.62	1.74	1.84
311 - Health Services - Quality Improvement	0.60	0.58	0.32	0.06	0.48	0.45	0.50	0.54	0.54	0.66	0.47
312 - Health Services Education	0.59	0.59	0.59	0.60	0.64	0.65	0.71	0.70	0.75	0.76	0.66
313 - Pharmacy	0.29	0.26	0.25	0.25	0.27	0.27	0.26	0.28	0.27	0.29	0.27
314 - Enhanced Care Management	0.73	0.71	0.69	0.76	0.78	0.75	0.83	0.86	0.84	0.89	0.78
316 - Population Health Management	1.22	1.14	1.18	1.24	1.31	1.16	1.26	1.32	1.27	1.38	1.25
317 - In Lieu of Services	0.22	0.20	0.19	0.23	0.26	0.24	0.29	0.30	0.27	0.31	0.25
330 - Member Services	2.46	2.39	2.34	2.60	2.75	2.27	2.72	2.63	2.44	2.48	2.51
410 - Member Engagement	0.17	0.17	0.15	0.17	0.14	0.13	0.11	0.14	0.12	0.15	0.15
601 - Behavioral Health	0.16	0.19	0.25	0.28	0.34	0.33	0.34	0.34	0.33	0.36	0.29
602 - Quality & Health Equity	0.19	0.17	0.17	0.18	0.18	0.18	0.17	0.18	0.18	0.17	0.18
604 - Clinical Operations, Strategy, and Analytics	0.19	0.17	0.20	0.20	0.20	0.22	0.25	0.28	0.28	0.36	0.24
Behavior Health Treatment	8.92	2.54	8.32	3.21	6.41	7.26	6.64	7.15	6.65	8.13	6.51
Mental Health Services	3.77	1.50	2.57	2.03	0.97	0.82	0.43	0.86	1.12	(3.68)	1.05
Other Professional Services	11.47	12.59	11.60	10.45	4.47	4.72	4.38	4.56	4.32	(23.53)	4.56
Total Other Professional Services	33.84	26.25	31.97	25.80	22.75	22.66	22.17	23.17	22.56	(7.96)	22.38
Emergency Room	17.06	14.77	15.02	15.42	15.58	16.51	15.83	16.07	15.63	18.84	16.07
Inpatient Hospital	74.56	71.46	75.29	82.45	75.66	81.15	81.68	81.49	81.08	84.47	78.89
Reinsurance Expense Premium	0.24	0.24	0.31	0.29	0.29	0.27	0.28	0.28	0.28	0.28	0.28
Outpatient Hospital	33.34	38.20	36.06	36.78	30.90	33.44	41.22	37.73	36.95	37.74	36.24
Other Medical											
Ambulance and NEMT	7.94	9.35	9.90	9.93	12.04	11.63	11.69	14.02	14.18	15.50	11.60
Home Health Services & CBAS	2.03	3.05	2.80	3.16	3.41	4.47	3.12	3.42	3.25	2.53	3.12
Utilization and Quality Review Expenses	1.92	3.43	1.84	1.62	2.70	2.62	3.96	3.53	4.00	5.55	3.11
Long Term/SNF/Hospice	21.69	28.84	24.46	27.23	28.11	28.54	25.72	28.93	28.50	26.59	26.86
Provider Enhancement Expense - Prop. 56	3.56	3.67	3.68	3.69	3.30	3.89	3.72	3.71	3.73	3.71	3.67
Provider Enhancement Expense - GEMT	1.72	1.74	1.75	1.86	2.28	2.02	2.54	0.93	1.82	2.61	1.93
Enhanced Care Management	8.97	9.03	8.57	8.80	8.21	9.07	8.57	8.54	12.92	9.04	9.17
Major Organ Transplant	2.29	2.32	2.31	2.34	2.21	2.81	1.98	2.36	2.39	2.39	2.34
Cal AIM Incentive Programs	2.99	3.62	2.51	7.50	6.28	3.72	5.10	6.61	7.26	10.23	5.57
Student Behavioral Health Incentive	-	-	-	-	-	-	-	-	-	2.88	0.29
Housing and Homelessness Incentive	1.28	4.73	0.96	1.01	0.67	-	-	1.02	0.50	-	1.03
Equity & Practice Transformation Expense	-	-	-	-	-	-	-	-	-	0.80	0.08
Distinct Part Nursing Facility Expense	-	-	-	-	-	-	-	-	0.03	0.00	0.00
DME/Rebates	3.57	5.52	4.33	4.02	4.14	4.39	4.92	4.52	4.46	4.91	0.00
Total Other Medical	57.97	75.30	63.11	71.14	73.33	73.14	71.31	77.60	83.04	86.75	68.75
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.51	1.50	1.50	-
Risk Corridor Expense	-	-	-	-	-	-	-	-	5.31	(3.46)	1.50
Hospital Directed Payments	59.98	60.20	61.35	60.73	56.65	62.77	61.13	60.94	61.33	61.19	0.18
Hospital Directed Payment Adjustment	0.10	5.79	0.54	0.33	(0.23)	(0.05)	(16.62)	0.01	0.46	(0.14)	60.62
Non-Claims Expense Adjustment	0.35	0.28	0.24	0.18	(0.09)	(0.15)	0.00	(9.69)	(1.03)	(0.00)	(0.95)
IBNR, Incentive, Paid Claims Adjustment	0.41	0.80	0.31	(2.28)	(7.61)	(8.49)	(5.80)	(5.38)	(4.60)	2.25	(0.98)
Total Medical Costs	353.65	373.86	358.55	372.68	349.95	373.31	353.43	369.51	387.15	387.47	366.47

MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED OCTOBER 31, 2024

	October	Budget	Variance	Year to Date	Budget	Variance
110 - Executive	587,079	531,130	(55,949)	6,123,385	5,561,303	(562,081)
112 - Government Relations	50,819	47,358	(3,461)	531,386	473,579	(57,807)
210 - Accounting	225,507	351,597	126,091	3,034,207	3,515,973	481,766
220 - Management Information Systems (MIS)	429,044	276,982	(152,061)	3,353,973	2,769,823	(584,150)
221 - Business Intelligence	325,055	202,179	(122,876)	2,635,689	2,021,789	(613,900)
222 - MIS Development	369,822	381,923	12,101	3,465,395	3,819,232	353,837
223 - Enterprise Configuration	252,129	178,406	(73,723)	2,169,939	1,784,057	(385,882)
225 - Infrastructure	710,147	859,136	148,989	7,204,732	8,591,358	1,386,626
226 - Technical Administrative Services	98,706	220,111	121,406	1,477,003	2,201,115	724,111
230 - Claims	845,900	795,470	(50,430)	7,695,484	7,954,695	259,211
240 - Project Development	395,729	417,789	22,061	3,363,086	4,177,894	814,808
310 - Health Services - Utilization Management	25,962	55,322	29,359	274,707	553,216	278,509
311 - Health Services - Quality Improvement	9,146	45,141	35,995	63,372	451,409	388,038
312 - Health Services - Education	45	357	312	1,920	3,567	1,647
313 - Pharmacy	10,932	38,333	27,402	116,885	383,333	266,448
314 - Enhanced Care Management	17,501	24,753	7,252	335,779	247,532	(88,246)
316 - Population Health Management	962	2,975	2,013	5,582	29,750	24,167
317 - Community Support Services	77	1,625	1,548	811	16,250	15,439
318 - Housing & Homeless Incentive Program (HHIP)	-	-	-	(0)	-	0
319 - CAL AIM Incentive Payment Program (IPP)	-	-	-	0	-	(0)
320 - Provider Network Management	321,249	325,800	4,552	2,714,706	3,258,004	543,298
321 - Homeless Management Information Services	304	896	592	1,472	8,958	7,486
322 - Delegation & Oversight	72,728	31,116	(41,611)	505,807	311,164	(194,643)
330 - Member Services	204,775	272,551	67,776	2,185,314	2,725,511	540,198
331 - Member Outreach	-	-	-	-	-	-
340 - Corporate Services	1,029,693	1,034,659	4,966	10,183,712	10,346,593	162,881
360 - Audit & Investigative Services	295,722	241,240	(54,482)	2,179,055	2,412,400	233,345
410 - Member Engagement	70,643	100,456	29,813	672,102	1,004,560	332,457
420 - Sales/Marketing/Public Relations	284,138	270,104	(14,035)	2,694,484	2,701,037	6,553
510 - Human Resources	467,583	464,570	(3,013)	4,600,248	4,645,701	45,453
601 - Behavioral Health	272	1,779	1,508	28,498	17,792	(10,706)
602 - Quality & Health Equity	29,420	40,769	11,349	327,057	407,689	80,632
604 - Clinical Operations, Strategy & Analytics	-	479	479	-	4,792	4,792
605 - Quality Performance	304,693	305,117	424	2,763,266	3,051,173	287,907
Administrative Expense Adjustment	-	(43,839)	(43,839)	117,010	(438,395)	(555,404)
Total Administrative Expenses	7,435,779	7,476,286	40,507	70,826,066	75,012,856	4,186,790

MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED OCTOBER 31, 2024

	January	February	March	April	May	June	July	August	September	October	YTD TOTALS
110 - Executive	624,355	577,007	603,344	648,716	539,284	580,943	711,301	798,056	453,299	587,079	6,123,385
112 - Government Relations	68,770	45,458	47,484	87,379	45,680	47,575	47,612	49,875	40,735	50,819	531,386
210 - Accounting	304,846	303,886	292,257	252,083	318,893	293,744	282,315	313,691	446,987	225,507	3,034,207
220 - Management Information Systems (MIS)	391,965	262,588	237,010	146,132	253,670	336,226	372,267	488,182	436,888	429,044	3,353,973
221 - Business Intelligence	269,666	199,076	187,188	165,837	228,645	197,729	360,364	474,405	227,722	325,055	2,635,689
222 - MIS Development	377,641	315,894	321,173	281,395	395,954	355,456	337,554	358,888	351,618	369,822	3,465,395
223 - Enterprise Configuration	174,793	155,969	171,033	161,377	180,934	136,019	266,274	408,183	263,228	252,129	2,169,939
225 - Infrastructure	617,597	874,756	639,101	642,546	760,253	834,263	815,160	608,118	702,793	710,147	7,204,732
226 - Technical Administrative Services	49,489	108,635	117,698	325,913	126,222	172,900	180,639	205,076	91,727	98,706	1,477,003
230 - Claims	819,584	766,126	717,167	701,834	775,174	698,241	869,709	769,883	731,866	845,900	7,695,484
240 - Project Development	347,377	265,411	322,425	313,084	371,811	303,949	348,056	381,627	313,617	395,729	3,363,086
310 - Health Services - Utilization Management	30,997	29,562	29,327	29,768	28,807	26,129	25,555	24,524	24,076	25,962	274,707
311 - Health Services - Quality Improvement	8,514	7,726	4,159	858	6,234	5,820	7,001	6,963	6,951	9,146	63,372
312 - Health Services - Education	341	138	436	581	-	-	243	137	-	45	1,920
313 - Pharmacy	21,270	10,500	10,861	10,822	10,500	10,500	10,500	10,500	10,500	10,932	116,885
314 - Enhanced Care Management	44,036	43,641	48,782	54,522	24,778	55,043	25,259	6,064	16,154	17,501	335,779
316 - Population Health Management	656	700	1,145	-	-	999	-	-	1,121	962	5,582
317 - Community Support Services	34	-	280	25	-	94	-	224	78	77	811
318 - Housing & Homeless Incentive Program (HHIP)	3	12	(16)	1	-	-	-	-	-	-	(0)
319 - CAL AIM Incentive Payment Program (IPP)	22,503	12,348	2,057	(36,908)	-	0	-	-	-	-	0
320 - Provider Network Management	386,421	336,270	234,388	95,804	284,140	250,781	276,996	260,789	267,867	321,249	2,714,706
322 - Delegation & Oversight	21,948	20,301	29,846	95,971	39,170	37,054	52,664	68,721	67,406	72,728	505,807
330 - Member Services	667,205	268,918	162,283	166,335	135,344	143,090	159,911	143,624	133,829	204,775	2,185,314
340 - Corporate Services	1,024,905	966,025	929,506	977,234	1,148,873	959,922	1,002,122	960,105	1,185,328	1,029,693	10,183,712
360 - Audit & Investigative Services	195,508	186,054	187,655	202,574	244,557	223,461	226,650	212,147	204,729	295,722	2,179,055
410 - Member Engagement	76,778	80,429	69,534	82,742	63,776	65,519	52,063	63,155	47,464	70,643	672,102
420 - Sales/Marketing/Public Relations	177,987	306,155	176,484	267,848	246,762	228,632	593,890	194,985	217,603	284,138	2,694,484
510 - Human Resources	447,072	430,722	409,608	641,247	485,837	462,781	389,991	466,695	398,713	467,583	4,600,248
601 - Behavioral Health	43	-	167	22,281	63	-	57	5,616	-	272	28,498
602 - Quality & Health Equity	40,103	59,304	81,243	(38,694)	14,311	59,557	8,554	11,040	62,219	29,420	327,057
604 - Clinical Operations, Strategy & Analytics	-	-	-	-	-	-	-	-	-	-	-
605 - Quality Performance	143,642	106,967	277,993	525,434	282,798	261,599	282,161	297,054	280,925	304,693	2,763,266
Administrative Expense Adjustment	258,024	(160,374)	(712)	(28,014)	2,765	47,630	-	(2,444)	135	-	117,010
Total Administrative Expenses	7,614,072	6,580,201	6,310,903	6,796,727	7,015,235	6,795,655	7,704,868	7,587,082	6,985,543	7,435,779	70,826,066

KHS - GROUP HEALTH PLAN
STATEMENT OF NET POSITION
AS OF OCTOBER 31, 2024



ASSETS	October 2024	September 2024	Increase/ (Decrease)
Cash and Cash Equivalents	1,234,298	1,219,925	14,374
Interest Receivable	4,800	14,374	(9,574)
Total Current Assets	1,239,098	1,234,298	4,800
CURRENT LIABILITIES			
Other Liabilities	-	-	-
Total Current Liabilities	-	-	-
NET POSITION:			
Net Position at Beginning of Year	1,183,678	1,183,678	-
Increase (Decrease) in Net Position - Current Year	55,420	50,620	4,800
Total Net Position	1,239,098	1,234,298	4,800
TOTAL LIABILITIES AND NET POSITION	1,239,098	1,234,298	4,800



KHS - GROUP HEALTH PLAN
STATEMENT OF REVENUE, EXPENSES, AND CHANGES
IN NET POSITION
FOR THE MONTH ENDED OCTOBER 31, 2024

	October	Budget	Variance	Year to Date	Budget	Variance
REVENUES						
Premium	-	-	-	-	-	-
Interest	4,800	-	4,800	45,367	-	45,367
Other Investment Income	-	-	-	10,053	-	10,053
Total Revenues	4,800	-	4,800	55,420	-	55,420
EXPENSES						
MEDICAL COSTS						
IBNR and Paid Claims Adjustment	-	-	-	-	-	-
Total Medical Costs	-	-	-	-	-	-
GROSS MARGIN	4,800	-	4,800	55,420	-	55,420
ADMINISTRATIVE COSTS						
Management Fee Expense and Other Admin Exp	-	-	-	-	-	-
Total Administrative Expenses	-	-	-	-	-	-
TOTAL EXPENSES	-	-	-	-	-	-
OPERATING INCOME (LOSS) BEFORE TAX	4,800	-	4,800	55,420	-	55,420
NON-OPERATING REVENUE (EXPENSE)						
Total Non-Operating Revenue (Expense)	-	-	-	-	-	-
NET INCREASE (DECREASE) IN NET POSITION	4,800	-	4,800	55,420	-	55,420
MEDICAL LOSS RATIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ADMINISTRATIVE EXPENSE RATIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%


KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

MEDI-CAL		2024 MEMBER MONTHS	JAN'24	FEB'24	MAR'24	APR'24	MAY'24	JUN'24	JUL'24	AUG'24	SEP'24	OCT'24	NOV'24	DEC'24
ADULT AND FAMILY														
ADULT (SEE COMMENT)	740,804	73,352	78,663	78,717	63,272	74,432	74,454	74,349	74,525	74,469	74,571			
CHILD	1,699,338	169,496	168,966	173,240	181,718	169,847	169,044	168,098	165,943	166,556	166,430			
SUB-TOTAL ADULT & FAMILY	2,440,142	242,848	247,629	251,957	244,990	244,279	243,498	242,447	240,468	241,025	241,001	0	0	
OTHER MEMBERS														
PARTIAL DUALS - FAMILY	6,504	774	770	790	694	629	601	551	588	581	526			
PARTIAL DUALS - CHILD	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	41	6	5	5	3	5	4	7	1	3	2			
BCCTP - TABACCO SETTLEMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)														
SPD FULL DUALS	228,537	21,544	22,475	22,251	22,380	22,903	22,959	23,243	23,651	23,555	23,576			
SUBTOTAL OTHER MEMBERS	235,082	22,324	23,250	23,046	23,077	23,537	23,564	23,801	24,240	24,139	24,104	0	0	
TOTAL FAMILY & OTHER	2,675,224	265,172	270,879	275,003	268,067	267,816	267,062	266,248	264,708	265,164	265,105	0	0	
SDP MEMBERS														
SPD (AGED AND DISABLED)	227,973	21,942	23,209	22,608	22,438	22,326	22,645	22,649	23,823	23,131	23,202			
TOTAL CLASSIC MEMBERS	2,903,197	287,114	294,088	297,611	290,505	290,142	289,707	288,897	288,531	288,295	288,307	0	0	
ACA OE - MEDI-CAL OPTIONAL EXPANSION														
ACA Expansion Adult-Citizen	1,141,984	115,850	117,787	116,589	115,661	114,198	112,827	112,212	111,077	112,749	113,034			
EXPANSION DUALS	8,270	1,382	1,517	1,226	944	972	634	378	458	389	370			
TOTAL ACA OE	1,150,254	117,232	119,304	117,815	116,605	115,170	113,461	112,590	111,535	113,138	113,404	0	0	
LONG TERM CARE (LTC)														
LTC	504	38	49	47	46	53	57	52	55	57	50			
LTC DUALS	4,626	451	457	450	452	464	470	469	467	466	480			
TOTAL LTC	5,130	489	506	497	498	517	527	521	522	523	530	0	0	
GRAND TOTAL	4,058,581	404,835	413,898	415,923	407,608	405,829	403,695	402,008	400,588	401,956	402,241	0	0	



MEMORANDUM

TO: Kern Health Systems Board of Directors

FROM: Robert Landis, Chief Financial Officer

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

DATE: December 19, 2024

Attached for your review are the following items:

- 1) Accounts Payable Vendor Report listing of payments over \$20,000 for the months of September 2024 and October 2024.
- 2) Administrative Contract Report listing of contracts between \$50,000 and \$200,000 for the period ending September 30, 2024.
- 3) IT Technology Consulting Resources Report for the period ending September 30, 2024.

Requested Action

Receive and File.

KERN•HEALTH SYSTEMS

September AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	899,810.90	7,611,459.26	SEPT. 2024 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE	837,120.61	5,359,138.53	JUL. & AUG. 2024 PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T1180	LANGUAGE LINE SERVICES INC. ****	575,335.27	1,645,522.37	MAY, JUL. & AUG. 2024 INTERPRETATION SERVICES	HEALTH SERVICES - WELLNESS & PREVENTION
T4737	TEKSYSTEMS, INC.	355,022.35	2,641,351.25	AUG. 2024 PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T4331	COTIVITI, INC ****	220,540.00	334,327.73	ANNUAL HEDIS SOFTWARE LICENSE RENEWAL (YR1 OF 3)	HEALTH SERVICES - QUALITY MGMT.
T5022	SVAM INTERNATIONAL INC	185,035.00	985,013.50	JUL. & AUG. 2024 PROFESSIONAL SERVICES	MIS ADMINISTRATION
T1960	LOCAL HEALTH PLANS OF CALIFORNIA ****	168,441.21	168,744.18	ANNUAL PMPY DUES 2024-2025	ADMINISTRATION
T5292	ALL'S WELL HEALTH CARE SERVICES	139,308.50	715,867.75	MAY, JUN., JUL. & AUG. 2024 TEMPORARY HELP - QI: (6), UM: (3), PHM: (1),	VARIOUS
T5564	CLARISHEALTH, INC	117,308.78	709,279.65	AUG. 2024 CONSULTING SERVICES	ADMINISTRATION
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC	115,443.03	2,323,366.71	JUL. & AUG. 2024 PROFESSIONAL SERVICES & EDI CLAIM PROCESSING	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC. ****	110,017.50	450,365.00	JUN., JUL. & AUG. 2024 CONSULTING SERVICES	VARIOUS
T5684	REBELLIS GROUP LLC ****	96,641.50	670,821.97	MAY, JUN., JUL. & AUG. 2024 PROFESSIONAL SERVICES	MEDICARE
T5435	TEGRIA SERVICES GROUP - US, INC	96,425.00	377,300.00	JUL. & AUG. 2024 CONSULTING SERVICES	BUSINESS INTELLIGENCE/PROJECT MANAGEMENT
T5494	LDP ASSOCIATES, INC. ****	87,725.99	115,770.99	EQUIPMENT - MODULAR BATTERY REPLACEMENT SERVICE	MIS INFRASTRUCTURE
T5963	ANTAGE INCORPORATED ****	85,115.48	134,735.45	JUL. & AUG. 2024 PROFESSIONAL SERVICES	MIS ADMINISTRATION
T6127	MANIFEST MEDEX ****	84,416.83	84,416.83	HEALTH INFORMATION EXCHANGE -SUBSCRIPTION FEE	CAPITAL PROJECT

KERN·HEALTH SYSTEMS

September AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T3011	OFFICE ALLY, INC	76,834.03	537,685.56	AUG. 2024 EDI CLAIMS	CLAIMS
T4460	PAYSPAN, INC	60,113.02	415,397.70	AUG. 2024 ELECTRONIC CLAIMS PAYMENTS	FINANCE
T5886	US POSTAL SERVICE	60,000.00	260,000.00	QUADIENT POSTAGE METER REPLENISHMENT	CORPORATE SERVICES
T5658	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	59,878.89	522,512.55	SEPT. 2024 VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T5337	CAZADOR CONSULTING GROUP INC	54,924.40	1,035,872.57	AUG 2024 TEMPORARY HELP - (2) IT: (19) MS: (1) PNM: (1) HR	VARIOUS
T5890	DELTA DENTAL OF CALIFORNIA	47,196.46	407,932.94	SEPT. 2024 EMPLOYEE DENTAL HEALTH BENEFITS PREMIUM	VARIOUS
T5877	TGN CONSULTING LLC	44,438.83	481,829.06	FRONT LINES ACTIVATION & MGR BOOTCAMP, ADVANCED LEADERSHIP CONSULTING & EXECUTIVE COACHING	HUMAN RESOURCES
T1986	BOYS AND GIRLS CLUB OF KERN COUNTY ****	40,000.00	50,292.00	BRIDGING THE TRANSPORTATION GAP FUNDING	GRANTS
T2584	UNITED STATES POSTAL SVC. - HASLER ****	40,000.00	240,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T4733	UNITED STAFFING ASSOCIATES	39,428.69	863,445.29	JUL. & AUG. 2024 TEMPORARY HELP - (13) MS: (4) AD	VARIOUS
T3088	GLEN BROWN CONSULTING	38,362.50	459,112.50	AUG. 2024 CONSULTING	CAPITAL PROJECT
T1183	MILLIMAN USA ****	37,357.00	171,166.75	JULY 2024 CONSULTING - ACTUARIAL	ADMINISTRATION
T4501	ALLIED UNIVERSAL SECURITY SERVICES ****	37,319.40	188,277.49	JUL., AUG. & SEPT. 2024 ONSITE SECURITY	CORPORATE SERVICES
T4452	WELLS FARGO ACH	38,353.18	321,507.79	AUG. 2024 MISC CREDIT CARD PURCHASES	VARIOUS
T5520	BG HEALTHCARE CONSULTING, INC	36,000.00	322,820.00	AUG. 2024 SERVICES	HEALTH SERVICES - QUALITY MGMT. & POPULATION HEALTH MGMT.

KERN•HEALTH SYSTEMS

September AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1128	HALL LETTER SHOP, INC.	33,252.61	230,512.88	MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS & ENVELOPES	VARIOUS
T5509	NGUYEN CAO LUU-TRONG	31,500.00	199,012.50	AUG. 2024 PROFESSIONAL SERVICES	HEALTH SERVICES - UTIL REVIEW
T5930	DAYFORCE US, INC	30,358.25	213,705.08	AUG-SEPT. 2024 SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T5757	BITFOCUS, INC ****	30,323.78	199,000.93	JUN-SEPT. 2024 HMIS LICENSE	HOMELESS MANAGEMENT INFORMATION SERVICES
T2458	HEALTHCARE FINANCIAL, INC.	30,000.00	306,892.90	JUL. & AUG. 2024 CONSULTING	ADMINISTRATION
T5420	PAYPRO ACH	29,491.66	348,151.60	SEPT. 2024 EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T5155	A-C ELECTRIC COMPANY	29,165.19	425,423.85	CARPORT SOLAR PROJECT	CAPITAL PROJECT
T1655	KERN,KKXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG,KVEC,KSTT,KRQK,KPAT,****	27,840.00	79,465.00	AUG. & SEPT. 2024 RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T5882	RELIABLE JANITORIAL SERVICES AND CARPET CLEANING INC ****	26,401.00	165,360.28	SEPT. 2024 JANITORIAL & WINDOW CLEANING	CORPORATE SERVICES
		5,152,246.84			
	TOTAL VENDORS OVER \$20,000	5,152,246.84			
	TOTAL VENDORS UNDER \$20,000	709,293.43			
	TOTAL VENDOR EXPENSES- SEPTEMBER	\$ 5,861,540.27			

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

KERN•HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	7,611,459.26	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE	5,359,138.53	PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T4737	TEKSYSTEMS, INC.	2,641,351.25	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC	2,323,366.71	PROFESSIONAL SERVICES & ANNUAL LICENSING	VARIOUS
T1180	LANGUAGE LINE SERVICES INC	1,645,522.37	INTERPRETATION SERVICES	HEALTH SERVICES - WELLNESS & PREVENTION
T1408	DELL MARKETING L.P.	1,493,372.92	COMPUTER EQUIPMENT & SOFTWARE MAINTENANCE	MIS INFRASTRUCTURE
T3130	OPTUMINSIGHT, INC	1,416,456.00	ANNUAL LICENSED SOFTWARE	MIS INFRASTRUCTURE
T2704	MCG HEALTH LLC	1,234,280.77	ANNUAL HEALTH CARE MANAGEMENT & SOFTWARE LICENSE	UTILIZATION MANAGEMENT
T5337	CAZADOR CONSULTING GROUP INC	1,035,872.57	TEMPORARY HELP	VARIOUS
T5022	SVAM INTERNATIONAL INC	985,013.50	PROFESSIONAL SERVICES	MIS ADMINISTRATION
T5111	ENTISYS 360, E360	916,448.92	NUTANIX ACROPOLIS SOFTWARE LICENSE	MIS INFRASTRUCTURE
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS INC	901,892.70	PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM	HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES -QI
T4733	UNITED STAFFING ASSOCIATES	863,445.29	TEMPORARY HELP	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC.	764,102.70	2024 -2025 INSURANCE PREMIUMS	ADMINISTRATION

KERN•HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4699	ZEOMEGA, INC	735,178.22	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T1845	DEPARTMENT OF MANAGED HEALTH CARE	727,682.82	2024-2025 MCAL ANNUAL ASSESSMENT & YR 2022 MONETARY SANCTION	ADMINISTRATION
T5292	ALL'S WELL HEALTH CARE SERVICES	715,867.75	TEMPORARY HELP	VARIOUS
T5564	CLARISHEALTH, INC	709,279.65	DRG AUDIT RECOVERIES	ADMINISTRATION
T5684	REBELLIS GROUP LLC	670,821.97	MAPD BUSINESS CONSULTING	MEDICARE
T3022	MICROSOFT CORPORATION	612,498.75	CONSULTING SERVICES	ENTERPRISE CONFIGURATION
T3011	OFFICE ALLY, INC	537,685.56	EDI CLAIM PROCESSING	CLAIMS
T5865	HARTE-HANKS RESPONSE MANAGEMENT/AUSTIN, INC	535,828.96	2024 SALESFORCE LICENSE FEES-CUSTOMER CARE CONTACT CENTER	MEMBER SERVICES
T5658	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	522,512.55	VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T2918	STINSON'S	511,643.26	OFFICE SUPPLIES	VARIOUS
T5877	TGN CONSULTING LLC	481,829.06	FRONT LINES ACTIVATION & EXECUTIVE COACHING	HUMAN RESOURCES
T3088	GLEN BROWN CONSULTING	459,112.50	CONSULTING	CAPITAL PROJECT
T4237	FLUIDEDGE CONSULTING, INC	450,365.00	CONSULTING SERVICES	VARIOUS
T5155	A-C ELECTRIC COMPANY	425,423.85	CARPORT SOLAR PROJECT	CAPITAL PROJECT
T4460	PAYSPAN, INC	415,397.70	ELECTRONIC CLAIMS/PAYMENTS	FINANCE

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5890	DELTA DENTAL OF CALIFORNIA	407,932.94	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T5907	DIAMOND PEAK CONSTRUCTION	398,452.00	MAIL ROOM REDESIGN & WALL REPAIR NEAR GENERATOR AREA	CAPITAL/CORPORATE SERVICES
T5435	TEGRIA SERVICES GROUP - US, INC	377,300.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5340	GARTNER INC	374,565.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	HUMAN RESOURCES
T5420	PAYPRO ACH	348,151.60	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4331	COTIVITI, INC	334,327.73	PROFESSIONAL SERVICES	HEALTH SERVICES - QI
T5520	BG HEALTHCARE CONSULTING, INC	322,820.00	PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T4452	WELLS FARGO	321,507.79	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T2458	HEALTHCARE FINANCIAL, INC	306,892.90	CONSULTING	ADMINISTRATION
T2167	PG&E	296,078.75	UTILITIES	CORPORATE SERVICES
T3449	CDW GOVERNMENT	289,742.86	FORTINET RENEWAL & ADOBE LICENSES	MIS INFRASTRUCTURE
T4657	DAPONDE SIMPSON ROWE PC	287,997.50	LEGAL FEES	VARIOUS
T5886	US POSTAL SERVICE	260,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T2413	TREK IMAGING INC	241,031.17	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS

KERN • HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2584	UNITED STATES POSTAL SVC - HASLER	240,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5344	SIGNATURE STAFF RESOURCES LLC	239,710.00	2023 & 2024 PROFESSIONAL SERVICES	PROJECT MGMNT/CAPITAL PROJECT
T2967	DEPARTMENT OF HEALTH CARE SERVICES	238,000.00	2024-2025 1ST INSTALLMENT MCAL ANNUAL ASSESSMENT & 2021 MEDICAL MCAS PERFORMANCE MEASUREMENT MONETARY SANCTION	ADMINISTRATION
T1128	HALL LETTER SHOP	230,512.88	MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS & ENVELOPES	VARIOUS
T5930	DAYFORCE US, INC	213,705.08	SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T5026	TEL-TEC SECURITY SYSTEMS	202,843.12	SECURITY MAINTENANCE & UPGRADES	CAPITAL/ CORPORATE SERVICES
T2469	DST HEALTH SOLUTIONS, LLC	200,350.00	ANNUAL ACG LICENSE & SUPPORT	BUSINESS INTELLIGENCE
T5509	NGUYEN CAO LUU-TRONG	199,012.50	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5757	BITFOCUS, INC	199,000.93	ENTERPRISE SOFTWARE LICENSING & DATA MODELING	CAPITAL PROJECT
T4024	QUADIENT INC	192,570.22	MAIL INSERTER, METER RENTAL & SOFTWARE SUPPORT	CAPITAL PROJECT/CORPORATE SERVICES
T5751	EXCELL HCA, LLC	190,774.00	PROFESSIONAL SERVICES	PROJECT MANAGEMENT
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	190,537.50	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T4501	ALLIED UNIVERSAL SECURITY SERVICES	188,277.49	ONSITE SECURITY	CORPORATE SERVICES
T1272	COFFEY COMMUNICATIONS INC	185,258.00	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH SERVICES - WELLNESS & PREVENTION/MEDIA & ADVERTISING

KERN•HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2955	DELTA ELECTRIC INC.	181,930.00	BUILDING IMPROVEMENT/MAINTENANCE	CORPORATE SERVICES
T4484	JACOBSON SOLUTIONS	177,888.07	TEMPORARY HELP	HEALTH SERVICES - UM
T4985	CYBERCODERS, INC	171,781.25	PROFESSIONAL SERVICES	MIS ADMINISTRATION
T1183	MILLIMAN USA	171,166.75	CY2022/2023 TNE & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T1960	LOCAL HEALTH PLANS OF CALIFORNIA ****	168,744.18	ANNUAL PMPY DUES 2024-2025	ADMINISTRATION
T5882	RELIABLE JANITORIAL SERVICES AND CARPET CLEANING INC	165,360.28	BUILDING IMPROVEMENT/MAINTENANCE	CORPORATE SERVICES
T5121	TPX COMMUNICATIONS	162,615.86	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T2941	KERN PRINT SERVICES INC	155,285.02	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T4353	TWE SOLUTIONS, INC	154,579.31	JUNIPER QFX SWITCHES & LICENSES	MIS INFRASTRUCTURE
T5738	INSURICA - WALTER MORTENSEN INSURANCE	150,147.00	WORKERS COMP PREMIUM 2024-2025	ADMINISTRATION
T5742	MICHAEL NGUYEN	150,000.00	PROFESSIONAL SERVICES	QUALITY & HEALTH EQUITY
T5329	RELAY NETWORK, LLC	149,999.70	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T1022	UNUM LIFE INSURANCE CO.	146,472.51	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T2969	AMERICAN BUSINESS MACHINES INC	145,557.76	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T5931	SPROUT SOCIAL, INC	145,264.00	12 MONTHS OF SOCIAL MEDIA VIGILANCE & MANAGEMENT	CAPITAL PROJECT

KERN • HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5963	ANTAGE INCORPORATED	134,735.45	PROFESSIONAL SERVICES	ENTERPRISE DEVELOPMENT
T5583	THE MIHALIK GROUP, LLC	132,437.50	NCQA TRAINING	HEALTH SERVICES - QI
T4708	WAKELY CONSULTING GROUP, LLC FRMLY HEALTH MANAGEMENT ASSOCIATES, INC.	125,791.22	PROFESSIONAL SERVICES	ADMINISTRATION
T2961	SOLUTION BENCH, LLC	118,220.00	M-FILES SOFTWARE ANNUAL RENEWAL	MIS INFRASTRUCTURE
T5494	LDP ASSOCIATES, INC.	115,770.99	YEAR 1 OF 3 UPS BATTERY SUPPORT	MIS INFRASTRUCTURE
T4514	A.J. KLEIN, INC T. DENATALE, B. GOLDNER	115,745.77	LEGAL FEES	ADMINISTRATION
T5571	GHA TECHNOLOGIES INC	109,938.26	FORTINET SECURITY	MIS INFRASTRUCTURE
T1005	COLONIAL LIFE & ACCIDENT	108,235.48	LIFE INSURANCE PREMIUM	VARIOUS
T4563	SPH ANALYTICS	102,242.00	HEDIS CAHPS, ECM & PROVIDER SATISFACTION SURVEY	VARIOUS
T4165	SHI INTERNATIONAL CO.	100,036.29	NETWORK SWITCHES WITH SUPPORT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T5863	MANNA HAGOS	99,985.50	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T4217	CONTEXT 4 HEALTHCARE, INC	97,775.15	ANNUAL RENEWAL AMA FEES 6/2024-6/2025	MIS INFRASTRUCTURE - QNXT
T5291	PINNACLE RECRUITMENT SERVICES LLC	97,451.23	TEMPORARY HELP	VARIOUS
T4503	VISION SERVICE PLAN	97,408.05	EMPLOYEE HEALTH BENEFITS	VARIOUS

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5850	SERRANO ADVISORS LLC	96,300.00	PROFESSIONAL SERVICES	ENHANCED CARE MANAGEMENT
T2726	DST PHARMACY SOLUTIONS, INC	94,500.00	PHARMACY CLAIMS	PHARMACY
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	92,500.00	2024 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5562	JDM SOLUTIONS INC.	89,280.00	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5778	CONTOUR DATA SOLUTIONS, LLC	88,200.00	ANNUAL DATA SOLUTIONS	CAPITAL PROJECT
T5298	TOTALMED, INC	84,527.99	TEMPORARY HELP	VARIOUS
T6127	MANIFEST MEDEX ****	84,416.83	HEALTH INFORMATION EXCHANGE -SUBSCRIPTION FEE	CAPITAL PROJECT
T4963	LINKEDIN CORPORATION	84,018.50	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	83,749.84	BOARDROOM FURNITURE	CORPORATE SERVICES
T5941	CORDELL KEY	79,866.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T1655	KERN,KKXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG,KVEC,KSTT,KRQK,KPAT,	79,465.00	RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T5967	SAI360 INC	79,290.00	REGULATORY COMPLIANCE & BEST PRACTICES POLICY MANAGEMENT MODULES	CAPITAL PROJECT
T4216	NEXSTAR BROADCASTING INC	76,025.00	ADVERTISEMENT - MEDIA	MARKETING
T4785	COMMGAP	74,553.75	INTERPRETATION SERVICES	HEALTH SERVICES - WELLNESS & PREVENTION

KERN • HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5538/WT	OCTOPAI B.I. LTD	74,496.00	ANNUAL RENEWAL - METADATA PLATFORM	BUSINESS INTELLIGENCE
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	73,000.00	2023 AUDIT FEES	FINANCE
T2446	AT&T MOBILITY	70,859.32	CELLULAR PHONE/INTERNET USAGE	MIS INFRASTRUCTURE
T6100	SYMLR	67,512.48	SOFTWARE LICENSE 2024/2025	HEALTH SERVICES - UTIL REVIEW
T6054	WEBMD IGNITE	66,634.94	HEALTHWISE LICENSE FEES 2024	HEALTH SERVICES - WELLNESS & PREVENTION
T5319	CITIUSTECH INC	63,749.00	FAST+ ANNUAL MAINTENANCE & SUPPORT	MIS INFRASTRUCTURE
T4792	KP LLC	61,499.18	PROVIDER DIRECTORIES	PROVIDER NETWORK MANAGEMENT
T5467	MOSS ADAMS LLP	57,142.00	CLAIMS AUDIT TOOL ENHANCEMENT	CLAIMS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	56,887.96	2023 & 2024 EDI CLAIM PROCESSING	CLAIMS
T2509	UNITED STATES POSTAL SERVICE	56,882.58	PERMIT 162 MEMBER NEWSLETTER POSTAGE	HEALTH SERVICES - WELLNESS & PREVENTION
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	56,221.00	2024 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5550	CHARTER COMMUNICATIONS OPERATING, LLC	55,018.33	INTERNET SERVICES	MIS INFRASTRUCTURE

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2933	SIERRA PRINTERS, INC	53,938.16	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T1861	CERIDIAN HCM, INC.	53,039.29	MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T3986	JACQUELYN S. JANS	51,920.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T1986	BOYS AND GIRLS CLUB OF KERN COUNTY ****	50,292.00	BRIDGING THE TRANSPORTATION GAP FUNDING	GRANTS
T4227	FREESTYLE EVENTS SERVICES INC	46,966.40	AUDIO SERVICES CONNECT FORUM & SPRING GALA EVENT	ADMINISTRATION/HUMAN RESOURCES
T1091	CLINICA SIERRA VISTA	46,610.12	2024 INTERPRETATION FEES - CSV	HEALTH SERVICES - WELLNESS & PREVENTION
T3001	MERCER	46,500.00	2024 COMPENSATION STUDY	ADMINISTRATION
T5421	PREMIER ACCESS INSURANCE COMPANY	46,074.50	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T4182	THE LAMAR COMPANIES	45,450.78	OUTDOOR ADVERTISEMENT - BILLBOARDS	ADVERTISING
T4228	THE SSI GROUP, LLC	45,234.40	2023 & 2024 EDI CLAIM PROCESSING	CLAIMS
T2441	LAURA J. BREZINSKI	45,000.00	MARKETING MATERIALS	MARKETING
T5846	MOKSHA PSYCHOTHERAPY & COMMUNITY HEALTH CONSULTING INC	44,187.50	PROFESSIONAL SERVICES	HEALTH SERVICES - UM

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1097	NCQA	42,150.00	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION	HEALTH SERVICES - QI
T1650	UNIVISION TELEVISION GROUP	40,696.00	ADVERTISEMENT - MEDIA	SALES/MARKETING/PUBLIC RELATIONS
T5696	ASA GLOBAL HEALTHCARE SERVICES PC	40,500.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5109	RAND EMPLOYMENT SOLUTIONS	40,429.38	TEMPORARY HELP	VARIOUS
T5201	JAC SERVICES, INC	40,324.50	AIR CONDITIONING PM SERVICES	CORPORATE SERVICES
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC	37,830.88	INSTALL & RELOCATE PROJECTORS/SMARTBOARDS	CORPORATE SERVICES
T5791	WEINTRAUB TOBIN	37,086.50	LEGAL SERVICES	ADMINISTRATION
T5592	BRAND CO MARKETING	36,875.93	WEB HOSTING, RECRUITMENT & COMPANY STORE SUPPLIES	HUMAN RESOURCES
T5783	TELADOC HEALTH INC	36,780.00	EMPLOYEE MENTAL HEALTH PREMIUM	VARIOUS
T3972	JOURNEY AIR CONDITIONING CO., INC.	36,157.00	HVAC RECONFIGURATION OF MAILROOM, 3RD & 4TH FLOOR	CAPITAL PROJECT
T2580	GOLDEN EMPIRE TRANSIT DISTRICT	36,000.00	MARKETING -BUS ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T5743	INTEL AGREE, COLABS	35,650.00	INTEL AGREE SUBSCRIPTION YEAR 2 OF 3	MIS INFRASTRUCTURE
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	35,200.00	SPRING GRANTS & MEMBER ENGAGEMENT	SALES/MARKETING/PUBLIC RELATIONS/ CORPORATE SERVICES

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC	34,790.00	ADVERTISEMENT - MEDIA	MARKETING
T2562	CACTUS SOFTWARE LLC	33,506.15	2024 CREDENTIALING LICENSE & SUPPORT	MIS INFRASTRUCTURE
T5851	ABSORB SOFTWARE NORTH AMERICA, LLC	33,494.70	DAYFORCE LEARNING LICENSE	MIS INFRASTRUCTURE
T5762	SCREENVISION MEDIA	33,489.65	CINEMA ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T5376	KCHCC	33,250.00	SPONSORSHIPS	SALES/MARKETING/PUBLIC RELATIONS
T2787	SAGE SOFTWARE. INC	33,019.32	SAGE 300 LICENSE RENEWAL - FINANCE SOFTWARE	FINANCE
T5653	SUN OUTDOOR ADVERTISING LLC	33,000.00	HOSTED SOFTWARE RENEWAL	MIS INFRASTRUCTURE
T4259	SKARPHOL ASSOCIATES	32,798.04	BUILDING IMPROVEMENT -REMODELING & NEW OFFICES	CAPITAL PROJECT
T4607	AGILITY RECOVERY SOLUTIONS INC.	32,210.00	PROFESSIONAL SERVICES	CORPORATE SERVICES
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	32,068.08	2023 & 2024 EDI CLAIM PROCESSING	CLAIMS
T5759	SHELLBY ROSE P DUMLAO	32,028.50	PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T1172	BUCK OWENS PRODUCTIONS	30,665.00	RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T4993	LEGALSHIELD	30,574.95	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5130	BUILDING ELECTRONIC CONTROLS, INC.	30,484.34	FIRE ALARM EXPANSION & INSTALLATION	CAPITAL PROJECT/CORPORATE SERVICES
T4934	APPLE INC.	30,291.38	IPADS, IPHONES & POWER ADAPTERS	MIS INFRASTRUCTURE/CAPITAL
T4577	LA CAMPESINA, KBDS, KUFW, KMYX, KSEA, KBHH, KYLI, KCEC, KNAI ****	30,020.00	ADVERTISING- RADIO	SALES/MARKETING/PUBLIC RELATIONS
T2641	MARANATHA GARDENING & LANDSCAPING, INC.	29,500.00	2024 BUILDING MAINTENANCE	CORPORATE SERVICE
T5843	SEVEN OAKS COUNTRY CLUB	29,227.50	PROVIDER DINNER EVENT & Q2 FORUM	PROVIDER NETWORK MANAGEMENT
T5936	AXIOS HQ INC	28,800.00	AI COMMUNICATION SOFTWARE LICENSING	CAPITAL PROJECT
T4731	GO TO TECHNOLOGIES, INC	28,560.00	INTERNET SERVICES	MIS INFRASTRUCTURE
T1347	ADVANCED DATA STORAGE	28,558.96	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T5741	HEALTHWISE, INCORPORATED	28,402.23	MEMBER SELF MANAGEMENT TOOLS	HEALTH SERVICES - WELLNESS & PREVENTION
T5779	COMMUNITY ACTION PARTNERSHIP OF KERN FOUNDATION	28,000.00	SPONSORSHIP	SALES/MARKETING/PUBLIC RELATIONS
T2578	AMERICAN STROKE ASSOC/AMERICAN HEART ASSOC WESTERN STATES	27,500.00	SPONSORSHIP KERN CPRA, GRFW & HEART WALK	MARKETING
T4424	GUROCK SOFTWARE GmbH	26,565.97	TESTRAIL SOFTWARE RENEWAL	MIS INFRASTRUCTURE
T4195	SCRIPPS MEDIA, INC DBA KERO-TV ****	26,060.00	ADVERTISEMENT - MEDIA	MARKETING
T5398	GOLDEN EMPIRE GLEANERS	25,252.36	FOOD BASKETS FOR MEMBERS	ENHANCED CARE MANAGEMENT

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5536	CALIFORNIA STATE UNIVERSITY BAKERSFIELD FOUNDATION	25,000.00	2024 SCHOOL SCHOLARSHIPS	SALES/MARKETING/PUBLIC RELATIONS
T5486	ALLIED GENERAL CONTRACTORS, INC	24,800.00	BUILDING IMPROVEMENT/MAINTENANCE	CORPORATE SERVICES
T3084	KERN COUNTY-COUNTY COUNSEL	24,057.70	LEGAL SERVICES	ADMINISTRATION
T3118	AMERICAN ACADEMY HOLDINGS LLC dba AAPC	23,563.40	CPC & MEDICAL HEALTHCARE TERMINOLOGY TRAINING	CLAIMS
T5466	ZIPARI, INC	23,000.00	OUTBOUND SSO SUBSCRIPTION & PROVIDER DIRECTORY UPDATES	MIS INFRASTRUCTURE
T4230	COFFEE BREAK SERVICE, INC.	22,560.59	COFFEE SUPPLIES	CORPORATE SERVICES
T4920	OTIS ELEVATOR COMPANY	22,535.82	ELEVATOR MAINTENANCE & SERVICE CALLS	CORPORATE SERVICES
T2601	RLH FIRE PROTECTION, INC.	22,311.00	OFFICE SPRINKLER INSPECTIONS	CORPORATE SERVICES
T4605	KERNVILLE UNION SCHOOL DISTRICT	22,208.00	SCHOOL WELLNESS GRANT	COMMUNITY GRANTS
T4417	KAISER FOUNDATION HEALTH PLAN - OR ****	21,983.13	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T5436	THE BEACON STUDIOS, LLC	21,930.00	VIDEO SERVICES	SALES/MARKETING/PUBLIC RELATIONS
T5986	ABSOLUTE DRYWALL, INC	21,870.00	BLUE ZONES WELLNESS GARDEN	CORPORATE SERVICES
T1007	FEDERAL EXPRESS CORP.	21,447.69	SHIPPING SERVICES	VARIOUS

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5615	HAPPY WHOLE YOU, INC	21,355.11	2024 CUSTOM PROGRAMS	HUMAN RESOURCES
T5701	THE GRANGER NETWORK LLC	21,146.71	SUPERVISOR BOOTCAMP	HUMAN RESOURCES
T1957	FRIENDS OF MERCY FOUNDATION	21,000.00	SPONSORSHIPS	SALES/MARKETING/PUBLIC RELATIONS
T5408	MARY HARRIS	20,825.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T4764	BAKERSFIELD COLLEGE FOUNDATION	20,750.00	SPONSORSHIPS	SALES/MARKETING/PUBLIC RELATIONS
T4249	LOTUS BAKERSFIELD CORP	20,600.00	SPANISH RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T6040	KARLEN & PANICI BREWING LLC	20,333.75	SPRING GALA CATERING	HUMAN RESOURCES
T4544	BARNES WEALTH MANAGEMENT GROUP	20,280.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T5535	PANAMA-BUENA VISTA UNION SCHOOL DISTRICT	20,000.00	SCHOOL WELLNESS GRANT	COMMUNITY GRANTS
		<u>53,455,931.70</u>		
TOTAL VENDORS OVER \$20,000		53,455,931.70		
TOTAL VENDORS UNDER \$20,000		2,444,394.68		
TOTAL VENDOR EXPENSES- SEPTEMBER		<u>\$ 55,900,326.38</u>		

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

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	878,084.39	8,489,543.65	OCT. 2024 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4699	ZeOMEGA, INC ****	678,027.90	1,413,206.12	ANNUAL RENEWAL - JIVA LICENSE (YR 3 OF 5)	MIS INFRASTRUCTURE
T2686	ALLIANT INSURANCE SERVICES INC. ****	670,173.77	1,434,276.47	2024 -2025 INSURANCE PREMIUMS - SPECIAL LIABILITY, EXCESS COMMERCIAL LIABILITY & EARTHQUAKE	ADMINISTRATION
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC ****	650,233.00	1,552,125.70	PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM	HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES -QI
T4350	COMPUTER ENTERPRISE	476,121.02	5,835,259.55	AUG. & SEPT. 2024 PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T1180	LANGUAGE LINE SERVICES INC.	394,668.52	2,040,190.89	JUL., AUG. & SEPT. 2024 INTERPRETATION SERVICES	HEALTH SERVICES - WELLNESS & PREVENTION
T1408	DELL MARKETING L.P. ****	250,318.79	1,743,691.71	VLA AZURE OVERAGES	MIS INFRASTRUCTURE
T4737	TEKSYSTEMS, INC.	216,038.05	2,857,389.30	AUG. & SEPT. 2024 PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5022	SVAM INTERNATIONAL INC	181,624.00	1,166,637.50	JUL., AUG. & SEPT. 2024 PROFESSIONAL SERVICES	MIS ADMINISTRATION
T5292	ALL'S WELL HEALTH CARE SERVICES	148,931.13	864,798.88	MAY, JUN., JUL. & AUG. 2024 TEMPORARY HELP - QI: (2), UM: (8), PHM (1)	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	139,945.97	1,003,391.26	JUL., AUG. & SEPT. 2024 TEMPORARY HELP - (16) MS: (4) ME	VARIOUS
T3011	OFFICE ALLY, INC	79,163.93	616,849.49	SEPT. 2024 EDI CLAIMS	CLAIMS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC	75,737.41	2,399,104.12	SEPT. 2024 PROFESSIONAL SERVICES & EDI CLAIM PROCESSING	VARIOUS
T5337	CAZADOR CONSULTING GROUP INC	73,186.42	1,109,058.99	AUG & SEPT. 2024 TEMPORARY HELP - (1) ACC: (16) MS: (1) ME: (1) HR	VARIOUS
T5340	GARTNER INC ****	72,390.00	446,955.00	RISK & COMPLIANCE LICENSES	AUDIT & INVESTIGATIVE SERVICES
T5963	ANTAGE INCORPORATED	70,895.75	205,631.20	SEPT. & OCT. 2024 PROFESSIONAL SERVICES	MIS ADMINISTRATION
T5930	DAYFORCE US, INC	62,735.32	276,440.40	SEPT-OCT. 2024 SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T5564	CLARISHEALTH, INC	61,590.09	770,869.74	SEPT. 2024 CONSULTING SERVICES	ADMINISTRATION



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Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5658	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	59,577.27	58,089.82	OCT. 2024 VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T5435	TEGRIA SERVICES GROUP - US, INC	59,325.00	213,364.31	SEPT. 2024 CONSULTING SERVICES	BUSINESS INTELLIGENCE/PROJECT MANAGEMENT
T4353	TWE SOLUTIONS, INC ****	58,785.00	213,364.31	ANNUAL CRITICAL START LICENSE (YEAR 2 OF 3)	MIS INFRASTRUCTURE
T5684	REBELLIS GROUP LLC	58,670.56	729,492.53	JUL. 2024 PROFESSIONAL SERVICES	MEDICARE
T2509	UNITED STATES POSTAL SERVICE ****	57,308.90	114,191.48	PERMIT 162 WINTER 2024 POSTAGE	HEALTH SERVICES - WELLNESS & PREVENTION
T5757	BITFOCUS, INC	56,622.24	255,623.17	JAN-APR. PROFESSIONAL SERVICES & HMIS LICENSE SEP 2024 - JUN 2025	HOMELESS MIS
T5742	MICHAEL NGUYEN ****	50,000.00	200,000.00	JUL-SEPT. 2024 PROFESSIONAL SERVICES	QUALITY & HEALTH EQUITY
T4237	FLUIDEDGE CONSULTING, INC.	48,082.50	498,447.50	SEPT. 2024 CONSULTING SERVICES	VARIOUS
T5802	MOTOR VEHICLE NETWORK ****	47,430.00	47,430.00	ADVERTISING - MOTOR VEHICLE NETWORK	SALES/MARKETING/PUBLIC RELATIONS
T5890	DELTA DENTAL OF CALIFORNIA	46,789.62	454,722.56	OCT. 2024 EMPLOYEE DENTAL HEALTH BENEFITS PREMIUM	VARIOUS
T5467	MOSS ADAMS LLP ****	42,000.00	99,142.00	2024 AUDIT FEES	FINANCE
T5877	TGN CONSULTING LLC	41,665.25	523,494.31	FRONT LINES ACTIVATION & MGR BOOTCAMP, ADVANCED LEADERSHIP CONSULTING & EXECUTIVE COACHING	HUMAN RESOURCES
T4460	PAYSPAN, INC	41,632.69	457,030.39	SEPT. 2024 EDI CLAIMS	CLAIMS
T2584	UNITED STATES POSTAL SVC. - HASLER	40,000.00	280,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5420	PAYPRO ACH	37,079.09	385,230.69	OCT. 2024 EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T3081	ST. VINCENT DE PAUL STORE, INC ****	35,612.16	35,612.16	2024 COMMUNITY HEALTH GRANT	COMMUNITY GRANTS
T6054	WEBMD IGNITE ****	35,059.36	101,694.30	LICENSE FEES OCT.-DEC. 2024	HEALTH SERVICES - WELLNESS & PREVENTION
T5509	NGUYEN CAO LUU-TRONG	34,237.50	233,250.00	AUG. 2024 PROFESSIONAL SERVICES	HEALTH SERVICES - UTIL REVIEW

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Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T3088	GLEN BROWN CONSULTING	33,637.50	492,750.00	SEPT. 2024 CONSULTING	CAPITAL PROJECT
T4657	DAPONDE SIMPSON ROWE PC ****	33,314.50	321,312.00	AUG. 2024 LEGAL FEES	ADMINISTRATION
T2969	AMERICAN BUSINESS MACHINES INC ****	32,824.61	178,382.37	OCT. 2024 PRINTER RENTAL & 3RD QTR OVERAGES	CORPORATE SERVICES
T5434	CHARGEPOINT, INC ****	29,400.00	29,400.00	5 YR EV CHARGER MAINTENANCE	CORPORATE SERVICES
T1183	MILLIMAN USA	27,076.00	198,242.75	AUG. 2024 CONSULTING - ACTUARIAL	ADMINISTRATION
T5583	THE MIHALIK GROUP, LLC ****	26,502.50	158,940.00	JUL. & AUG. 2024 CONSULTING SERVICES	HEALTH SERVICES - QUALITY MGMT.
T5520	BG HEALTHCARE CONSULTING, INC	25,950.00	348,770.00	SEPT. 2024 CONSULTING SERVICES	HEALTH SERVICES - QUALITY MGMT. & POPULATION HEALTH MGMT.
T4983	SDL LIMITED *****	25,895.00	25,895.00	ANNUAL TRANSLATION TOOL LICENSES	MIS INFRASTRUCTURE
T2458	HEALTHCARE FINANCIAL, INC.	24,705.07	331,597.97	AUG.-OCT. 2024 CONSULTING	ADMINISTRATION
T4607	AGILITY RECOVERY SOLUTIONS INC. ****	23,747.70	55,957.70	JUN.-OCT. 2024 MOBILE RECOVERY SERVICES	CORPORATE SERVICES
T4521	PAYSCALE, INC. ****	21,420.00	21,420.00	COMPENSATION STUDY (YR 1 OF 3)	HUMAN RESOURCES
T5319	CITIUSTECH INC. ****	21,250.00	84,999.00	FAST + SUBSCRIPTION QTR 2 2024	MIS INFRASTRUCTURE
T2167	PG&E ****	20,810.60	316,889.35	SEPT. 2024 UTILITIES	CORPORATE SERVICES
T4024	QUADIENT INC. ****	20,245.93	212,816.15	MAIL INSERTER, METER RENTAL & SOFTWARE SUPPORT	CAPITAL PROJECT/CORPORATE SERVICES
		6,396,522.01			
	TOTAL VENDORS OVER \$20,000	6,396,522.01			
	TOTAL VENDORS UNDER \$20,000	763,076.59			
	TOTAL VENDOR EXPENSES- OCTOBER	\$ 7,159,598.60			

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

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	8,489,543.65	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE	5,835,259.55	PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T4737	TEKSYSTEMS, INC.	2,857,389.30	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC	2,399,104.12	PROFESSIONAL SERVICES & ANNUAL LICENSING	VARIOUS
T1180	LANGUAGE LINE SERVICES INC	2,040,190.89	INTERPRETATION SERVICES	HEALTH SERVICES - WELLNESS & PREVENTION
T1408	DELL MARKETING L.P.	1,743,691.71	COMPUTER EQUIPMENT & SOFTWARE MAINTENANCE	MIS INFRASTRUCTURE
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS INC	1,552,125.70	PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM	HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES -QI
T2686	ALLIANT INSURANCE SERVICES INC.	1,434,276.47	2024 -2025 INSURANCE PREMIUMS	ADMINISTRATION
T3130	OPTUMINSIGHT, INC	1,416,456.00	ANNUAL LICENSED SOFTWARE	MIS INFRASTRUCTURE
T4699	ZEOMEGA, INC	1,413,206.12	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T2704	MCG HEALTH LLC	1,234,280.77	ANNUAL HEALTH CARE MANAGEMENT & SOFTWARE LICENSE	UTILIZATION MANAGEMENT
T5022	SVAM INTERNATIONAL INC	1,166,637.50	PROFESSIONAL SERVICES	MIS ADMINISTRATION
T5337	CAZADOR CONSULTING GROUP INC	1,109,058.99	TEMPORARY HELP	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	1,003,391.26	TEMPORARY HELP	VARIOUS
T5111	ENTISYS 360, E360	916,448.92	NUTANIX ACROPOLIS SOFTWARE LICENSE	MIS INFRASTRUCTURE

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5292	ALL'S WELL HEALTH CARE SERVICES	864,798.88	TEMPORARY HELP	VARIOUS
T5564	CLARISHEALTH, INC	770,869.74	DRG AUDIT RECOVERIES	ADMINISTRATION
T5684	REBELLIS GROUP LLC	729,492.53	MAPD BUSINESS CONSULTING	MEDICARE
T1845	DEPARTMENT OF MANAGED HEALTH CARE	727,682.82	2024-2025 MCAL ANNUAL ASSESSMENT & YR 2022 MONETARY SANCTION	ADMINISTRATION
T3011	OFFICE ALLY, INC	616,849.49	EDI CLAIM PROCESSING	CLAIMS
T3022	MICROSOFT CORPORATION	612,498.75	CONSULTING SERVICES	ENTERPRISE CONFIGURATION
T5658	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	582,089.82	VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T5865	HARTE-HANKS RESPONSE MANAGEMENT/AUSTIN, INC	549,830.20	2024 SALESFORCE LICENSE FEES-CUSTOMER CARE CONTACT CENTER	MEMBER SERVICES
T2918	STINSON'S	523,682.65	OFFICE SUPPLIES	VARIOUS
T5877	TGN CONSULTING LLC	523,494.31	FRONT LINES ACTIVATION & EXECUTIVE COACHING	HUMAN RESOURCES
T4237	FLUIDEDGE CONSULTING, INC	498,447.50	CONSULTING SERVICES	VARIOUS
T3088	GLEN BROWN CONSULTING	492,750.00	CONSULTING	CAPITAL PROJECT
T4460	PAYSPAN, INC	457,030.39	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T5890	DELTA DENTAL OF CALIFORNIA	454,722.56	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T5340	GARTNER INC	446,955.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	HUMAN RESOURCES

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5435	TEGRIA SERVICES GROUP - US, INC	436,625.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5155	A-C ELECTRIC COMPANY	425,423.85	CARPORT SOLAR PROJECT	CAPITAL PROJECT
T5907	DIAMOND PEAK CONSTRUCTION	404,759.00	MAIL ROOM REDESIGN & WALL REPAIR NEAR GENERATOR AREA	CAPITAL/CORPORATE SERVICES
T5420	PAYPRO ACH	385,230.69	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T5520	BG HEALTHCARE CONSULTING, INC	348,770.00	PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T4452	WELLS FARGO	340,902.34	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T4331	COTIVITI, INC	334,327.73	PROFESSIONAL SERVICES	HEALTH SERVICES - QI
T2458	HEALTHCARE FINANCIAL, INC	331,597.97	CONSULTING	ADMINISTRATION
T4657	DAPONDE SIMPSON ROWE PC	321,312.00	LEGAL FEES	VARIOUS
T2167	PG&E	316,889.35	UTILITIES	CORPORATE SERVICES
T3449	CDW GOVERNMENT	302,093.78	FORTINET RENEWAL & ADOBE LICENSES	MIS INFRASTRUCTURE
T2584	UNITED STATES POSTAL SVC - HASLER	280,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5930	DAYFORCE US, INC	276,440.40	SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T5886	US POSTAL SERVICE	260,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5757	BITFOCUS, INC	255,623.17	ENTERPRISE SOFTWARE LICENSING & DATA MODELING	CAPITAL PROJECT

KERN·HEALTH SYSTEMS

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2413	TREK IMAGING INC	249,880.65	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T1128	HALL LETTER SHOP	239,973.53	MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS & ENVELOPES	VARIOUS
T5344	SIGNATURE STAFF RESOURCES LLC	239,710.00	2023 & 2024 PROFESSIONAL SERVICES	PROJECT MGMNT/CAPITAL PROJECT
T2967	DEPARTMENT OF HEALTH CARE SERVICES	238,000.00	2024-2025 1ST INSTALLMENT MCAL ANNUAL ASSESSMENT & 2021 MEDICAL MCAS PERFORMANCE MEASUREMENT MONETARY SANCTION	ADMINISTRATION
T5509	NGUYEN CAO LUU-TRONG	233,250.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T4353	TWE SOLUTIONS, INC	213,364.31	JUNIPER QFX SWITCHES & LICENSES	MIS INFRASTRUCTURE
T4024	QUADIENT INC	212,816.15	MAIL INSERTER, METER RENTAL & SOFTWARE SUPPORT	CAPITAL PROJECT/CORPORATE SERVICES
T5963	ANTAGE INCORPORATED	205,631.20	PROFESSIONAL SERVICES	ENTERPRISE DEVELOPMENT
T4501	ALLIED UNIVERSAL SECURITY SERVICES	204,310.13	ONSITE SECURITY	CORPORATE SERVICES
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	202,950.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5026	TEL-TEC SECURITY SYSTEMS	202,843.12	SECURITY MAINTENANCE & UPGRADES	CAPITAL/ CORPORATE SERVICES
T2469	DST HEALTH SOLUTIONS, LLC	200,350.00	ANNUAL ACG LICENSE & SUPPORT	BUSINESS INTELLIGENCE
T5742	MICHAEL NGUYEN	200,000.00	PROFESSIONAL SERVICES	QUALITY & HEALTH EQUITY

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1183	MILLIMAN USA	198,242.75	CY2022/2023 TNE & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T1272	COFFEY COMMUNICATIONS INC	196,155.24	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH SERVICES - WELLNESS & PREVENTION/MEDIA & ADVERTISING
T4484	JACOBSON SOLUTIONS	191,099.27	TEMPORARY HELP	HEALTH SERVICES - UM
T5751	EXCELL HCA, LLC	190,774.00	PROFESSIONAL SERVICES	PROJECT MANAGEMENT
T2955	DELTA ELECTRIC INC.	184,340.00	BUILDING IMPROVEMENT/MAINTENANCE	CORPORATE SERVICES
T5121	TPX COMMUNICATIONS	180,754.14	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T2969	AMERICAN BUSINESS MACHINES INC	178,382.37	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T2941	KERN PRINT SERVICES INC	172,409.52	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T4985	CYBERCODERS, INC	171,781.25	PROFESSIONAL SERVICES	MIS ADMINISTRATION
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	168,744.18	PMPY DUES 2024-2025	ADMINISTRATION
T5329	RELAY NETWORK, LLC	166,666.28	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T5882	RELIABLE JANITORIAL SERVICES AND CARPET CLEANING INC	165,860.28	BUILDING IMPROVEMENT/MAINTENANCE	CORPORATE SERVICES
T1022	UNUM LIFE INSURANCE CO.	164,294.11	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T5583	THE MIHALIK GROUP, LLC	158,940.00	NCQA TRAINING	HEALTH SERVICES - QI
T5738	INSURICA - WALTER MORTENSEN INSURANCE	150,147.00	WORKERS COMP PREMIUM 2024-2025	ADMINISTRATION

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Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5931	SPROUT SOCIAL, INC	145,264.00	12 MONTHS OF SOCIAL MEDIA VIGILANCE & MANAGEMENT	CAPITAL PROJECT
T4708	WAKELY CONSULTING GROUP, LLC FRMLY HEALTH MANAGEMENT ASSOCIATES, INC.	129,391.22	PROFESSIONAL SERVICES	ADMINISTRATION
T1005	COLONIAL LIFE & ACCIDENT	120,045.48	LIFE INSURANCE PREMIUM	VARIOUS
T2961	SOLUTION BENCH, LLC	118,220.00	M-FILES SOFTWARE ANNUAL RENEWAL	MIS INFRASTRUCTURE
T5494	LDP ASSOCIATES, INC.	115,770.99	YEAR 1 OF 3 UPS BATTERY SUPPORT	MIS INFRASTRUCTURE
T4514	A.J. KLEIN, INC T. DENATALE, B. GOLDNER	115,745.77	LEGAL FEES	ADMINISTRATION
T2509	UNITED STATES POSTAL SERVICE	114,191.48	PERMIT 162 MEMBER NEWSLETTER POSTAGE	HEALTH SERVICES - WELLNESS & PREVENTION
T5571	GHA TECHNOLOGIES INC	109,938.26	FORTINET SECURITY	MIS INFRASTRUCTURE
T4503	VISION SERVICE PLAN	108,697.15	EMPLOYEE HEALTH BENEFITS	VARIOUS
T2726	DST PHARMACY SOLUTIONS, INC	105,000.00	PHARMACY CLAIMS	PHARMACY
T4165	SHI INTERNATIONAL CO.	102,921.82	NETWORK SWITCHES WITH SUPPORT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T4563	SPH ANALYTICS	102,242.00	HEDIS CAHPS, ECM & PROVIDER SATISFACTION SURVEY	VARIOUS
T6054	WEBMD IGNITE	101,694.30	HEALTHWISE LICENSE FEES 2024	HEALTH SERVICES - WELLNESS & PREVENTION
T5863	MANNA HAGOS	99,985.50	PROFESSIONAL SERVICES	HEALTH SERVICES - UM

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5562	JDM SOLUTIONS INC.	99,200.00	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5467	MOSS ADAMS LLP	99,142.00	CLAIMS AUDIT TOOL ENHANCEMENT/AUDIT FEES	FINANCE/CLAIMS
T5778	CONTOUR DATA SOLUTIONS, LLC	98,000.00	ANNUAL DATA SOLUTIONS	CAPITAL PROJECT
T4217	CONTEXT 4 HEALTHCARE, INC	97,775.15	ANNUAL RENEWAL AMA FEES 6/2024-6/2025	MIS INFRASTRUCTURE - QNXT
T5291	PINNACLE RECRUITMENT SERVICES LLC	97,451.23	TEMPORARY HELP	VARIOUS
T5941	CORDELL KEY	97,002.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5850	SERRANO ADVISORS LLC	96,300.00	PROFESSIONAL SERVICES	ENHANCED CARE MANAGEMENT
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	92,500.00	2024 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5298	TOTALMED, INC	89,231.99	TEMPORARY HELP	VARIOUS
T4785	COMMGAP	88,101.25	INTERPRETATION SERVICES	HEALTH SERVICES - WELLNESS & PREVENTION
T5319	CITIUSTECH INC	84,999.00	FAST+ ANNUAL MAINTENANCE & SUPPORT	MIS INFRASTRUCTURE
T6127	MANIFEST MEDEX	84,416.83	YR 1 OF 3 HIE SUBSCRIPTION FEE	CAPITAL PROJECT
T4963	LINKEDIN CORPORATION	84,018.50	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	83,749.84	BOARDROOM FURNITURE	CORPORATE SERVICES

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4216	NEXSTAR BROADCASTING INC	81,025.00	ADVERTISEMENT - MEDIA	MARKETING
T5967	SAI360 INC	80,637.50	REGULATORY COMPLIANCE & BEST PRACTICES POLICY MANAGEMENT MODULES	CAPITAL PROJECT
T2446	AT&T MOBILITY	79,681.14	CELLULAR PHONE/INTERNET USAGE	MIS INFRASTRUCTURE
T1655	KERN,KKXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG,KVEC,KSTT,KRQK,KPAT,	79,465.00	RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T5538/WT	OCTOPAI B.I. LTD	74,496.00	ANNUAL RENEWAL - METADATA PLATFORM	BUSINESS INTELLIGENCE
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	73,000.00	2023 AUDIT FEES	FINANCE
T6100	SYMPLR	67,512.48	SOFTWARE LICENSE 2024/2025	HEALTH SERVICES - UTIL REVIEW
T4792	KP LLC	62,299.18	PROVIDER DIRECTORIES	PROVIDER NETWORK MANAGEMENT
T5550	CHARTER COMMUNICATIONS OPERATING, LLC	61,417.53	INTERNET SERVICES	MIS INFRASTRUCTURE
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	58,771.00	2024 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T3986	JACQUELYN S. FRANKLIN-WARD	57,720.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	56,887.96	2023 & 2024 EDI CLAIM PROCESSING	CLAIMS
T4607	AGILITY RECOVERY SOLUTIONS INC.	55,957.70	PROFESSIONAL SERVICES	CORPORATE SERVICES
T2933	SIERRA PRINTERS, INC	54,762.32	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4182	THE LAMAR COMPANIES	53,889.54	OUTDOOR ADVERTISEMENT - BILLBOARDS	ADVERTISING
T1861	CERIDIAN HCM, INC.	53,039.29	MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4228	THE SSI GROUP, LLC	50,725.00	2023 & 2024 EDI CLAIM PROCESSING	CLAIMS
T1986	BOYS AND GIRLS CLUB OF KERN COUNTY	50,292.00	BRIDGING THE TRANSPORTATION GAP FUNDING	GRANTS
T2441	LAURA J. BREZINSKI	50,000.00	MARKETING MATERIALS	MARKETING
T5201	JAC SERVICES, INC	48,469.50	AIR CONDITIONING PM SERVICES	CORPORATE SERVICES
T5802	MOTOR VEHICLE NETWORK ****	47,430.00	ADVERTISING - MOTOR VEHICLE NETWORK	SALES/MARKETING/PUBLIC RELATIONS
T4227	FREESTYLE EVENTS SERVICES INC	46,966.40	AUDIO SERVICES CONNECT FORUM & SPRING GALA EVENT	ADMINISTRATION/HUMAN RESOURCES
T1091	CLINICA SIERRA VISTA	46,610.12	2024 INTERPRETATION FEES - CSV	HEALTH SERVICES - WELLNESS & PREVENTION
T3001	MERCER	46,500.00	2024 COMPENSATION STUDY	ADMINISTRATION
T5421	PREMIER ACCESS INSURANCE COMPANY	46,074.50	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T1650	UNIVISION TELEVISION GROUP	44,946.00	ADVERTISEMENT - MEDIA	SALES/MARKETING/PUBLIC RELATIONS
T5109	RAND EMPLOYMENT SOLUTIONS	44,705.88	TEMPORARY HELP	VARIOUS
T5846	MOKSHA PSYCHOTHERAPY & COMMUNITY HEALTH CONSULTING INC	44,187.50	PROFESSIONAL SERVICES	HEALTH SERVICES - UM

KERN·HEALTH SYSTEMS

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5843	SEVEN OAKS COUNTRY CLUB	43,841.25	PROVIDER DINNER EVENT & Q2 FORUM	PROVIDER NETWORK MANAGEMENT
T5696	ASA GLOBAL HEALTHCARE SERVICES PC	43,500.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5398	GOLDEN EMPIRE GLEANERS	42,573.31	FOOD BASKETS FOR MEMBERS	ENHANCED CARE MANAGEMENT
T1097	NCQA	42,150.00	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION	HEALTH SERVICES - QI
T5783	TELADOC HEALTH INC	40,710.00	EMPLOYEE MENTAL HEALTH PREMIUM	VARIOUS
T3081	ST. VINCENT DE PAUL STORE, INC. ****	40,612.16	2024 COMMUNITY HEALTH GRANT	COMMUNITY GRANTS
T2580	GOLDEN EMPIRE TRANSIT DISTRICT	40,000.00	MARKETING -BUS ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T4993	LEGALSHIELD	38,439.00	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC	37,830.88	INSTALL & RELOCATE PROJECTORS/SMARTBOARDS	CORPORATE SERVICES
T5791	WEINTRAUB TOBIN	37,086.50	LEGAL SERVICES	ADMINISTRATION
T5592	BRAND CO MARKETING	36,875.93	WEB HOSTING, RECRUITMENT & COMPANY STORE SUPPLIES	HUMAN RESOURCES
T5851	ABSORB SOFTWARE NORTH AMERICA, LLC	36,844.17	DAYFORCE LEARNING LICENSE	MIS INFRASTRUCTURE
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	36,400.00	SPRING GRANTS & MEMBER ENGAGEMENT	SALES/MARKETING/PUBLIC RELATIONS/ CORPORATE SERVICES
T4195	SCRIPPS MEDIA, INC DBA KERO-TV	36,360.00	ADVERTISEMENT - MEDIA	MARKETING

KERN·HEALTH SYSTEMS

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3972	JOURNEY AIR CONDITIONING CO., INC.	36,157.00	HVAC RECONFIGURATION OF MAILROOM, 3RD & 4TH FLOOR	CAPITAL PROJECT
T5759	SHELLBY ROSE P DUMLAO	36,053.50	PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T5653	SUN OUTDOOR ADVERTISING LLC	36,000.00	HOSTED SOFTWARE RENEWAL	MIS INFRASTRUCTURE
T5743	INTEL AGREE, COLABS	35,650.00	INTEL AGREE SUBSCRIPTION (YR 2 OF 3)	MIS INFRASTRUCTURE
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC	34,790.00	ADVERTISEMENT - MEDIA	MARKETING
T5376	KCHCC	33,750.00	SPONSORSHIP	SALES/MARKETING/PUBLIC RELATIONS
T2562	CACTUS SOFTWARE LLC	33,506.15	2024 CREDENTIALING LICENSE & SUPPORT	MIS INFRASTRUCTURE
T5762	SCREENVISION MEDIA	33,489.65	CINEMA ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T5436	THE BEACON STUDIOS, LLC	33,110.00	VIDEO SERVICES	SALES/MARKETING/PUBLIC RELATIONS
T1172	BUCK OWENS PRODUCTIONS	33,085.00	RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T2787	SAGE SOFTWARE. INC	33,019.32	SAGE 300 LICENSE RENEWAL - FINANCE SOFTWARE	FINANCE
T4259	SKARPHOL ASSOCIATES	32,798.04	BUILDING IMPROVEMENT -REMODELING & NEW OFFICES	CAPITAL PROJECT
T2641	MARANATHA GARDENING & LANDSCAPING, INC.	32,600.00	2024 BUILDING MAINTENANCE	CORPORATE SERVICE
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	32,068.08	2023 & 2024 EDI CLAIM PROCESSING	CLAIMS

KERN·HEALTH SYSTEMS

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1347	ADVANCED DATA STORAGE	31,831.49	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T5130	BUILDING ELECTRONIC CONTROLS, INC.	30,484.34	FIRE ALARM EXPANSION & INSTALLATION	CAPITAL PROJECT/CORPORATE SERVICES
T4934	APPLE INC.	30,291.38	IPADS, IPHONES & POWER ADAPTERS	MIS INFRASTRUCTURE/CAPITAL
T4577	LA CAMPESINA, KBDS, KUFW, KMYX, KSEA, KBHH, KYLI, KCEC, KNAI	30,020.00	RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T5434	CHARGEPOINT, INC ****	29,400.00	MAINTENANCE - 5 YR EV CHARGER	CORPORATE SERVICES
T5936	AXIOS HQ INC	28,800.00	AI COMMUNICATION SOFTWARE LICENSING	CAPITAL PROJECT
T4731	GO TO TECHNOLOGIES, INC	28,560.00	INTERNET SERVICES	MIS INFRASTRUCTURE
T5741	HEALTHWISE, INCORPORATED	28,402.23	MEMBER SELF MANAGEMENT TOOLS	HEALTH SERVICES - WELLNESS & PREVENTION
T5779	COMMUNITY ACTION PARTNERSHIP OF KERN FOUNDATION	28,000.00	SPONSORSHIP	SALES/MARKETING/PUBLIC RELATIONS
T2578	AMERICAN STROKE ASSOC/AMERICAN HEART ASSOC WESTERN STATES	27,500.00	SPONSORSHIP KERN CPRA, GRFW & HEART WALK	MARKETING
T4544	BARNES WEALTH MANAGEMENT GROUP	27,040.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4424	GUROCK SOFTWARE GmbH	26,565.97	TESTRAIL SOFTWARE RENEWAL	MIS INFRASTRUCTURE
T4230	COFFEE BREAK SERVICE, INC.	26,347.28	COFFEE SUPPLIES	CORPORATE SERVICES

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4983	SDL LIMITED ****	25,895.00	ANNUAL TRANSLATION TOOL LICENSES	MIS INFRASTRUCTURE
T2376	ROBIN PLUMB ****	25,200.00	CONSULTING SERVICES	FINANCE
T5536	CALIFORNIA STATE UNIVERSITY BAKERSFIELD FOUNDATION	25,000.00	2024 SCHOOL SCHOLARSHIPS	SALES/MARKETING/PUBLIC RELATIONS
T5486	ALLIED GENERAL CONTRACTORS, INC	24,800.00	BUILDING IMPROVEMENT/MAINTENANCE	CORPORATE SERVICES
T4417	KAISER FOUNDATION HEALTH PLAN - OR	24,425.70	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T1957	FRIENDS OF MERCY FOUNDATION	24,200.00	SPONSORSHIPS	SALES/MARKETING/PUBLIC RELATIONS
T3084	KERN COUNTY-COUNTY COUNSEL	24,057.70	LEGAL SERVICES	ADMINISTRATION
T1007	FEDERAL EXPRESS CORP.	23,898.67	SHIPPING SERVICES	VARIOUS
T4920	OTIS ELEVATOR COMPANY	23,866.82	ELEVATOR MAINTENANCE & SERVICE CALLS	CORPORATE SERVICES
T3118	AMERICAN ACADEMY HOLDINGS LLC dba AAPC	23,563.40	CPC & MEDICAL HEALTHCARE TERMINOLOGY TRAINING	CLAIMS
T5466	ZIPARI, INC	23,000.00	OUTBOUND SSO SUBSCRIPTION & PROVIDER DIRECTORY UPDATES	MIS INFRASTRUCTURE
T4249	LOTUS BAKERSFIELD CORP	22,600.00	SPANISH RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T2601	RLH FIRE PROTECTION, INC.	22,311.00	OFFICE SPRINKLER INSPECTIONS	CORPORATE SERVICES

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4605	KERNVILLE UNION SCHOOL DISTRICT	22,208.00	SCHOOL WELLNESS GRANT	COMMUNITY GRANTS
T5986	ABSOLUTE DRYWALL, INC	21,870.00	BLUE ZONES WELLNESS GARDEN	CORPORATE SERVICES
T4521	PAYSCALE, INC ****	21,420.00	COMPENSATION STUDY (YR 1 OF 3)	HUMAN RESOURCES
T5615	HAPPY WHOLE YOU, INC	21,355.11	2024 CUSTOM PROGRAMS	HUMAN RESOURCES
T5701	THE GRANGER NETWORK LLC	21,146.71	SUPERVISOR BOOTCAMP	HUMAN RESOURES
T5408	MARY HARRIS	20,825.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA ****	20,668.05	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T6040	KARLEN & PANICI BREWING LLC	20,333.75	SPRING GALA CATERING	HUMAN RESOURCES
T5191	PACWEST DIRECT ****	20,157.36	MAIL SERVICES	CORPORATE SERVICES
T5887	PREPARIS INC ****	20,110.58	DISASTER RECOVERY PLAN	CORPORATE SERVICES
T5535	PANAMA-BUENA VISTA UNION SCHOOL DISTRICT	20,000.00	SCHOOL WELLNESS GRANT	COMMUNITY GRANTS
		60,407,840.13		
	TOTAL VENDORS OVER \$20,000	60,407,840.13		
	TOTAL VENDORS UNDER \$20,000	2,644,506.85		
	TOTAL VENDOR EXPENSES- OCTOBER	\$ 63,052,346.98		

Note:

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

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
January 2024							
Press Ganey/SPH Analytics	\$81,696.00	Yes	ECM	Loni Hill-Pirtle	ECM Member Satisfaction Survey	1/1/2024	12/31/2026
Michael Nguyen	\$197,500.00	Yes	HE	Traco Matthews	Health Equity Strategic Guidance and Cultural Insights Services	1/1/2024	12/31/2024
Harte Hanks	\$198,064.00	Yes	MS	Nate Scott	Up to (3,200) New Member Welcome calls	1/1/2024	12/31/2024
Entysis360	\$51,837.28	Yes	IT	Richard Pruitt	(52) licenses for VMware maintenance & technical support	1/1/2024	12/31/2024
GHA Technologies	\$71,550.61	Yes	IT	Richard Pruitt	Fotinet-Fortigate Maintenance & Support for Security Appliances	1/1/2024	12/31/2024
Gartner	\$189,765.00	Yes	IT	Richard Pruitt	Executive Program Leadership licenses (3)	1/1/2024	12/31/2024
Moss Adams	\$143,334.50	Yes	CLM	Robin Dow-Morales	Claims Audit Tool	1/1/2024	12/31/2026
The Granger Network	\$198,800.00	Yes	HR	Alan Avery	Front Lines Activation and Manager Bootcamp	1/1/2024	6/30/2024
BG Healthcare	\$199,000.00	Yes	QI	Dr. Martha Tasinga	Consulting services for the QI dept	1/1/2024	12/31/2024
BG Healthcare	\$199,000.00	Yes	PHM	Michelle Curiouso	Consulting services for the PHM dept	1/1/2024	12/31/2024
HD Dynamics	\$50,000.00	Yes	PNM	Amisha Pannu	Consulting services for CRM process	1/2/2024	12/31/2024
Poppyrock	\$120,000.00	Yes	MRKT	Louie Iturriria	KHS & KFHC Graphic Design	1/2/2024	12/31/2025
CEI	\$199,920.00	Yes	COSA	Josh Hosch	Business Analyst for UM team	1/2/2024	12/31/2024
Reliable Janitorial	\$199,008.00	Yes	CS	Andrea Hylton	Janitorial services	1/11/2024	1/10/2025
CAQH	\$50,000.00	Yes	PNM	Amisha Pannu	Access to real-time Provider applications (ProView)	1/25/2024	1/24/2025
CDW-G	\$67,761.50	Yes	IT	Richard Pruitt	All Adobe licenses annual renewal (257)	1/26/2024	1/25/2025
TEKSystems	\$78,000.00	Yes	HR	Devin Brown	HRIS Analyst for HR DEPT	1/30/2024	7/30/2024
February 2024							
Clinica Sierra Vista	\$145,000.00	Yes	HE	Isabel Silva	MOU	2/1/2024	1/31/2025
BG Healthcare	\$81,000.00	Yes	UM	Dr. Tasinga	Consulting services for the UM dept	2/6/2024	5/5/2024
Diligent Corporation	\$50,000.00	Yes	CPL	Deborah Murr	Compliance Training Material	2/7/2024	2/6/2027
SPH Analytics	\$63,809.00	Yes	BH	Melinda Santiago	ECHO 3.0 (Behavioral Health) Satisfaction Survey	2/7/2024	2/6/2027
Coffey Communications	\$170,000.00	Yes	HE	Isabel Silva	Printing of Member Newsletters	2/15/2024	2/14/2025
CDW-G	\$111,495.80	Yes	IT	Richard Pruitt	Nutanix renewal co-termed	2/17/2024	1/23/2026
Sprout Social	\$145,264.00	Yes	MRKT	Louie Iturriria	Social Media Vigilance software	2/23/2024	2/25/2025
Axios HQ	\$59,040.00	Yes	MRKT	Louie Iturriria	Internal AI Communication Software for Marketing team	2/23/2024	2/22/2026
LanguageLine	\$90,000.00	Yes	HE	Isabel Silva	Interpreting services	2/28/2024	2/27/2025
March 2024							
Gartner	\$184,800.00	Yes	HR	Devin Brown	Gartner Advisory licenses for HR team	3/1/2024	2/28/2025
Serrano Advisors	\$119,000.00	Yes	ECM	Dr. Tasinga	Staff Augmentation Services	3/1/2024	8/31/2024
TEKSystems	\$198,432.00	Yes	COSA	Josh Hosch	One (1) Solution Architect & Analyst Resouece	3/4/2024	12/31/2024
HMA	\$199,000.00	Yes	Acct	Veronica Barker	Actuarial services (RTD, Rate Analyst, & SDR's)	3/6/2024	3/5/2025
TEKSystems	\$193,752.00	Yes	UM	Dr. Tasinga	Reports & Dashboard Analyst for UM dept.	3/18/2024	12/31/2024
Dell	\$65,909.11	Yes	IT	Richard Pruitt	Dell 5540 laptops (30) & monitors (32)	3/25/2024	3/23/2028
SAI360	\$159,070.00	Yes	CPL	Deb Murr	Policy Management Platform	3/28/2024	3/27/2026
April 2024							
Coffey Communications	\$92,944.00	Yes	MRKT	Louie Iturriria	Digital renewal agreement for KHS website	4/1/2024	3/31/2026
Imagenet	\$197,000.00	Yes	CLM	Robin Dow-Morales	OCR services	4/4/2024	4/3/2027
The SSI Group	\$70,000.00	Yes	CLM	Robin Dow-Morales	EDI Claims & Electronic Remittance	4/4/2024	4/5/2026
Dell	\$78,927.60	Yes	IT	Richard Pruitt	Microsoft Defender for Servers Standard P2 Node	4/16/2024	12/31/2024
Dell	\$61,480.00	Yes	IT	Richard Pruitt	Dell monitors (50) & Laptops (25)	4/24/2024	4/24/2028
Entysis360	\$162,227.40	Yes	IT	Richard Pruitt	Rubrik renewal of premium support for enterprise edition software and hardware for a co-term	4/29/2024	4/28/2025
May 2024							

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
BG Healthcare	\$118,000.00	Yes	UM	Dr. Tasinga	Consulting services for UM team	5/6/2024	12/31/2024
June 2024							
Relay Network	\$199,999.00	Yes	IT	Richard Pruitt	Mobile Communication Platform, Unlimited Texting	6/1/2024	5/31/2025
The Granger Network	\$197,500.00	Yes	HR	Devin Brown	Advance Leadership Development	6/1/2024	1/31/2025
Milliman	\$199,000.00	Yes	ACCT	Veronica Barker	Actuarial Services	6/1/2024	5/31/2025
Context4 Healthcare	\$97,775.15	Yes	IT	Richard Pruitt	ICD-10 Coding software	6/27/2024	6/27/2025
HMA	\$30,681.00	Yes	PNM	Amisha Pannu	Timely Access Validation renewal	6/1/2024	5/31/2025
Bitfocus	\$190,692.67	Yes	IT	Richard Pruitt	Clarity Human Services SaaS	6/22/2024	6/21/2025
TWE Solutions	\$101,040.00	Yes	IT	Richard Pruitt	24x7 Security Monitoring	6/23/2024	6/22/2025
SS&C	\$73,500.00	Yes	PHARM	Bruce Wearda	Rx Claims Processing	6/1/2024	12/31/2024
LDP	\$122,850.00	Yes	CS	Andrea Hylton	UPS Battery Replacement & Service Plan	6/21/2024	6/20/2027
Ignite Healthwise	\$146,062.26	Yes	HE	Isabel Silva	Care Management & Digital Experience w/ Patient Instructions Add-on	6/5/2024	6/4/2025
Caravel	\$189,365.00	Yes	ACCT	Veronica Barker	Financial Advisory Services	6/25/2024	6/24/2026
Dell	\$186,443.39	Yes	IT	Richard Pruitt	Microsoft Unified Enterprise Support	6/15/2024	6/14/2025
July 2024							
California Health Collaborativ	\$84,000.00	Yes	HE	Isabel Silva	Diabetes Prevention and Diabetes Empowerment and Education Program (DEEP & DPP)	7/1/2024	6/30/2025
Bakersfield American Indian H	\$90,000.00	Yes	HE	Isabel Silva	MCP Tribal Liaison	7/1/2024	6/30/2025
Commgap	\$190,000.00	Yes	HE	Isabel Silva	In-person interpreting services	7/6/2024	7/5/2026
JDM	\$119,040.00	Yes	HE	Richard Pruitt	Data Extraction & Transformation Solution	7/1/2024	6/30/2025
Solution Bench	\$190,000.00	Yes	IT	Richard Pruitt	M-Files Subscription Base Licensing	7/24/2024	7/23/2026
August 2024							
The Granger Network	\$198,750.00	Yes	HR	Devin Brown	Leadership Development and Consulting Services	8/1/2024	7/31/2025
Blackhawk	\$65,000.00	Yes	ME	Lela Criswell	Member Gift cards, Amendment	8/7/2024	12/31/2024
Symplr	\$67,512.48	Yes	UM	Dr Tasinga	Knowledge library for new medical procedures	8/1/2024	7/31/2027
Preparis	\$107,093.84	Yes	CS	Andrea Hylton	Increase to Preparis alerts	8/19/2024	12/27/2026
September 2024							
Gartner	\$72,390.00	Yes	Comp	Deb Murr	Gartner Compliance Licenses	9/1/2024	8/31/2025
The Periscope Group	\$162,000.00	Yes	UM	Christine Pence	In-home Assesment Visits to Members	9/5/2024	9/4/2025
Clearlink	\$180,400.00	Yes	UM	Christine Pence	Consulting Services	9/6/2024	Until exhausted
Pathfinder	\$92,000.00	Yes	IT	Joe Orlando	3rd Party Risk Assessment	9/16/2024	9/15/2025
Tek Systems	\$77,100.00	Yes	IT	Joe Orlando	ITSM Assessment	9/23/2024	12/6/2024
RWS	\$72,685.00	Yes	IT	Joe Orlando	Translation Tool- cloud based	9/24/2024	9/23/2027

2024 PROJECT CONSULTING PROFESSIONAL SERVICES																	
ITEM	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD TOTAL	REMAINING BALANCE
1	Member Engagement Platform	CAP	\$ 2,078,861	\$ 49,106	\$ 434,335	\$ 43,576	\$ 67,939	\$ 107,616	\$ 96,594	\$ 94,174	\$ 62,869	\$ 64,820				\$ 1,021,026	\$ 1,057,835
2	DSNP	CAP	\$ 4,232,682	\$ 24,075	\$ 23,625	\$ 18,675	\$ 22,193	\$ 26,025	\$ 22,050	\$ 24,638	\$ 10,725	\$ 23,813				\$ 195,818	\$ 4,036,864
3	HIE	CAP	\$ 1,250,870	\$ 18,000	\$ 32,152	\$ 45,024	\$ 25,168	\$ 24,024	\$ 22,880	\$ 24,024	\$ 24,453	\$ 22,880				\$ 238,605	\$ 1,012,265
4	Artificial Intelligence	CAP	\$ 534,560	\$ 29,496	\$ 29,411	\$ 31,378	\$ 31,509	\$ 31,290	\$ 28,008	\$ 28,271	\$ 29,846	\$ 28,621				\$ 267,829	\$ 266,731
5	PHI Data Visibility & Security	CAP	\$ 588,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ 588,016
6	CBO Electronic Medical Record System	CAP	\$ 777,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ 777,550
7	Policy Management System	CAP	\$ 267,280	\$ -	\$ -	\$ -	\$ 22,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -				\$ 24,000	\$ 243,280
8	Accounting System Review	CAP	\$ 245,898	\$ 20,875	\$ 19,250	\$ 18,372	\$ 19,250	\$ 21,750	\$ 16,188	\$ 20,375	\$ 18,563	\$ 19,875				\$ 174,497	\$ 71,401
	CAPITAL TOTALS		\$ 9,975,716	\$ 141,552	\$ 538,773	\$ 157,024	\$ 188,058	\$ 212,705	\$ 185,720	\$ 191,481	\$ 146,456	\$ 160,008	\$ -	\$ -	\$ -	\$ 1,921,775	\$ 8,053,941
9	IT Staff Augmentation	EXP	\$ 1,388,680	\$ 658,391	\$ 669,659	\$ 744,969	\$ 768,752	\$ 785,756	\$ 660,557	\$ 703,801	\$ 678,919	\$ 587,160				\$ 6,257,965	\$ (4,869,285)
10	PM Staff Augmentation	EXP	\$ 3,739,782	\$ 241,543	\$ 219,591	\$ 212,689	\$ 234,970	\$ 246,493	\$ 205,888	\$ 274,871	\$ 314,300	\$ 249,660				\$ 2,200,004	\$ 1,539,778
11	DSNP Staff Augmentation	EXP	\$ 4,230,649	\$ 21,769	\$ 22,915	\$ 23,345	\$ 24,777	\$ 24,419	\$ 20,767	\$ 23,345	\$ 23,775	\$ 22,772				\$ 207,884	\$ 4,022,765
12	NCQA (The Mihalik Group)	EXP	\$ 350,000	\$ 23,408	\$ 16,703	\$ 11,520	\$ 8,418	\$ 7,260	\$ 11,003	\$ 12,898	\$ 13,605	\$ -				\$ 104,813	\$ 245,187
13	DSNP (Rebellis)	EXP	\$ 4,200,000	\$ 956	\$ 16,413	\$ 49,340	\$ 38,069	\$ 43,988	\$ 42,831	\$ 70,287	\$ 35,156	\$ -				\$ 297,039	\$ 3,902,961
	OPERATING EXPENSE TOTALS		\$ 13,909,111	\$ 946,067	\$ 945,280	\$ 1,041,863	\$ 1,074,985	\$ 1,107,916	\$ 941,046	\$ 1,085,201	\$ 1,065,755	\$ 859,592	\$ -	\$ -	\$ -	\$ 9,067,705	\$ 4,841,406

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
December 19, 2024**

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date
PAC 11/06/2024				
Ehab Yacoub MD Inc dba: Brain Health USA	Mental Health	4900 California Ave B-2Flr Bakersfield CA		Retro-Eff 11/1/2024
Innovative Vitality ABA, Inc.	Behavioral Health	11211 Rancho Corodova St. Bakersfield CA		Retro-Eff 11/1/2024
Ace Roadside Assistance Inc dba: Ace Medical Transport	Transportation	9100 Autumn Sunset Drive Bakersfield CA		12/1/2024
Apria Healthcare LLC	DME	414 19th St Bakersfield CA 691 N. Laverne Ave #102 Fresno CA 43145 Business Ctr Pkway Lancaster CA 1526 E. Mineral King Avenue Visalia CA		12/1/2024
Circle of Friends Palliative Care Inc.	Hospice	5500 Ming Ave Ste. 480 Bakersfield CA		12/1/2024
Blue Cloud Investment Holdings LLC dba: Visalia Childrens Dental Surgery Center Inc.	Ambulatory Surgery Center	136 S. Aspen Street Ste. A Visalia CA		12/1/2024
George J. Rivello	Podiatry	6337 W. Wren Avenue Visalia CA	Existing Provider: G. Rivello DPM	12/1/2024
Kern Surgical Associates Inc	General Surgery	4000 Stockdale Hwy Ste. D Bakersfield CA	Existing Provider: R. Kapadia MD	12/1/2024
High Desert Audiology Inc.	Audiology/Hearing Aid Dispenser	121 S China Lake Blvd Ste. B Ridgecrest CA		12/1/2024
JWCH Institute Inc. dba: Lancaster Adult Day Healthcare	CBAS	844 West Avenue I Lancaster CA		12/1/2024
My Choice Hospice LLC dba; Interim HealthCare Hospice of Palmdale CA	Hospice	1050 E. Palmdale Blvd Lancaster CA		12/1/2024
Stephanie Hinz dba: La Dolce Vida Doula Services LLC	Doula	3812 Teal Street Bakersfield CA		12/1/2024
Sycamore Grove Healthcare LLC dba: Ardent Hospice of the Valley	Hospice	601 High Street, Suite E Delano CA		12/1/2024
PAC 12/04/2024				
Ana Melendez, LCSW	Mental Health	8200 Newhaven Ct Bakersfield CA		Retro-Eff 12/1/2024
Denzel Sumlin, LCSW dba: Lionwill Behavioral Health	Mental Health	5207 Prairie Wheat Ave Bakersfield CA		Retro-Eff 12/1/2024

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
December 19, 2024**

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date
Reza Ahmadiania MD Inc.	OB/GYN	1535 China Lake Ste C Ridgecrest CA		Retro-Eff 12/1/2024
A. Brambila LMFT, A Marriage & Family Therapy Corporation	Mental Health	330 H. ST Suite 1 Bakersfield CA	Existing Prov: A. Brambila LMFT	Retro-Eff 12/1/2024
Bienestar Community Clinic	Primary Care	620 34th St Bakersfield CA	Existing Prov: U. Manzo MD	1/1/2025
CityServe Network Inc	ECM Case Mngmnt	3201 F Street Bakersfield CA	Existing Provider - New Contract ECM	1/1/2025
Evergreen Retina Inc A Professional Medical Corporation	Ophthalmology	27335 Tourney Rd, Ste 210 Valencia CA	Existing Prov: J. Sein MD	1/1/2025
Excelle Anesthesia Services, Inc	Anesthesiology	Mercy Hospital, MSW Hospital Good Sam Hosp, SJV Surg Ctr	Hosp Based Providers	1/1/2025
John E Fagan Optometrist Inc dba: Eagle View Optometry	Optometry	20231 Valley Blvd Ste G Tehachapi CA		1/1/2025
Jefferson Lee dba: Lucky Services	Transportation	4949 Buckley Way Ste 110 Bakersfield CA		1/1/2025
Northern Inyo Healthcare District dba: Northern Inyo Hospital	Hospital	150 Pioneer Ln Bishop CA		1/1/2025
Bakersfield Rescue Mission dba: The Mission at Kern County	CSS Housing Trio	821 E 21st Street Bakersfield CA		1/1/2025
Young Physical Therapy Inc	Physical Therapy	42301 10th St W Lancaster CA		1/1/2025

**KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
December 19, 2024**

Legal Name DBA	Specialty	Address	Comments	Contract Term Date
Zora Gill MD Inc	General & Vascular Surgery	2501 H Street Bakersfield CA	Termed Indiv Contract - Joined Existing Group	9/13/2024
Sabol & Walker Chiropractic Inc	Physical Therapy	3015 Calloway Drive Ste. D6 Bakersfield CA	Site Closed to PT	9/30/2024
John Stolpe BCO, BADO	Prosthetic/Orthotics	18455 Burbank Blvd Ste. 202 Burbank CA	Termed Indiv Contract - Joined Existing Group	10/8/2024
Southwest Pediatrics A Medical Corporation	Primary Care	6001-A Truxtun Avenue Ste. 180 Bakersfield CA	Change of Ownership	10/12/2024
Central Valley Surgical Center, LLC	Ambulatory Surgery Center	2120 19th Street Bakersfield CA	Site Closed	10/20/2024
Millicent Pitts-Licensed Marriage & Family Therapist Inc	Mental Health	1430 Truxtun Ave Ste. 700 Bakersfield CA	Deceased	10/31/2024



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: Compliance Program Update
DATE: December 19, 2024

BACKGROUND

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

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

DISCUSSION

Regulatory filings, e.g., reports, financial data, quality performance, and surveys continue to increase in response to new services, programs, and oversight requirements that are mandated under our contract and license 2024 filings alone account for a 70% increase from 2023 volumes.

Privacy and Fraud Prevention remain a key focus for KHS's Compliance department. Suspected violations are promptly investigated and reported for probable violations of policies, regulations, statutes, or program requirements. To date, the total number of Fraud, Waste, and Abuse allegations have surpassed cases received in 2022 and 2023 combined.

Department of Managed Health Care (DMHC)

Final report for the 2022 DMHC Medical Audit was received in October. DMHC will conduct follow up survey in approximately 18 months to validate corrective actions for findings.

The DMHC has scheduled the 2024 DMHC Audit of Fiscal and Administrative Affairs beginning 04/07/2025.

DMHC issued an Enforcement Action regarding our 2020 DMHC Audit for one uncorrected deficiency relating to the Plan's utilization management (UM) denial letters concerning requests for non-formulary prescription drugs.

Department of Health Care Services (DHCS)

DHCS 2023 Limited Scope Medical Audit and Focused Audit remain under review.

KHS will participate in the 2024 DHCDS Medical Survey audit beginning 12/09/2024 – 12/20/2024.

This report provides an overview of the December 2024 KHS Compliance Program activities with the corresponding updates.

REQUESTED ACTION

Receive and File.



Compliance

Key Performance Indicators

December 2024

Compliance Communications



Department of Managed Health Care (DMHC)

- 2022 DMHC Medical Audit
 - Final Report Received 10/08/2024
 - DMHC will conduct follow up survey in approximately 18 months to validate corrective actions for findings.
- 2024 DMHC Audit of Fiscal and Administrative Affairs
 - Entrance letter received 10/30/2024
 - Deliverables due 01/27/2025
 - Onsite (Virtual) scheduled to begin 04/07/2025
- Enforcement Action
 - DMHC issued an Enforcement Action regarding our 2020 DMHC Audit for one uncorrected deficiency relating to the Plan's utilization management (UM) denial letters concerning requests for non-formulary prescription drugs.

Department of Health Care Services (DHCS)

- 2023 Limited Scope Medical Audit and Focused Audit:
 - Corrective Action Plan submitted 10/07/2024.
 - Updates to CAP due 12/02/2024
- 2024 Medical Survey notification received from DHCS:
 - Entrance letter received 10/03/2024
 - Pre-Audit deliverables submitted 10/31/2024
 - Numerous subsequent requests have been received and submitted
 - On Site/virtual interviews scheduled for 12/09/2024 – 12/20/2024

DSNP:

- Medicare Service Area Expansion (SAE) submitted 08/31/2024; DMHC approved 11/12/2024
- EAE D-SNP (MMP) filing submitted to DMHC 11/15/2024
- DHCS DSNP Readiness Checklist #2 submitted 11/14/2024

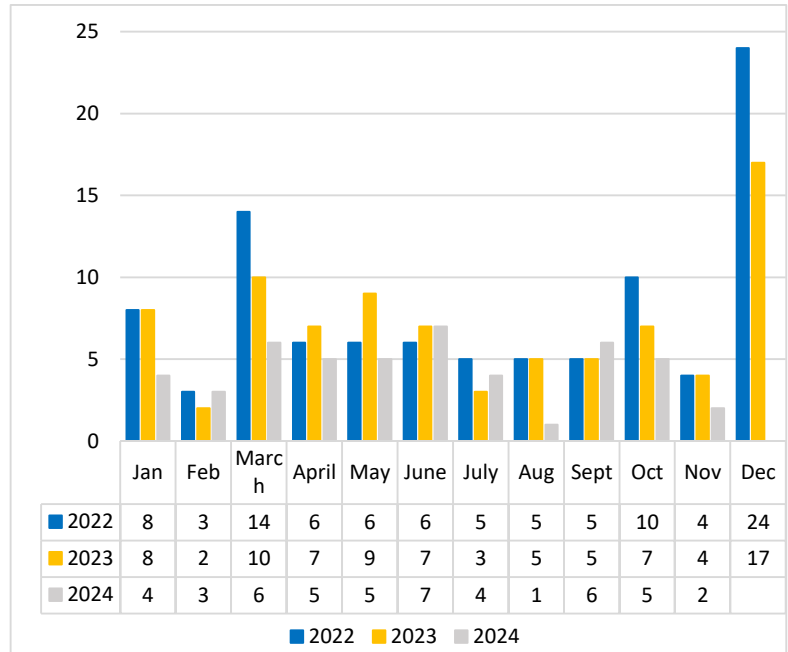
Compliance Capsules:

- October: Contracts
- November: Regulatory Audits

All Plan Letter (APLs) & Guidance Letters

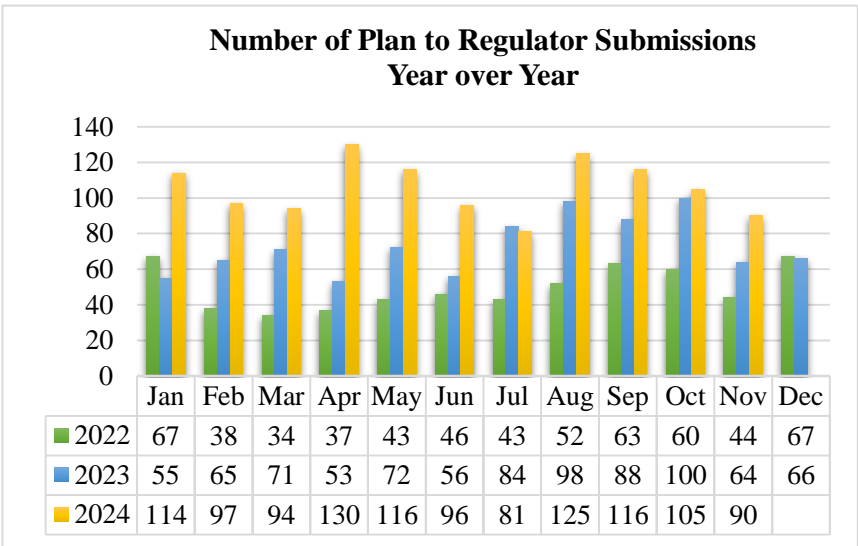


Regulatory All Plan Letter & Guidance Volumes



All Plan Letters and Guidance Letters Received		
2022	2023	2024
96	83	48

Regulatory Reports & Filings

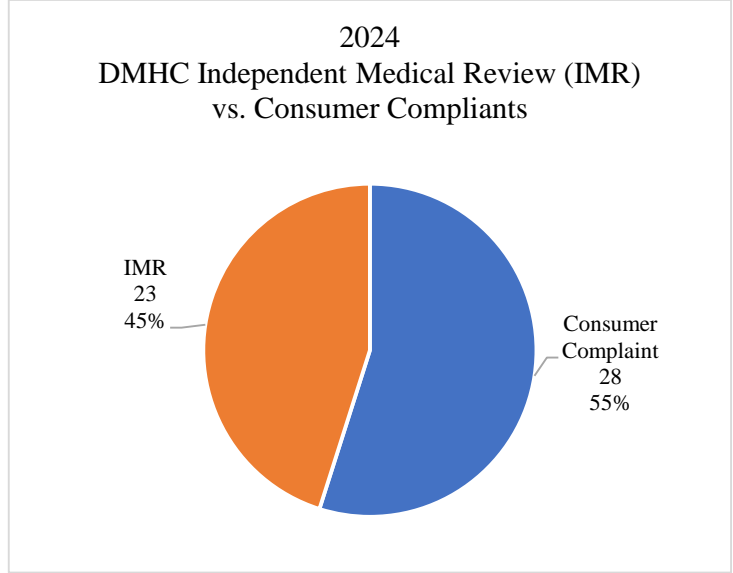


Regulatory Reports & Filings Submissions to Government Agencies		
Regulatory Agency	October 2024	November 2024
DHCS	83	75
DMHC	22	15
Total	105	90

Note:

Regulatory Submissions to date have already exceeded 2023 total volume for the full year (approximately 70% increase over 2023 and more than double the volume in 2022).

DMHC Consumer Complaints & Independent Medical Reviews (IMR)



Decision	KHS Response	DMHC Response
Upheld	28	27
Overturned	7	10
Misdirected	10	
Return to Plan (Grievance Process not completed prior to DMHC complaint)	4	7
Services Never Denied	2	
In Process	0	7
Grand Total	51	51

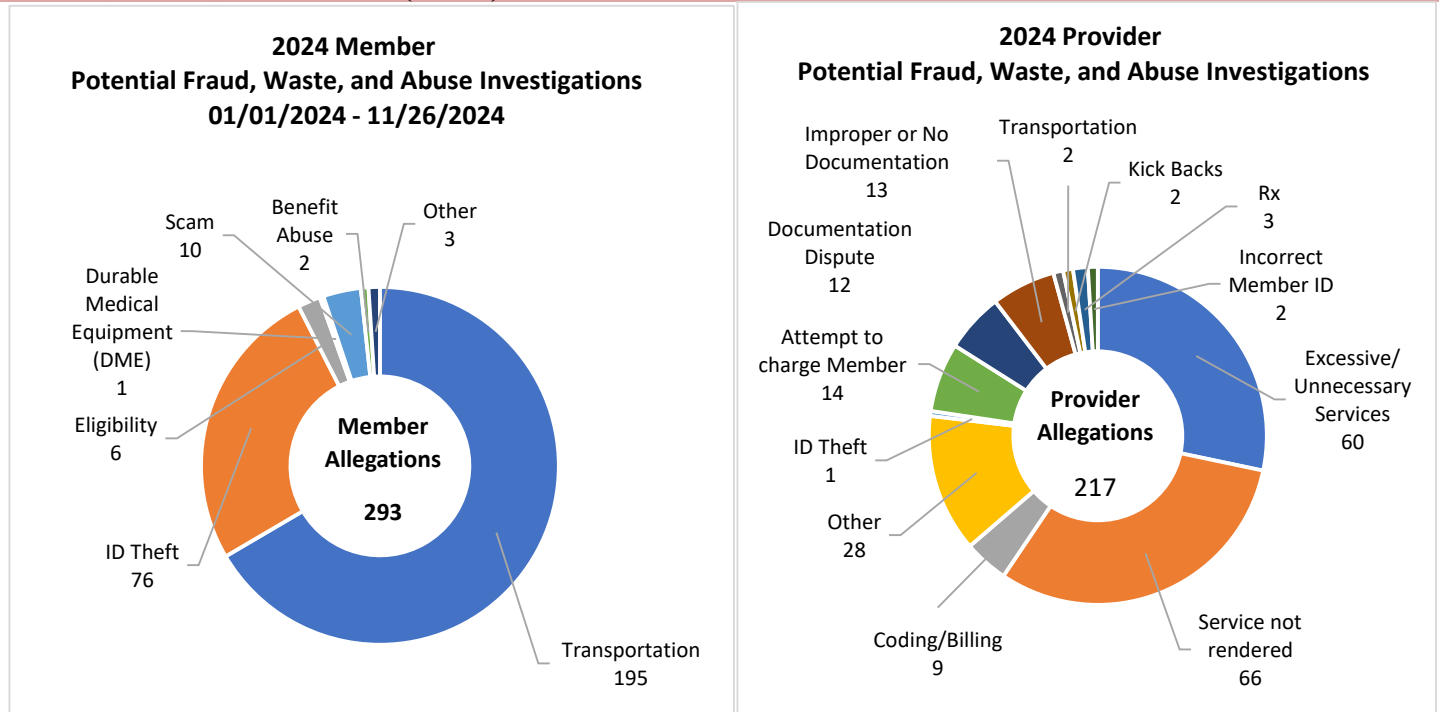
HIPAA Breach Activity



Summary of potential Protected Health Information (PHI) disclosures for September 16th through November 15, 2024:

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

During the time from September 16th to November 15th, 2024, the Compliance Department investigated and reviewed forty-eight (48) allegations of privacy concerns and zero (0) of the cases were sent to the State for their review.

Fraud, Waste, and Abuse (FWA)**All Plan Letters (APLs) & Guidance Letters**

10/01/2024 – 11/30/2024

**Department of Health Care Services (DHCS)****APL 24-015**

California Children's Services Whole
Child Model Program
(12/2/2024)

This APL provides direction and guidance on the California Children's Services (CCS) Whole Child Model (WCM) Program. This APL supersedes APL 23-034.

Department of Managed Health Care (DMHC)**APL 24-019**

Amendments to Rule 1300.67.2.2 and
the Incorporated Annual Network
Submission Instruction Manual and
Annual Network Report Forms for
Reporting Year 2025
(Issued 10/31/2024)

This APL informs the Plans of new amendments to 28 CCR § 1300.67.2.2 and the incorporated Annual Network Submission Instruction Manual and Annual Network Report Forms for the reporting year (RY) 2025 Annual Network Report submission.

APL 24-020

RY 2026/MY 2025 Provider
Appointment Availability
Survey Manual and Report Form
Amendments
(Issued 11/13/2024)




This APL provides notice to the Plan of amendments to Rule 1300.67.2.2 and the reporting year (RY) 2026/measurement year (MY) 2025 Timely Access Compliance Report documents: Provider Appointment Availability Survey (PAAS) Manual, PAAS Report Forms and the Timely Access Submission Instruction Manual (TA Instruction Manual).

Retrospective Audits & Reviews

The Compliance Department conducts retrospective audits on regulatory All Plan Letters and issues guidance. From the published requirements, the Compliance Department conducts a risk analysis and identifies those that pose a higher degree of risk to the Plan.

All Plan Letters published in 2022 and the first and second quarter of 2023 were evaluated and selected for review based on the risk assessment. To date, the plan has completed fourteen (14) retrospective audits.

Additional retrospective reviews and internal audits have resumed and are currently underway; updates will be provided in future reports.

Regulatory Reports & Filings 	
<p>Regulatory Reports & Filings</p> <p>Submission to Government Agencies</p>	<p>KHS is required to submit various types of information to both DHCS and DMHC with cadences ranging from daily, weekly, monthly, quarterly, or annually. In some cases, KHS are required under statute or regulation to submit reports or documentation to establish initial or ongoing compliance with the law (e.g., timely access reporting, financial reporting). In other cases, plans are required to submit reports or documentation when they are planning to make an operational, business, product, or other change that affects the scope or applicability of their license. Additionally, key personnel and Board member filings are required to allow the regulatory agencies to review and advise on the individuals who provide leadership at KHS as well as the makeup of our Board of Directors.</p> <p>These submissions often reflect an amendment or material modification to the plan's license and, in some cases, are subject to Department approval prior to making the requested change to plan operations.</p>
<p>Regulatory Submission Volume</p>	<p>Regulatory submissions to both DHCS and DMHC are anticipated to increase annually in relation to the various legislative and CalAIM requirements either currently or planned for implementation in 2024-2026. Additional Compliance staffing resources are in flight to ensure timely submission and completion of all deliverables. As noted above, 2024 submissions to date have increased 70% over 2023, with ongoing increased volumes anticipated.</p>
DMHC Consumer Complaints & Independent Medical Reviews 	
<p>KHS addresses and tracks enrollee complaints and requests for independent medical review (IMR) received from the DMHC. For the months of October and November 2024, a total of six (6) Consumer Complaints/IMRs were received, of which five (5) were sent on for Independent Medical Review; and one (1) is pending DMHC review.</p>	
Fraud, Waste, and Abuse (FWA) 	
<p>The Plan investigates and reports information and evidence of alleged fraud, waste, & abuse cases to appropriate state and federal officials. Information compiled during an investigation is forwarded to the appropriate state and federal agencies as required. Through 10/02/2024, the Compliance Department has received 510 reported cases of alleged fraud, waste, or abuse, of which 288 were reported to DHCS. In 2024, we have already surpassed the total number of cases received in all of 2022 and 2023 combined, with more than double the number of cases in 2023.</p>	

DHCS Medical Audits**Limited Scope Medical Audit and Focused Transportation/Behavioral Health Audit – 2023:**

DHCS conducted a routine limited scope medical survey and a focused Transportation/Behavioral Health audit of KHS in November/December 2023. The survey period covered 11/01/2022 – 10/31/2023:

- For the Focused Audit on Behavioral Health and Transportation, the final audit report was received on 08/30/2024.
 - The findings included four (4) items under Behavioral Health, and three (3) under Transportation.
 - The Behavioral Health findings are related to the coordination with the specialty mental health and substance use disorder benefits, which are carved out from KHS Medi-Cal benefits. During the audit period, KHS had already created a separate Behavioral Health Department and implemented corrective actions; however, since some of these actions were implemented during the audit period, DHCS still documented findings.
 - The Transportation preliminary findings were focused on our oversight and monitoring to ensure members receive door-to-door service, we are monitoring no show rates, and monitoring level of service modifications.
 - Corrective Action Plan (CAP) submitted to DHCS 10/07/2024, with thirty (33) actions taken across the seven (7) findings
 - DHCS accepted twenty-three (23) of the proposed corrective actions; and requested additional information for ten (10).
 - KHS submitted the monthly update to DHCS on 12/02/2024 for review.

DHCS Routine Medical Audit – 2024:

DHCS received the official notification of the Routine Medical Audit on 10/03/2024.

- Pre-Audit deliverables were submitted to DHCS on 10/31/2024.
- Numerous subsequent requests have been received and submitted to DHCS timely.
- The “on site” interview portions of the audit will be conducted virtually from 12/09/2024 – 12/20/2024.

DMHC Routine Medical Audits**DMHC Routine Medical Audit – 2022/2023:**

DMHC conducted a routine audit of KHS in January 2023. The audit period covered 09/01/2020 – 08/31/2022. The Audit Report was received on 03/07/2024.

- DMHC issued the final audit report on 10/08/2024
 - Four (4) of the twenty-four (24) findings from the preliminary report were removed from the final report.
 - Any supporting documentation KHS submitted after 04/21/2024 was not considered in issuance of the final report.
 - Of the twenty (20) findings in the final report:
 - Four (4) were considered ‘corrected’.
 - Sixteen (16) were determined to be “not corrected”. Although DMHC recognized steps were taken to correct the deficiencies, the effectiveness of the corrective actions will be re-assessed in a follow up survey, which will be conducted in eighteen (18) months.
 - Four (4) findings are being referred to the Office of Enforcement:
 - Finding
The Plan fails to consistently ensure its delegate complies with required utilization management notification standards.
 - The Plan failed to consistently demonstrate that for concurrent review denials, care was not discontinued until the enrollee’s treating provider had been notified and agreed to an appropriate care plan. Section 1367.01(h)(3).
 - The Plan inappropriately denies post-stabilization care and is operating at variance with policies filed with the Department.

The Plan improperly denied payment for emergency services and treatment. Section 1371.4(b) and (c).

- Two (2) – not able to remediate as these were pharmacy-related and Pharmacy is now carved out
- Compliance continues to meet with stakeholders regarding deficiencies to prepare for follow up from the Office of Enforcement.
- Compliance is in the process of developing the auditing and monitoring plan for 2025, which will include audits of the DMHC deficiencies to ensure compliance prior to 18-month follow up survey.

DMHC Audit of Fiscal and Administrative Affairs (Financial Audit) – 2024:

- Entrance letter received 10/30/2024
- Deliverables due 01/27/2025
- Onsite (Virtual) scheduled to begin 04/07/2025



MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Martha Tasinga, MD, MPH, MBA
SUBJECT: Chief Medical Officer Report
DATE: December 19, 2024

BACKGROUND

The Chief Medical Officer's presentation provides a medical management update on Physician Services, Inpatient Utilization, Outpatient Services and Emergency Room Visits and an overview of Behavioral Health Integration and Programs.

Included is Attachments A – E with the detailed medical management performance dashboard.

REQUESTED ACTION

Receive and File.



KERN HEALTH
SYSTEMS

MARTHA TASINGA MD.MPH.MBA

DECEMBER 19, 2024

CHIEF MEDICAL OFFICER REPORT



KHS MEDICAL MANAGEMENT UPDATE



KHS Board of Directors Meeting, December 19, 2024

PHYSICIAN SERVICES UTILIZATION

- **Utilization of physicians' services continue to trend higher than budget for all AID codes**
- **Higher cost per visit in all aid codes**
- **Higher number per 1000 members per month**
- **PMPM higher than budgeted**
- **Top 4 reasons for utilization of professional services**
 - Encounter for general examination without complaint, adult
 - Encounter for general examination without complaint, child
 - Type 2 diabetes mellitus; w/o complications
 - Essential (primary) hypertension

Refer to **Attachment A** for full Detail



INPATIENT UTILIZATION

- ➔ Overall, cost of bed days for all AID codes is higher than budgeted
- ➔ ALOS and number of bed day per 1000 members is lower than projected
- ➔ The PMPM for inpatient utilization is close to budget
- ➔ Top 4 reasons for inpatient stay:
 - Sepsis
 - COPD
 - related to pregnancy and delivery
- ➔ Majority of inpatient stays are at Kern Medical and BMH

Refer to **Attachments A & B** for full Detail

OUTPATIENT HOSPITAL SERVICES

These are services provided in the outpatient section of the hospital. However, it also includes patients who are admitted to the hospital for observation usually less than 2 days LOS

Top diagnosis for utilization of these services in descending order

- Sepsis
- Other urinary tract infection
- Chronic Kidney/end stage kidney disease
- Hypertension

Refer to **Attachment A** for full Detail



EMERGENCY ROOM VISITS

- **Below projections for all AID codes**
- **September DOS and claims paid through 10/31/2024**
 - **Top diagnoses for ED visit in descending order of frequency**
 - **Chest pain**
 - **Abdominal and pelvic pain**
 - **Urinary tract infection**

Refer to **Attachments A & C** for full Detail



MCAS UPDATE

Refer to **Attachment E** for full Detail

MCAS MEASURING YEAR 2024



Anchored date December 31, 2024.



Team working very hard to encourage members to get the preventive services by this date



January 2025 we will start the medical records reviews for hybrid measures, and this will go through the first quarter

Kern Health Systems

KHS Medical Management Performance Dashboard (Critical Performance Measurements)

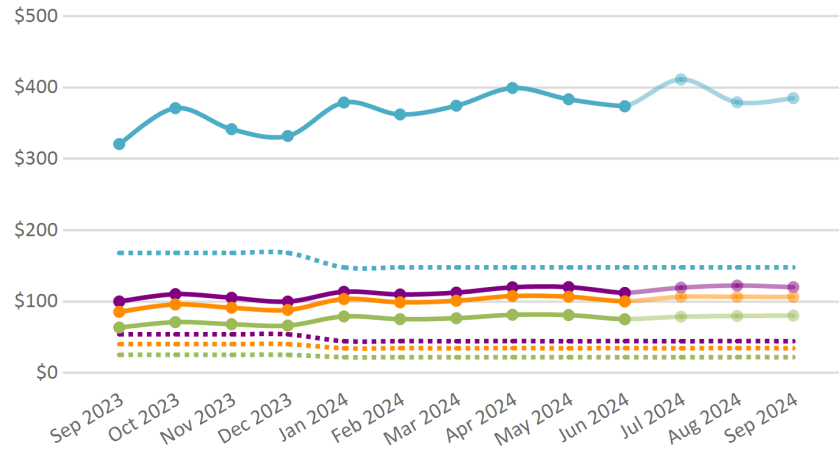


Physician Services

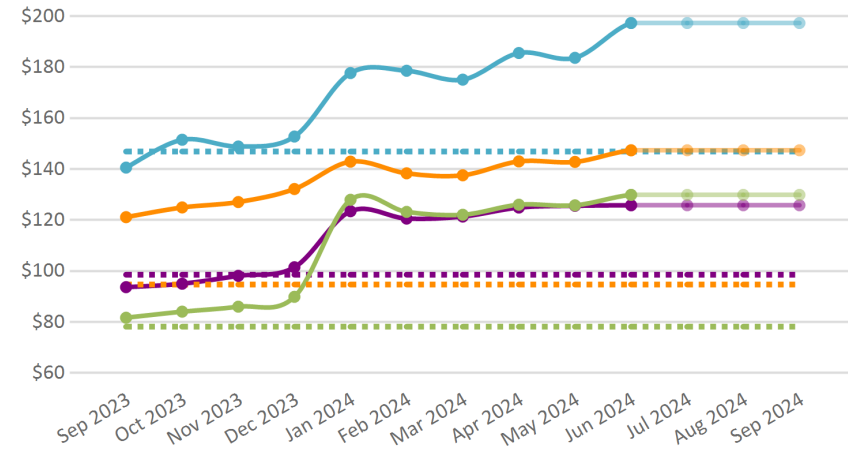
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

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

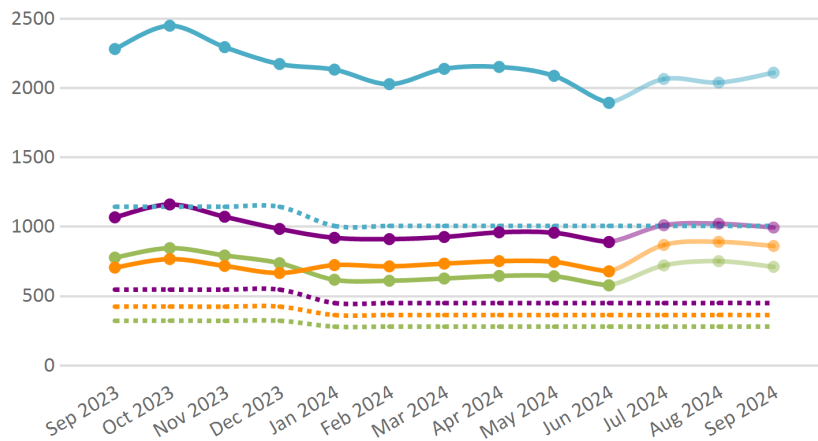
Professional Services Incurred by Aid Group PMPM



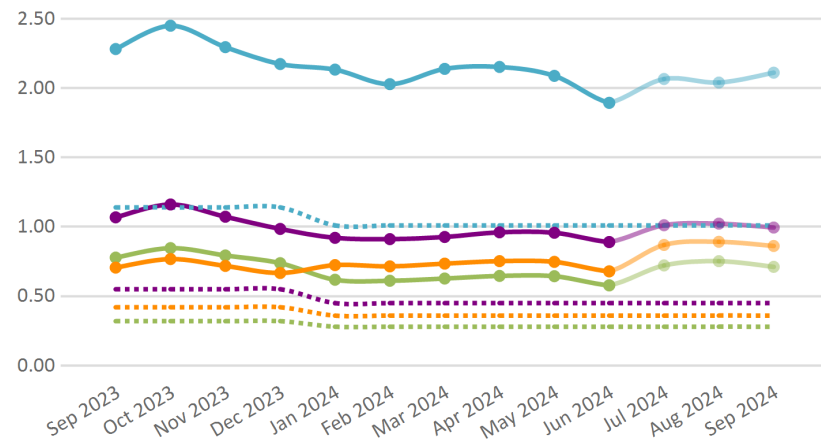
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group



Services provided through: 9/30/2024

Claims Paid through: 10/31/2024

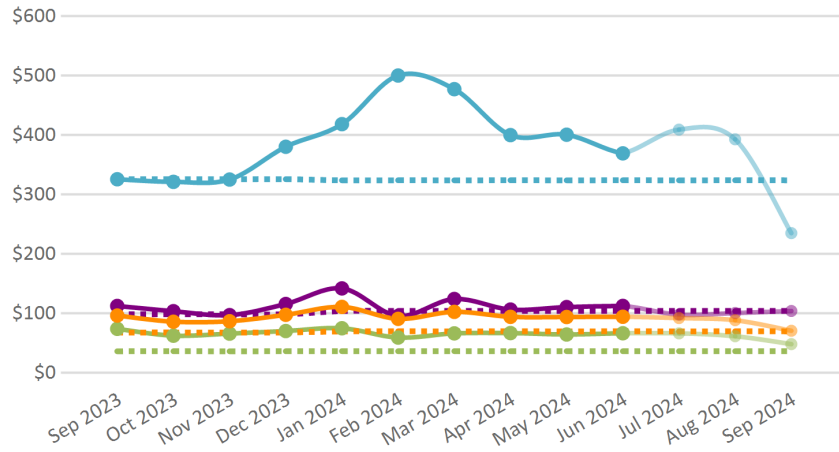


Inpatient

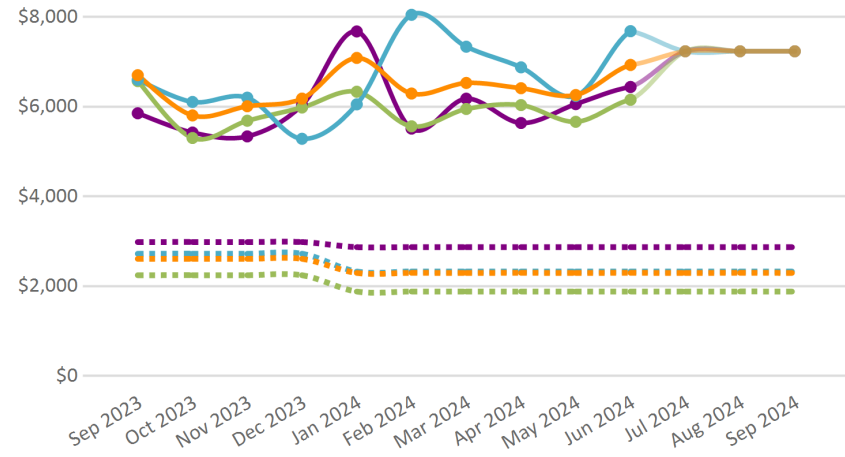
(Includes: Inpatient Hospital Claims)

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

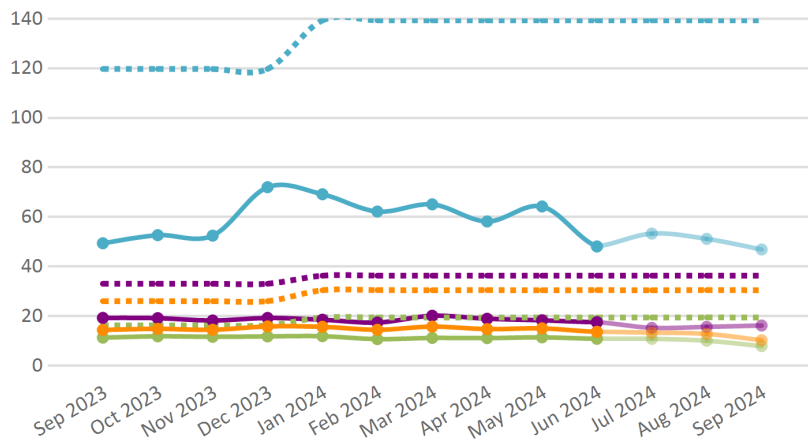
Inpatient Services Incurred by Aid Group PMPM



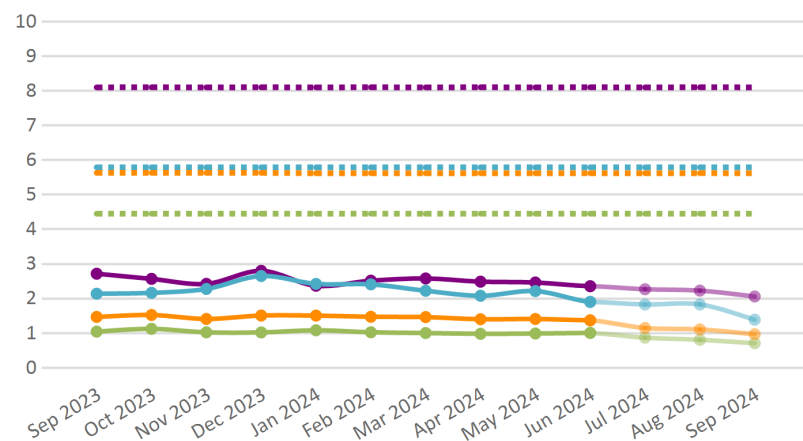
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group



Services provided through: 9/30/2024

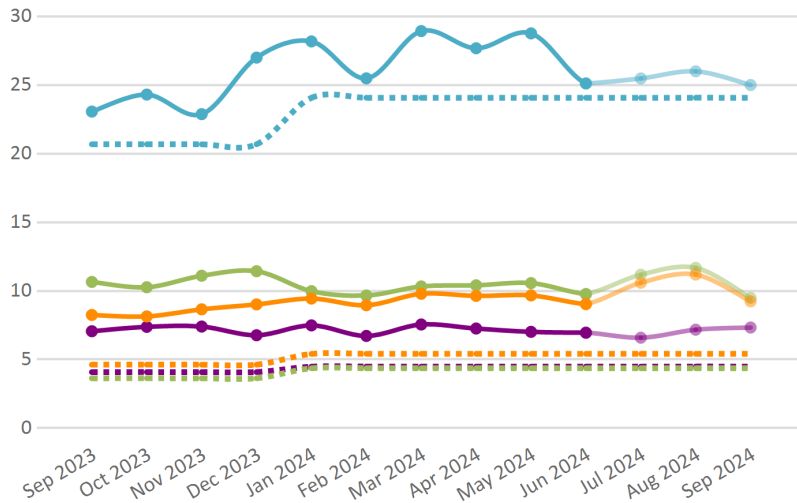
Claims Paid through: 10/31/2024

Inpatient

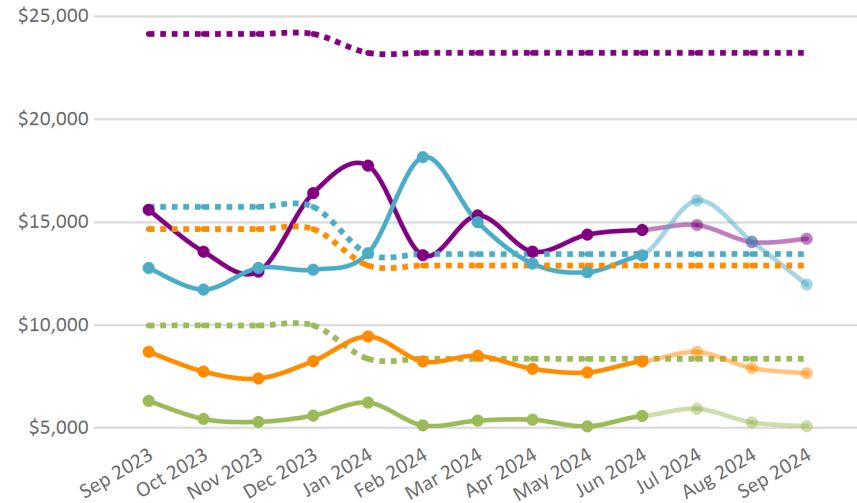
(Includes: Inpatient Hospital Claims)

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

Incurred Admits per 1,000 per Month by Aid Group



Cost per Admit by Aid Group



Services provided through: 9/30/2024

Claims Paid through: 10/31/2024

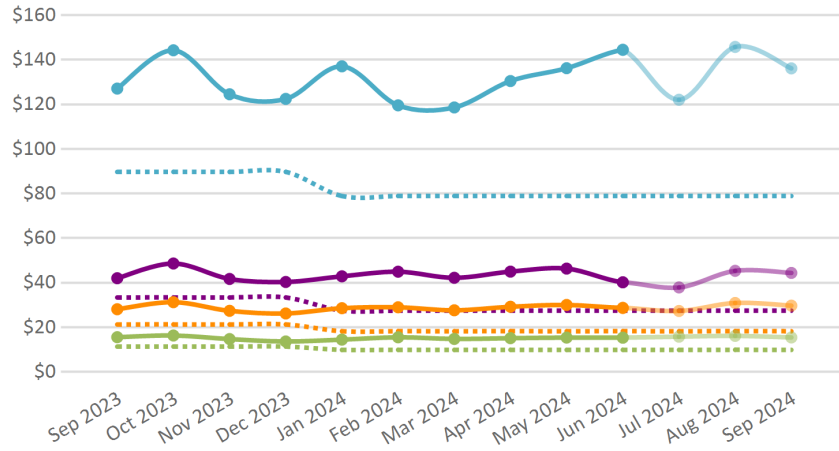


Outpatient Hospital

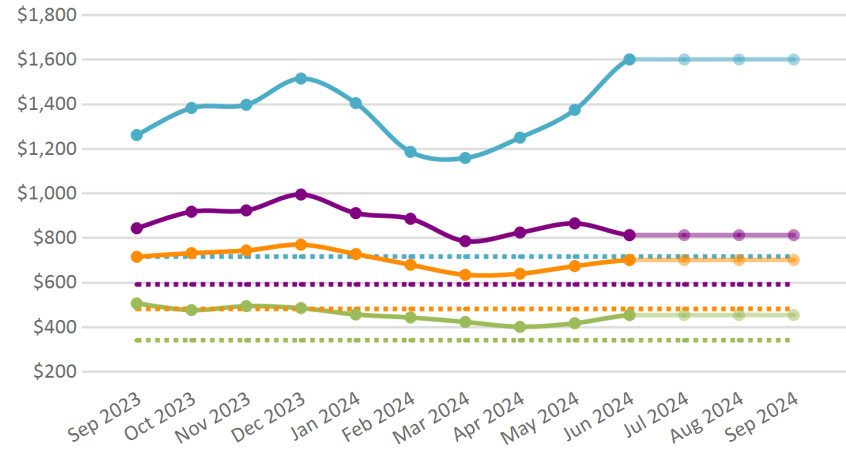
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

- 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

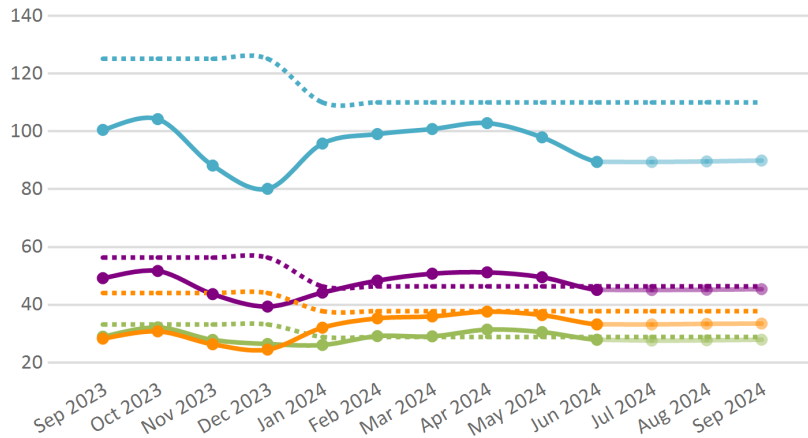
Outpatient Services Incurred by Aid Group PMPM



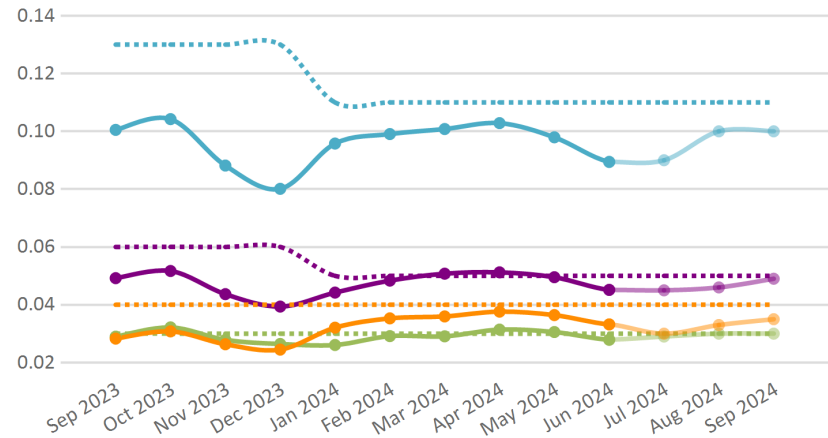
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group

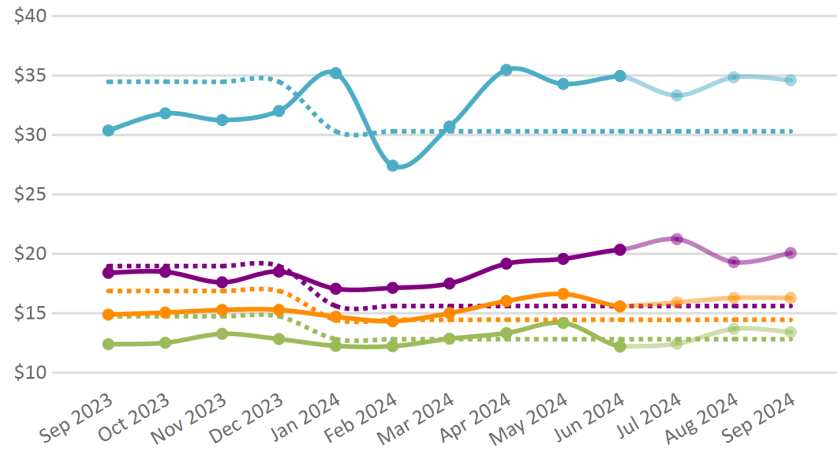




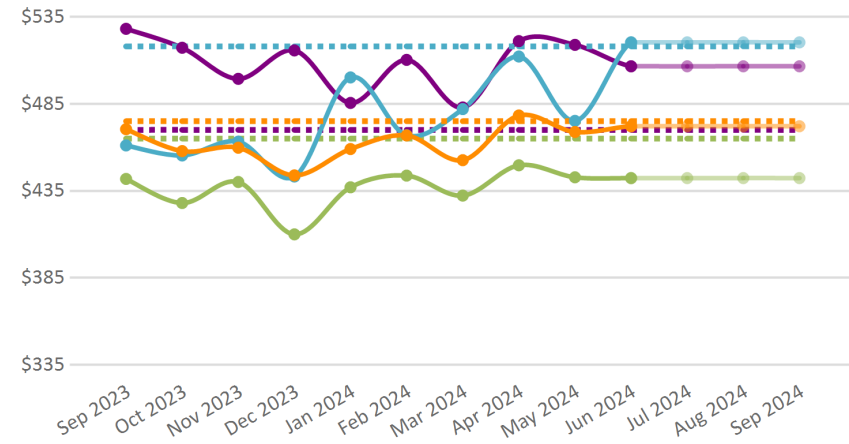
Emergency Room

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

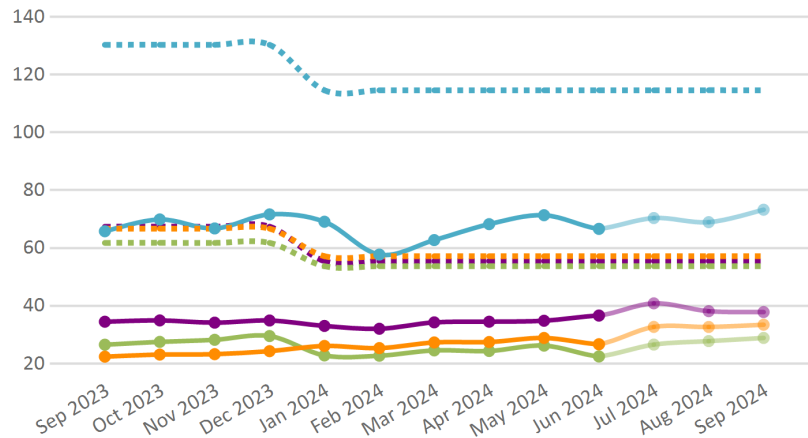
ER Services Incurred by Aid Group PMPM



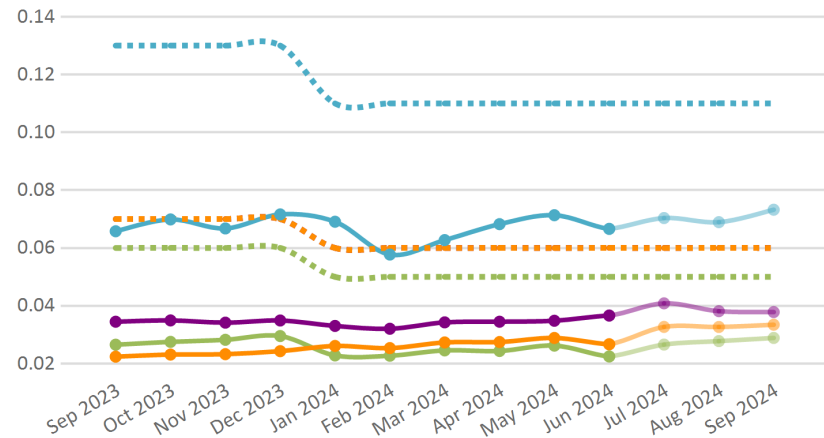
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



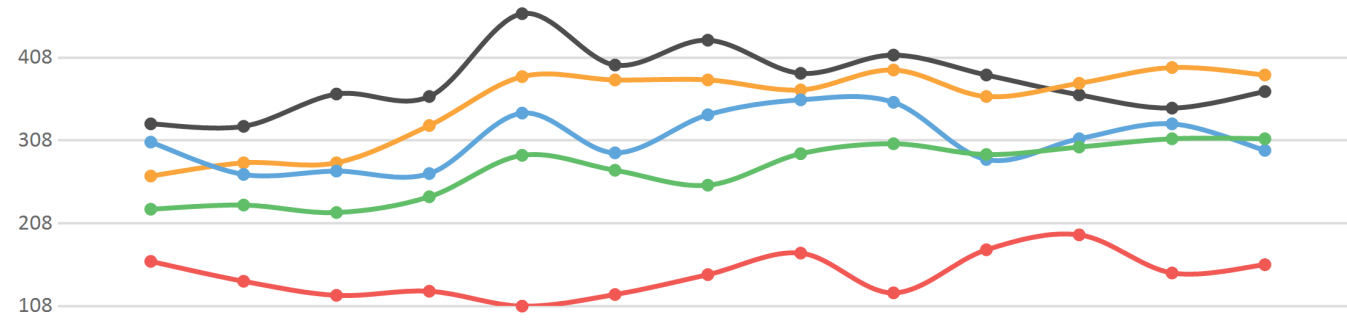
ER Visits per Member per Month by Aid Group



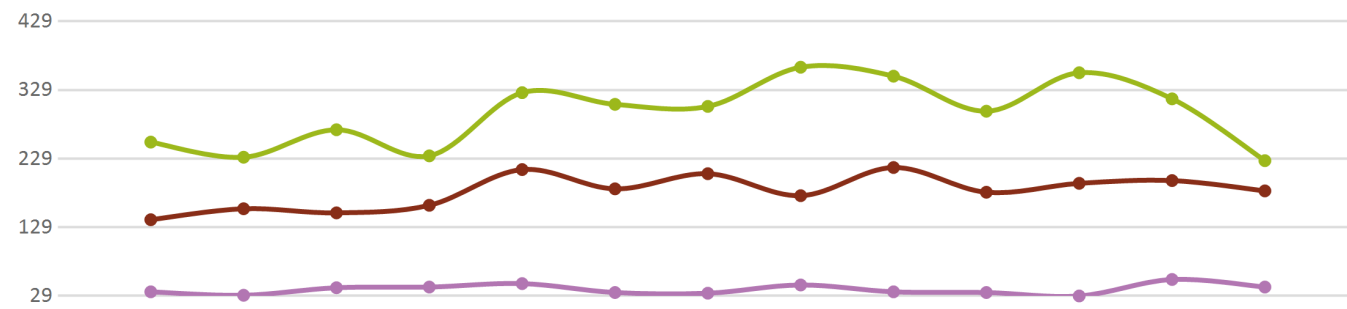
Services provided through: 9/30/2024

Claims Paid through: 10/31/2024

Inpatient Admits by Hospital



	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
BAKERSFIELD MEMORIAL HOSPITAL	328	325	364	361	461	399	429	389	411	387	363	347	367
KERN COUNTY HOSPITAL AUTHORITY	265	281	281	326	385	381	381	369	393	361	377	396	387
ADVENTIST HEALTH BAKERSFIELD	306	267	271	268	341	293	339	357	354	285	310	328	296
MERCY HOSPITAL	225	230	221	240	290	272	254	292	304	291	300	310	310
GOOD SAMARITAN HOSPITAL	162	138	121	126	108	122	146	172	124	176	194	148	158

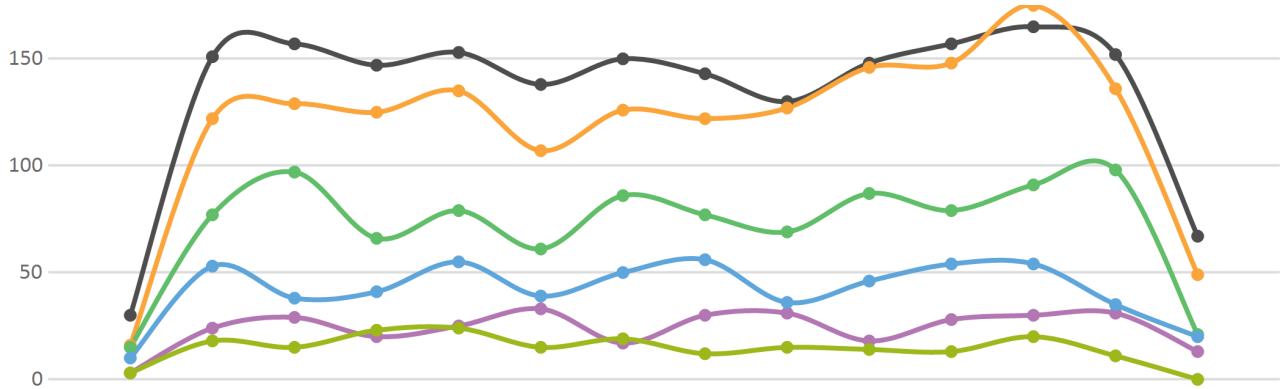


	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
OUT OF AREA	253	231	271	233	325	308	305	362	349	298	354	316	226
OTHER LOCAL HOSPITALS	140	156	150	161	213	185	207	175	216	180	193	197	182
ADVENTIST HEALTH DELANO	35	30	41	42	47	34	33	45	35	34	29	53	42

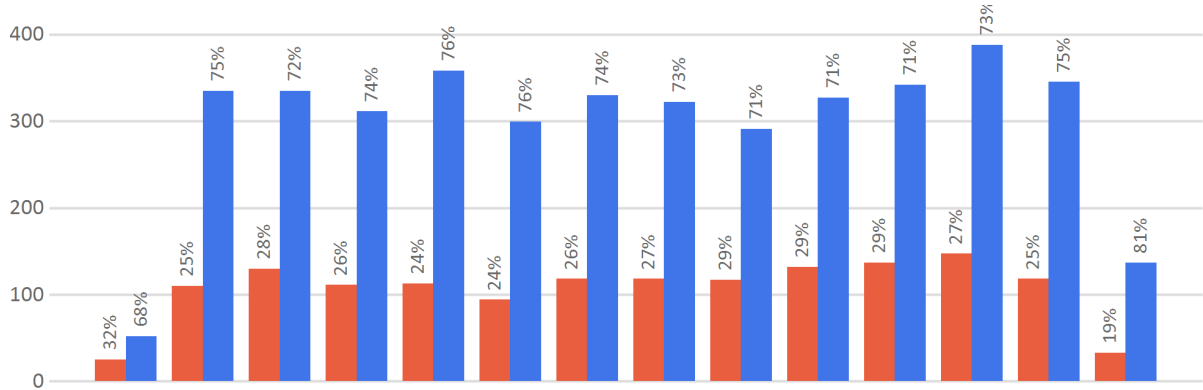


Governed Reporting System

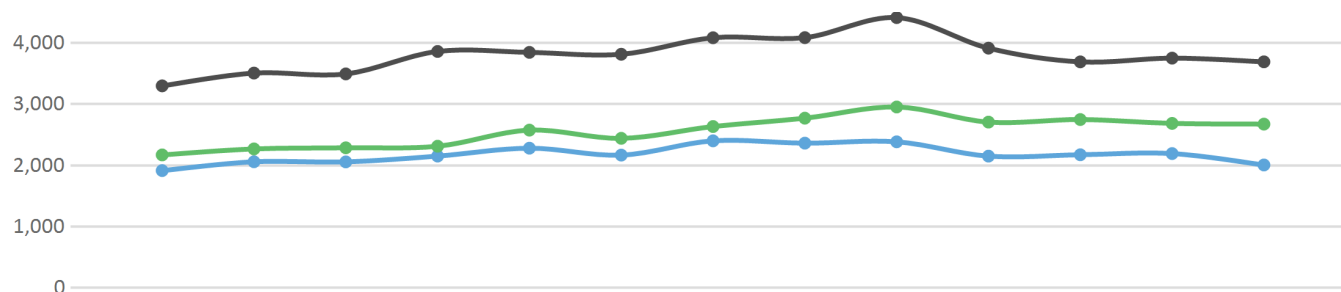
Obstetrics Metrics



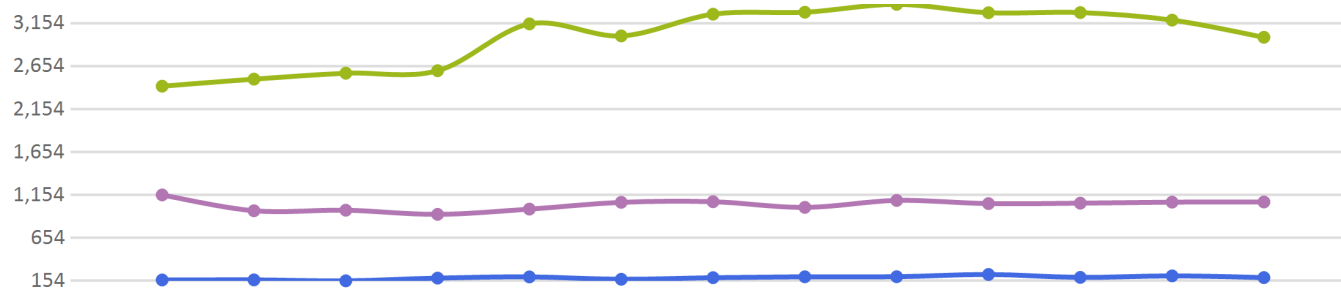
	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
BAKERSFIELD MEMORIAL	30	151	157	147	153	138	150	143	130	148	157	165	152	67
KERN MEDICAL	16	122	129	125	135	107	126	122	127	146	148	175	136	49
MERCY HOSPITAL	15	77	97	66	79	61	86	77	69	87	79	91	98	21
ADVENTIST HEALTH	10	53	38	41	55	39	50	56	36	46	54	54	35	20
DELANO REGIONAL HOSPITAL	3	24	29	20	25	33	17	30	31	18	28	30	31	13
OTHER	3	18	15	23	24	15	19	12	15	14	13	20	11	0



	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
VAGINAL DELIVERY	52	335	335	311	358	299	330	322	291	327	342	388	345	137
C-SECTION DELIVERY	25	110	130	111	113	94	118	118	117	132	137	147	118	33

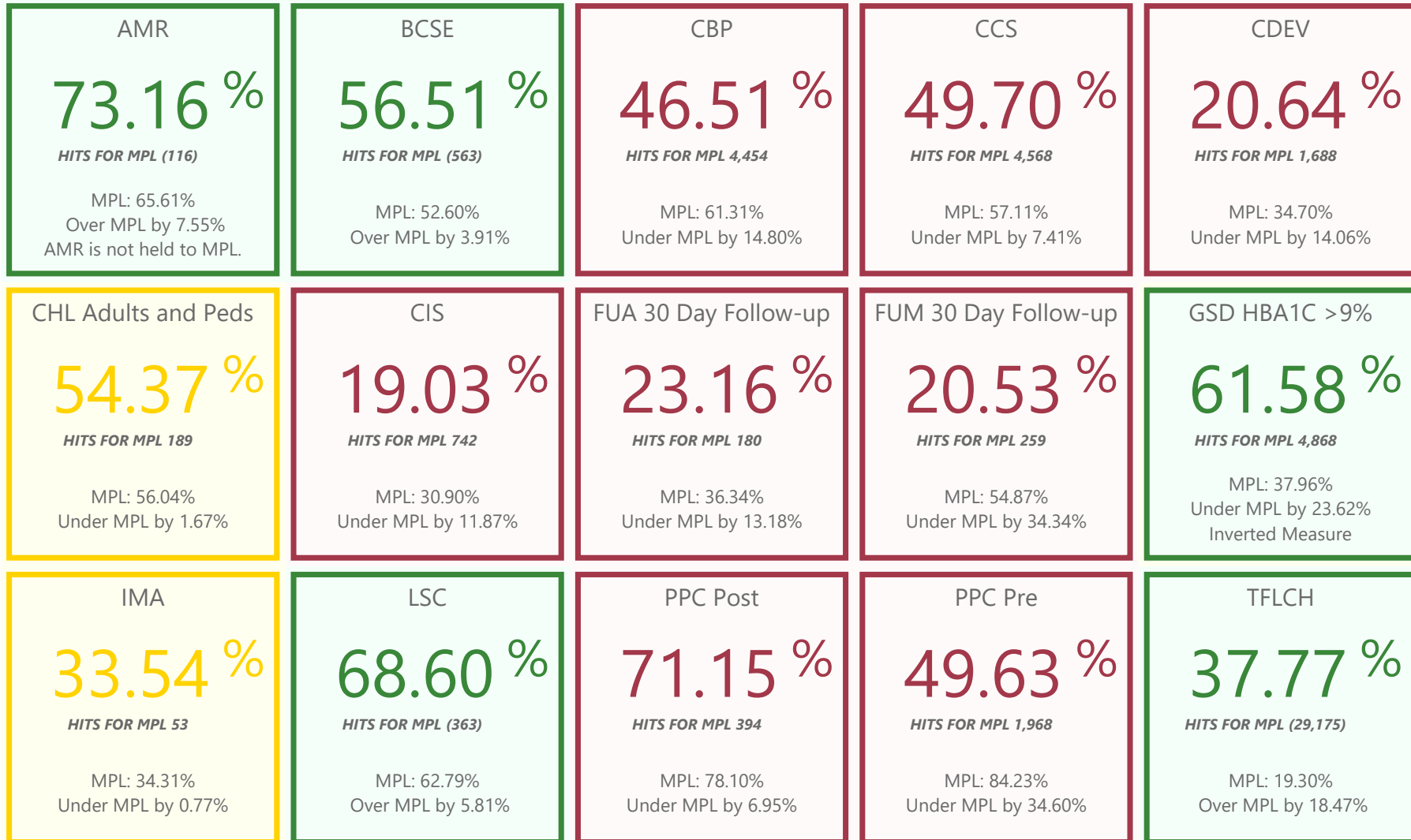
Emergency Visits by Hospital

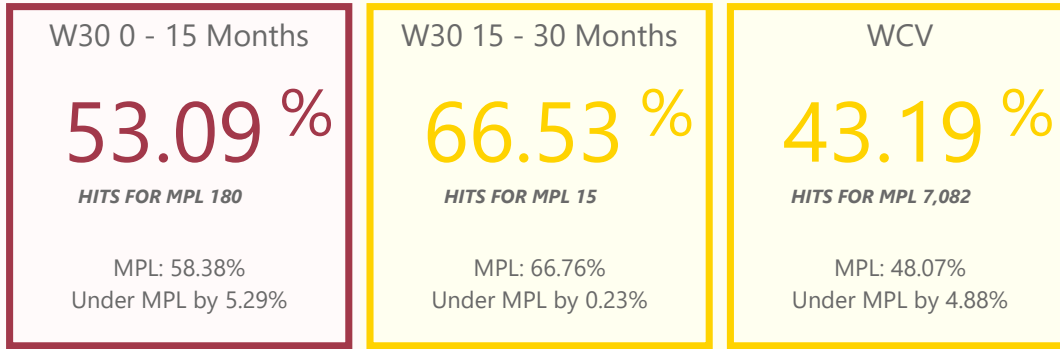
	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
BAKERSFIELD MEMORIAL	3,300	3,509	3,495	3,862	3,847	3,816	4,086	4,088	4,415	3,916	3,692	3,753	3,693
MERCY HOSPITAL	2,172	2,270	2,288	2,314	2,577	2,443	2,636	2,772	2,955	2,708	2,750	2,687	2,675
ADVENTIST HEALTH	1,916	2,060	2,058	2,153	2,282	2,169	2,402	2,364	2,386	2,152	2,175	2,194	2,008



	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
OUT OF AREA	2,420	2,502	2,571	2,600	3,145	3,005	3,258	3,281	3,372	3,275	3,277	3,189	2,989
DELANO REGIONAL HOSPITAL	1,154	970	976	928	989	1,068	1,075	1,009	1,090	1,053	1,058	1,070	1,072
KERN VALLEY HEALTHCARE	164	165	154	186	200	172	191	201	202	228	194	212	192

MCAS MY2024 Performance Trending Metrics through October 2024

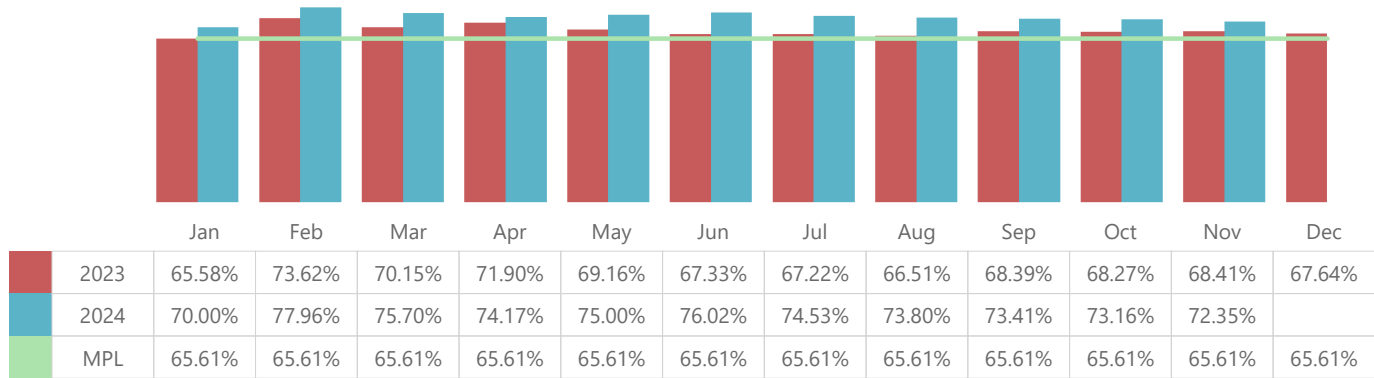
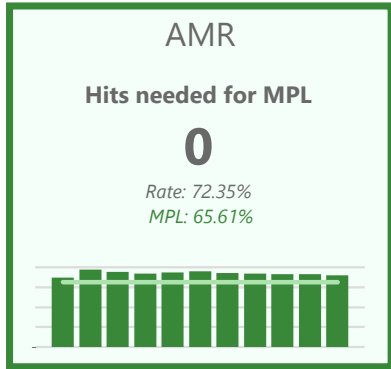




Measure rates are thru claims and standard supplemental data. No medical record reviews are included.

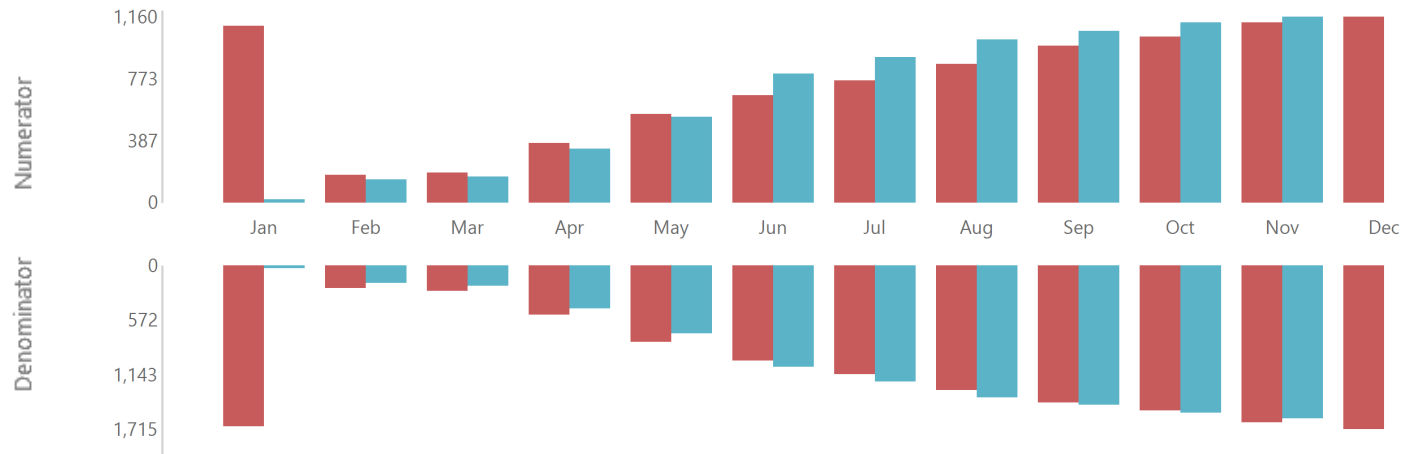
Asthma Medication Ratio

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



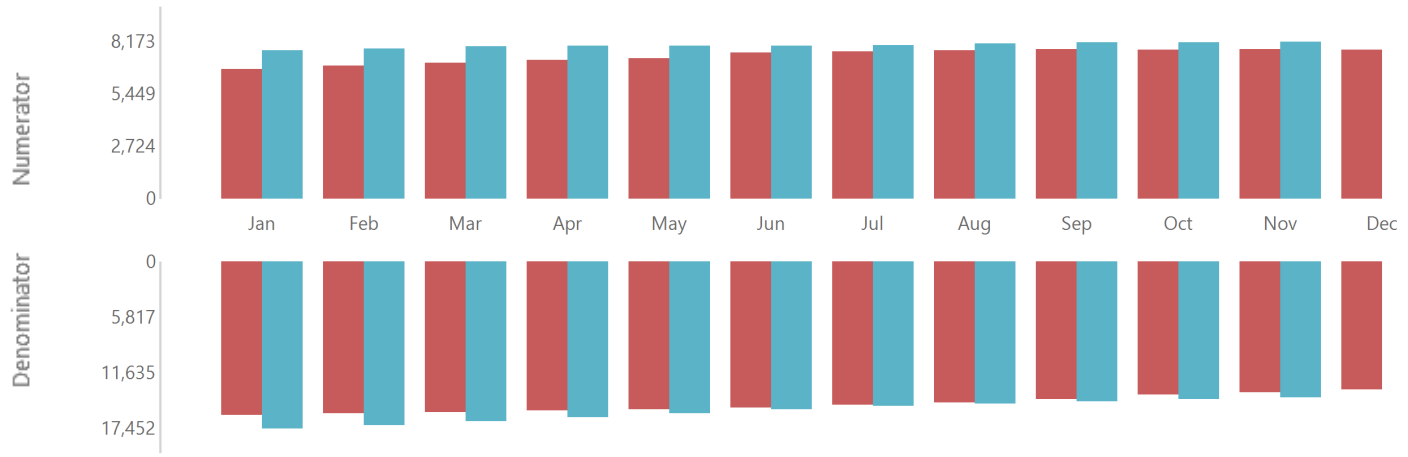
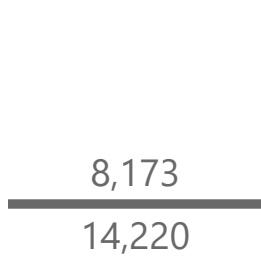
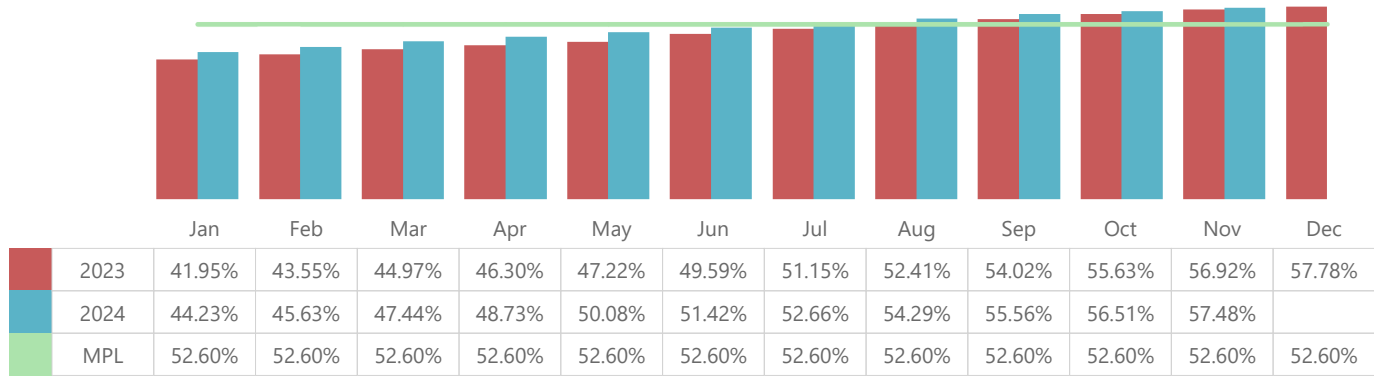
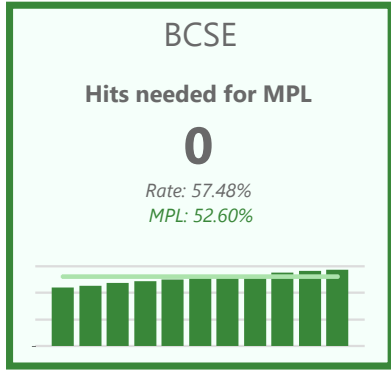
1,159

1,602



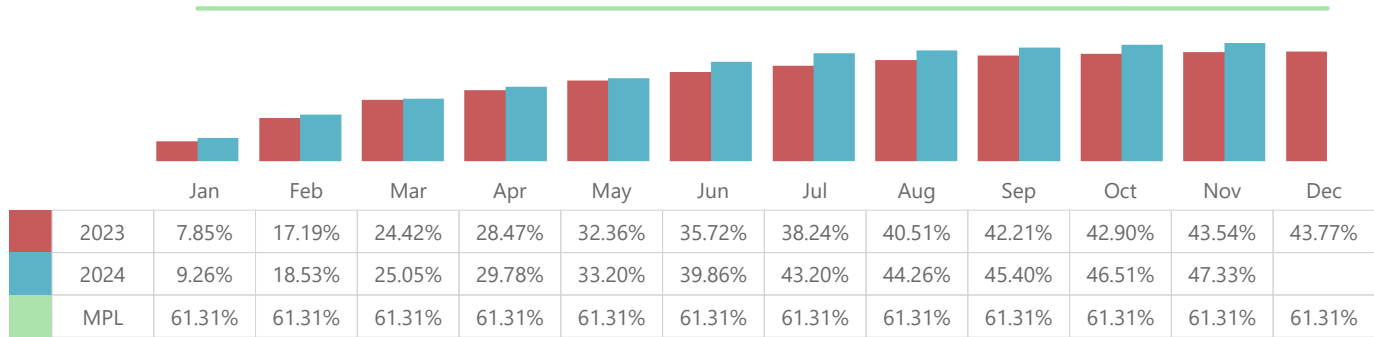
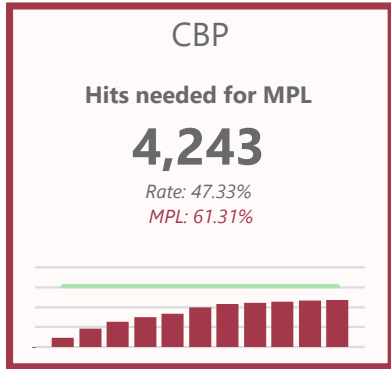
Breast Cancer Screening - ECDS

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



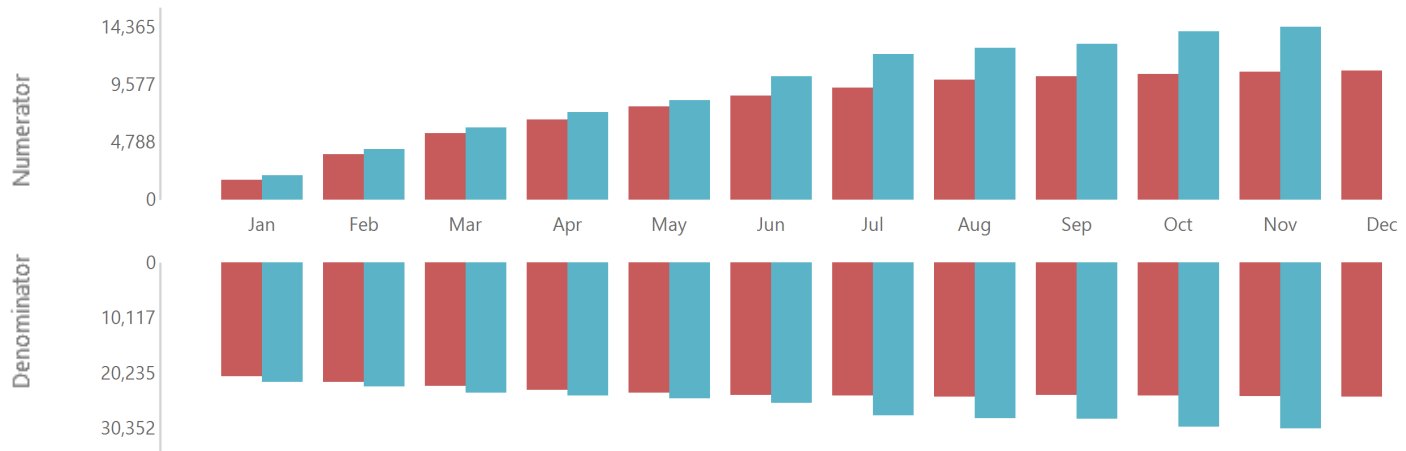
Controlling High Blood Pressure

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



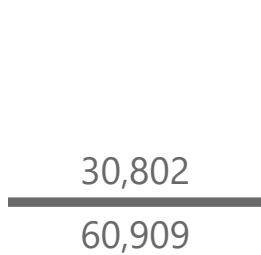
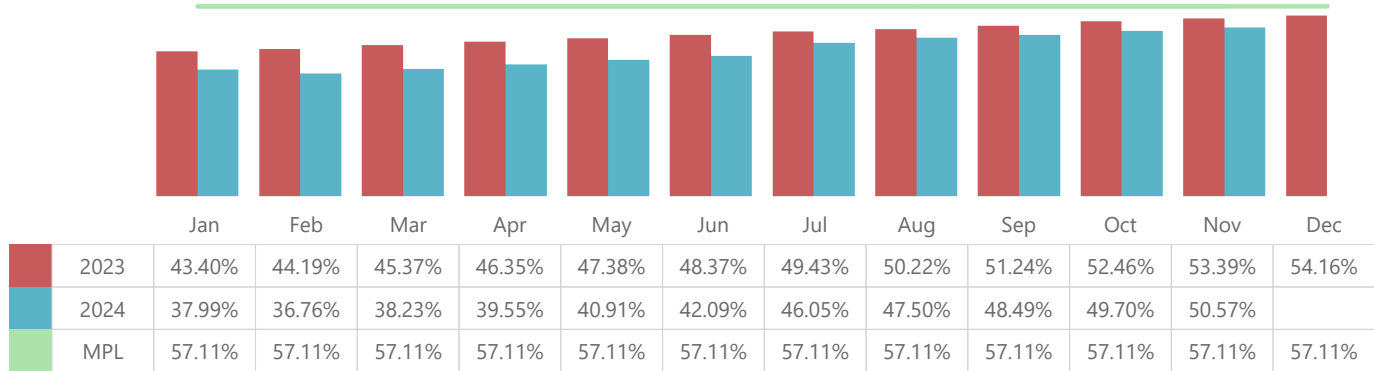
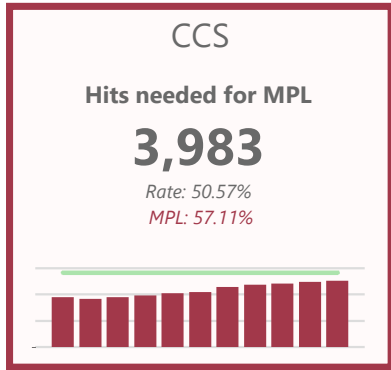
14,365

30,352



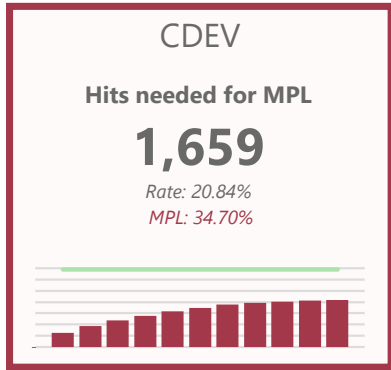
Cervical Cancer Screening

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



Developmental Screening in the First 3 Years of Life

The percentage of children screened for risk of developmental, behavioral and social delays using a standardized screening tool in the 12 months preceding or on their first, second, or third birthday. This is a composite measure of screening in the first three years of life that includes three, age-specific indicators assessing whether children are screened in the 12 months preceding or on their first, second or third birthday.



		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2023	3.89%	6.54%	9.00%	10.75%	12.59%	14.35%	15.67%	16.52%	17.37%	18.41%	19.17%	19.65%
	2024	6.26%	9.18%	11.86%	13.90%	15.79%	17.40%	18.80%	19.66%	20.27%	20.64%	20.84%	
	MPL	34.70%	34.70%	34.70%	34.70%	34.70%	34.70%	34.70%	34.70%	34.70%	34.70%	34.70%	34.70%

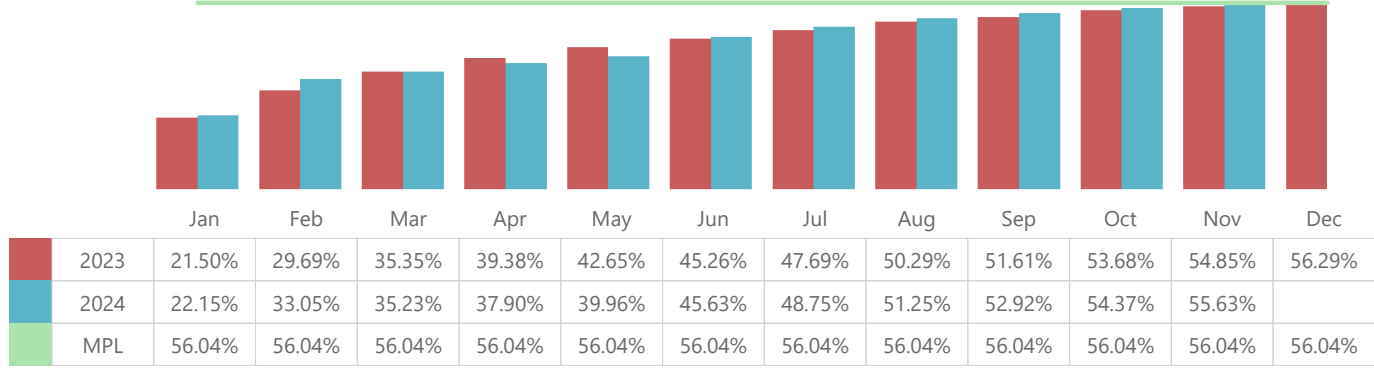
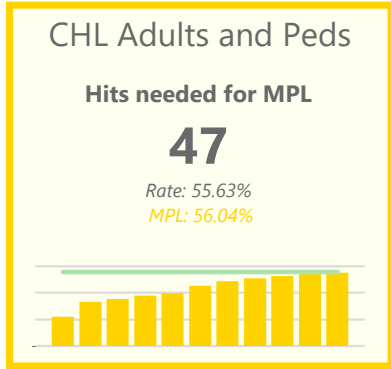
2,495

11,974



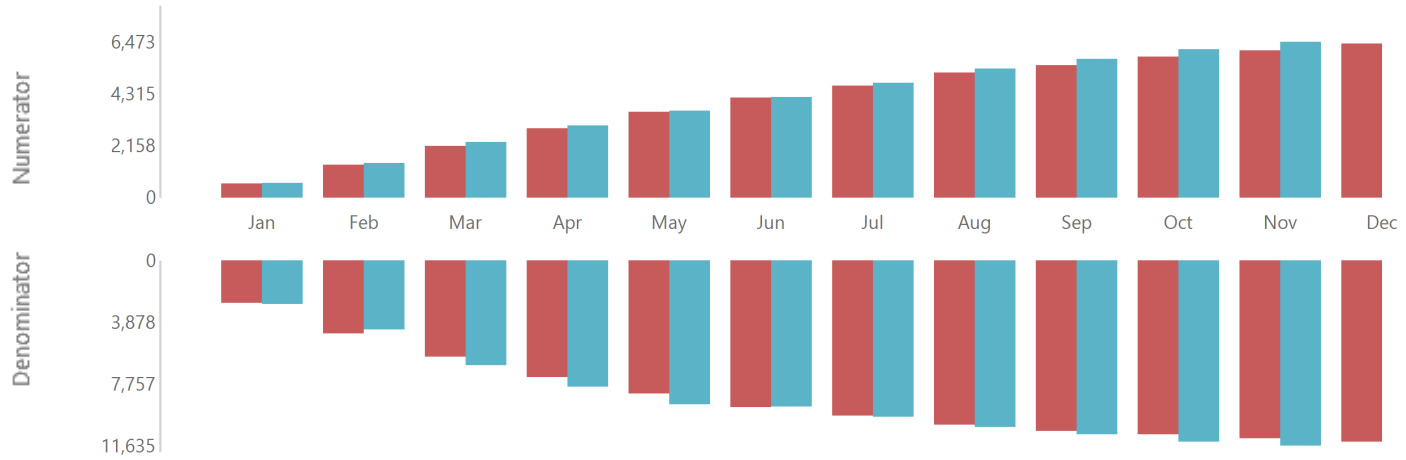
Chlamydia Screening in Women

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



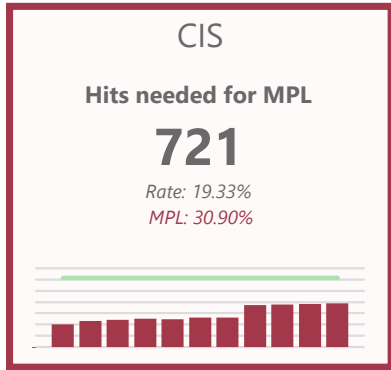
6,473

11,635



Childhood Immunization Status

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



		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2023	11.04%	12.93%	14.34%	16.13%	16.92%	17.47%	17.74%	17.89%	18.07%	18.65%	19.40%	19.76%
	2024	10.01%	11.62%	12.17%	12.53%	12.42%	13.04%	13.14%	18.61%	18.77%	19.03%	19.33%	
	MPL	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%

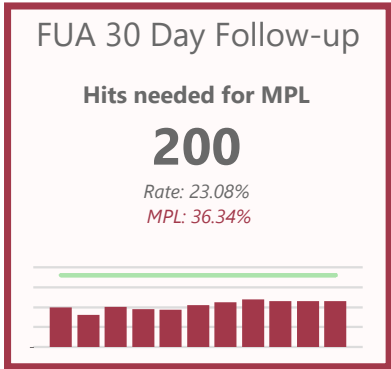
1,205

6,234

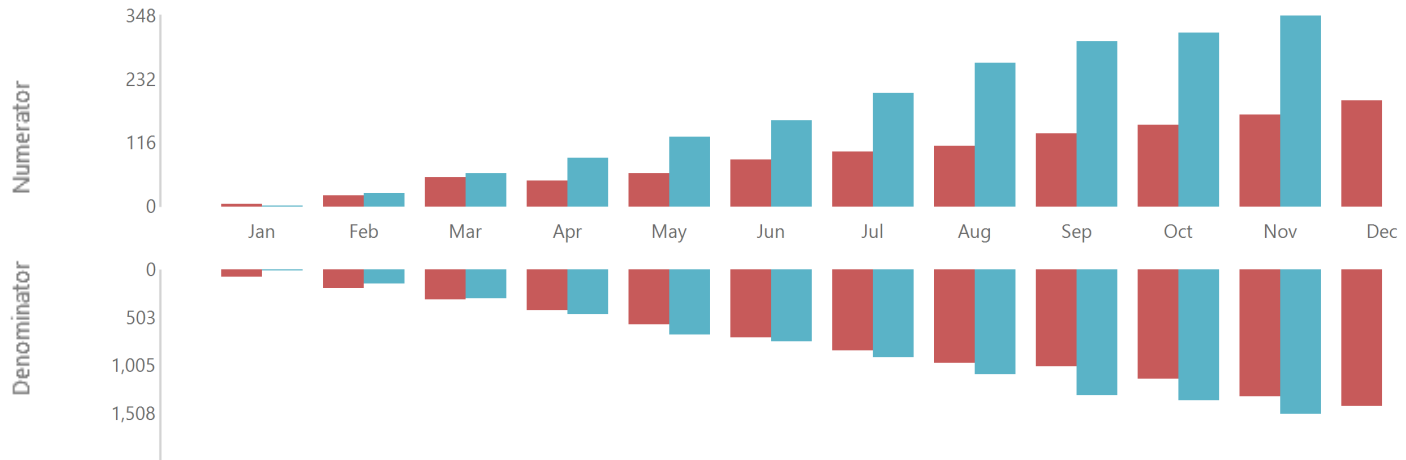
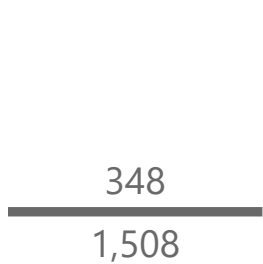


Follow-Up After Emergency Department Visit for Substance Use

The percentage of emergency department (ED) visits among members age 13 years and older with a principal diagnosis of substance use disorder (SUD), or any diagnosis of drug overdose, for which there was follow-up within 30 days of the ED visit.

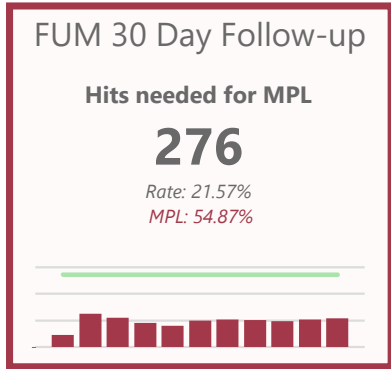


		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2023	6.41%	10.36%	16.77%	11.01%	10.59%	12.10%	11.81%	11.36%	13.16%	13.06%	12.63%	13.50%
	2024	20.00%	16.11%	20.27%	19.10%	18.59%	20.93%	22.50%	23.91%	22.91%	23.16%	23.08%	
	MPL	36.34%	36.34%	36.34%	36.34%	36.34%	36.34%	36.34%	36.34%	36.34%	36.34%	36.34%	36.34%

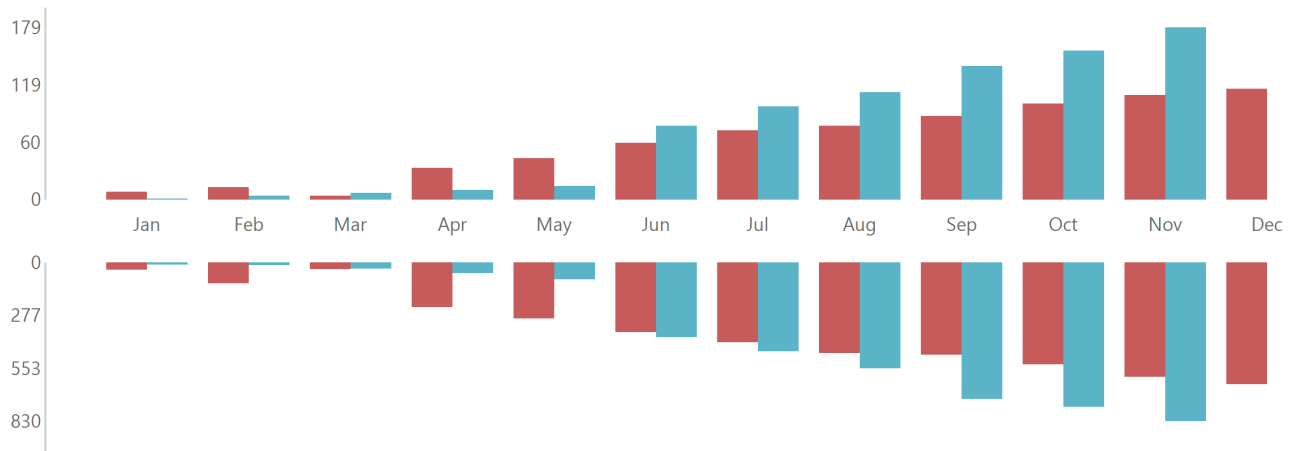
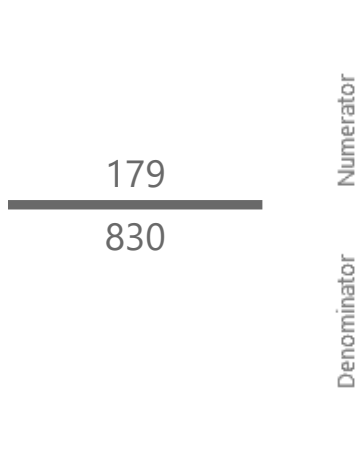


Follow-Up After Emergency Department Visit for Mental Illness

The percentage of emergency department (ED) visits for members 6 years of age and older with a principal diagnosis of mental illness or intentional self-harm, who had a follow-up visit for mental illness within 30 days of the ED visit.



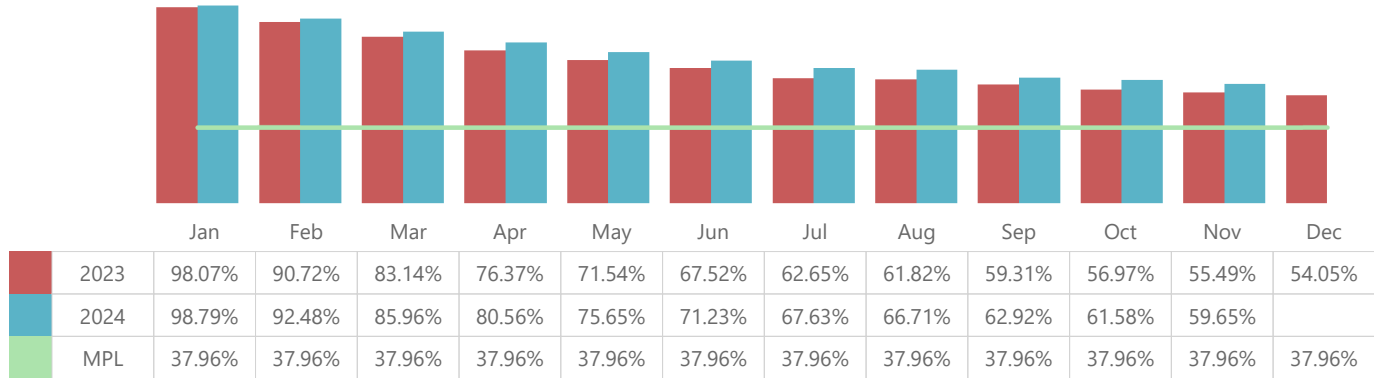
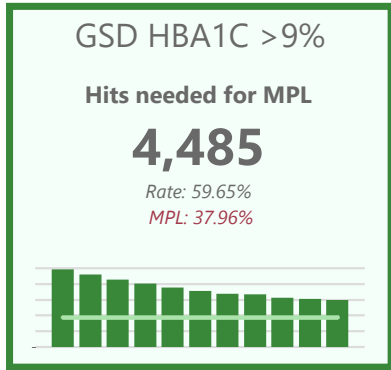
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2023	20.51%	11.93%	11.43%	14.04%	14.73%	16.16%	17.18%	16.28%	17.98%	18.73%	18.26%	18.05%
	2024	9.09%	25.00%	21.88%	17.86%	15.91%	19.74%	20.82%	20.25%	19.50%	20.53%	21.57%	
	MPL	54.87%	54.87%	54.87%	54.87%	54.87%	54.87%	54.87%	54.87%	54.87%	54.87%	54.87%	54.87%



Glycemic Status Assessment for Patients With Diabetes

The percentage of members 18–75 years of age with diabetes (types 1 and 2) whose most recent glycemic index (hemoglobin A1c [HbA1c] or glucose management indicator [GMI]) was >9.0% during the measurement year.

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



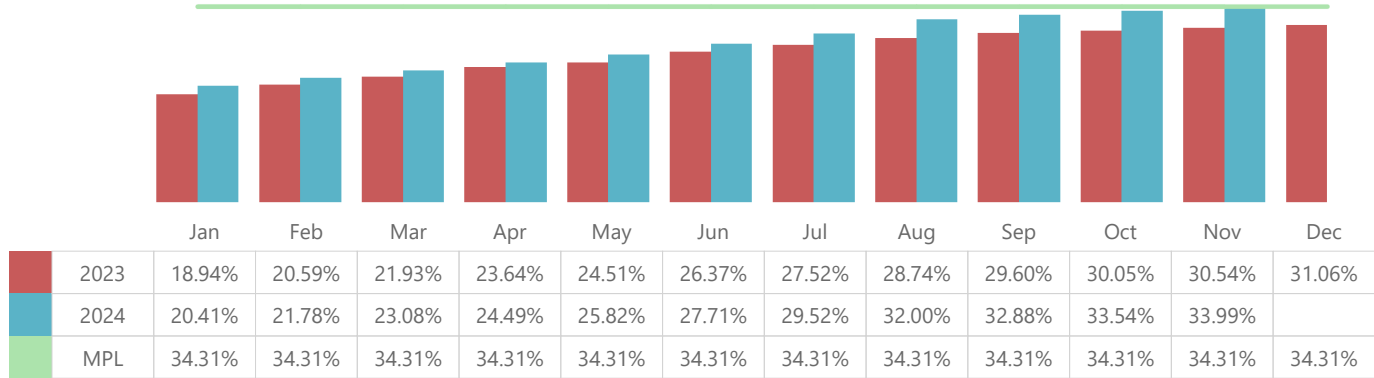
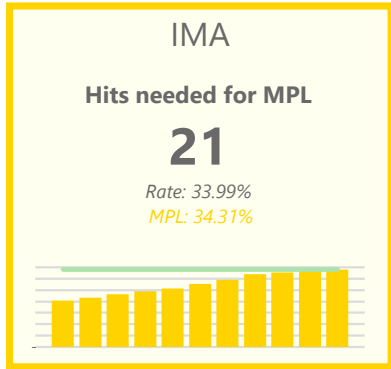
12,336

20,682

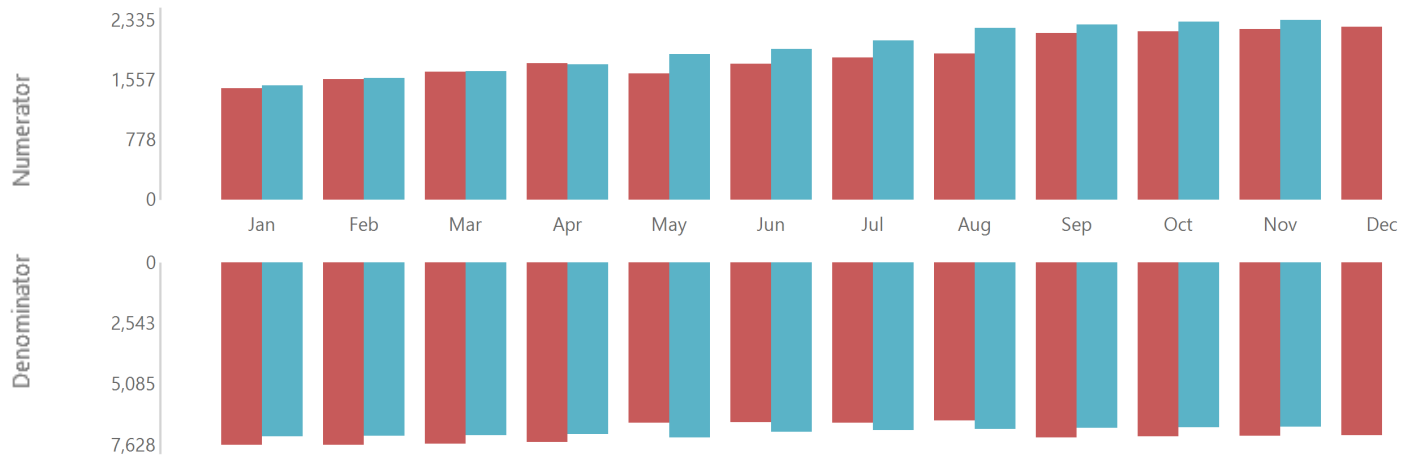


Immunizations for Adolescents

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

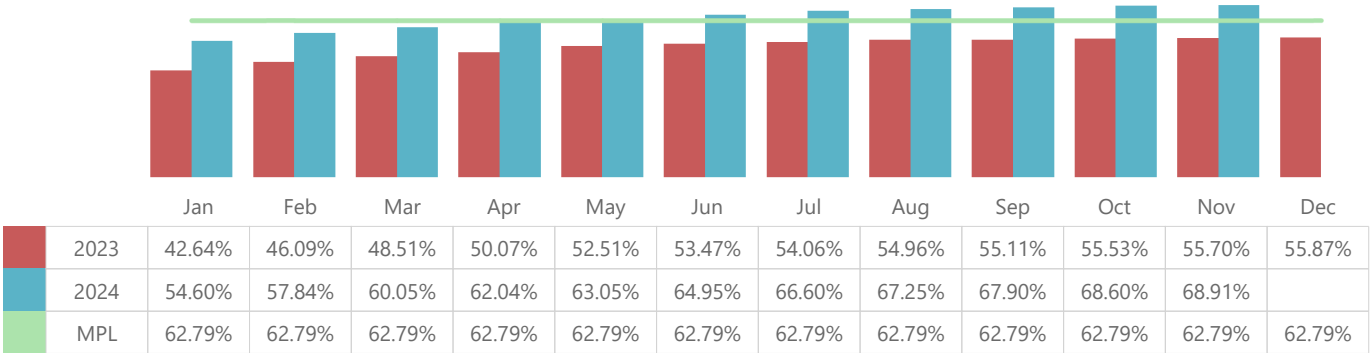


$$\frac{2,335}{6,869}$$



Lead Screening in Children

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



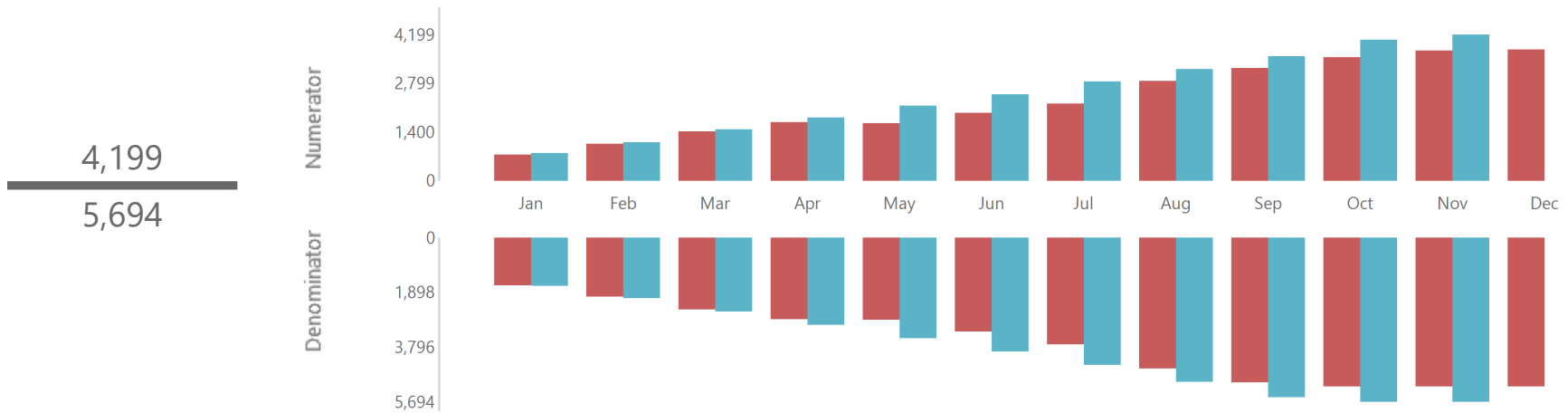
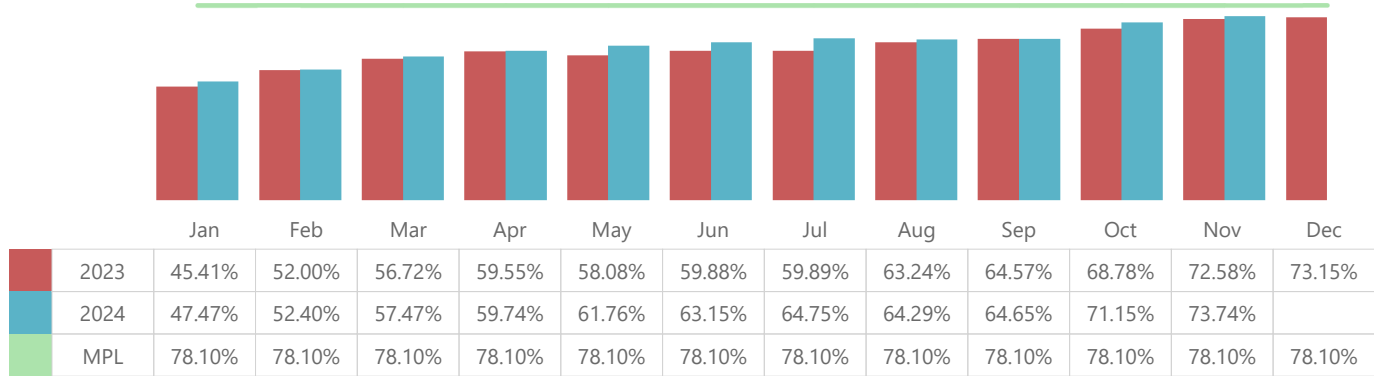
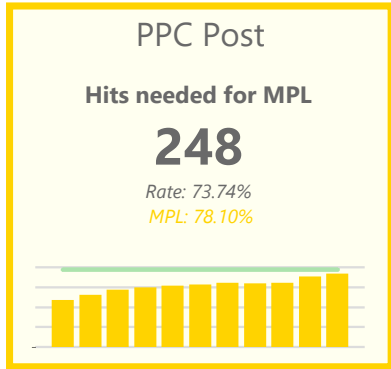
4,296

6,234



Prenatal and Postpartum Care

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

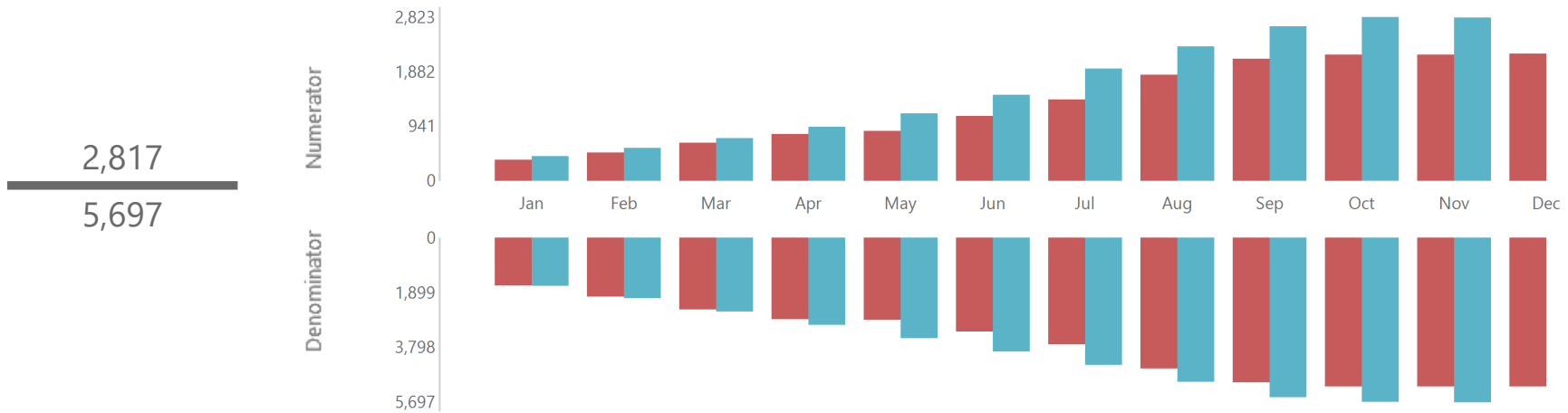
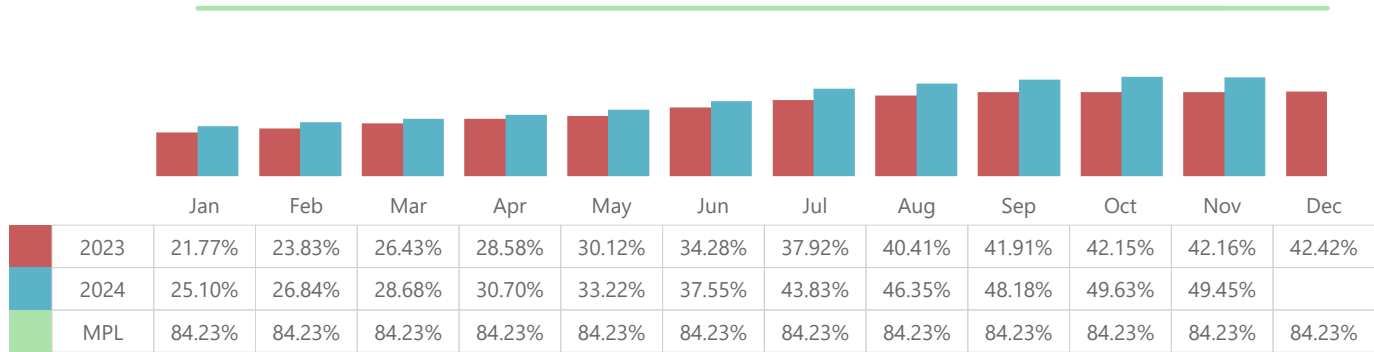
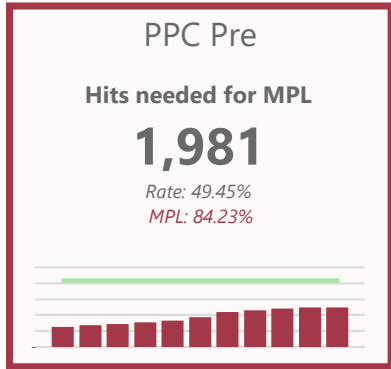


4,199

5,694

Prenatal and Postpartum Care

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

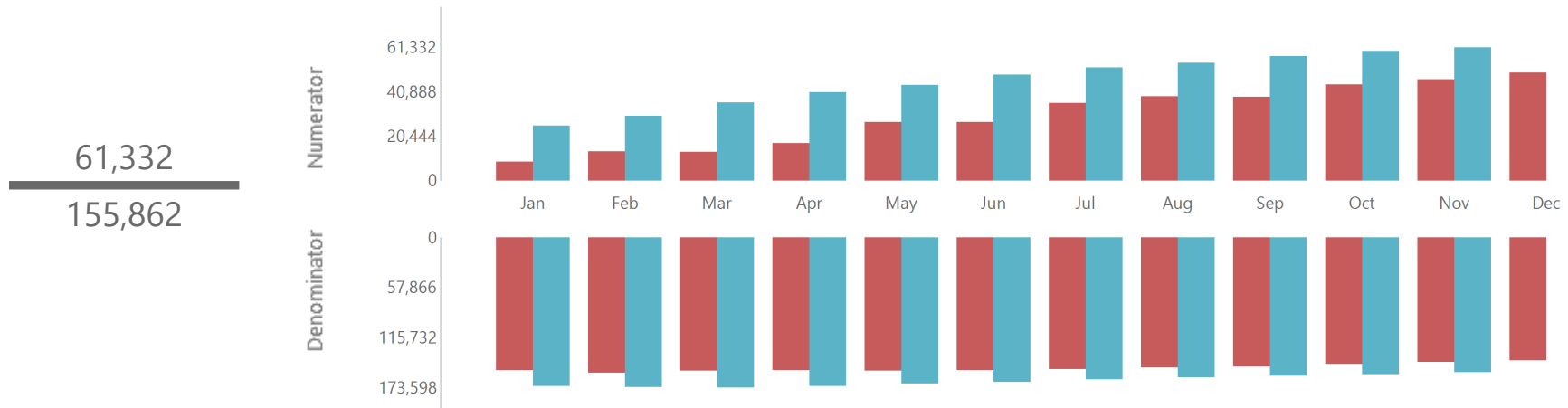
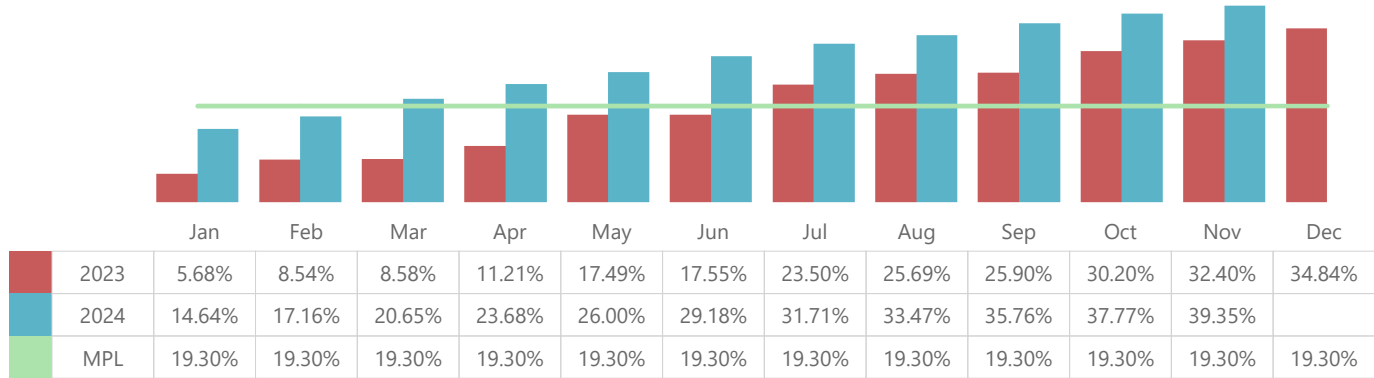
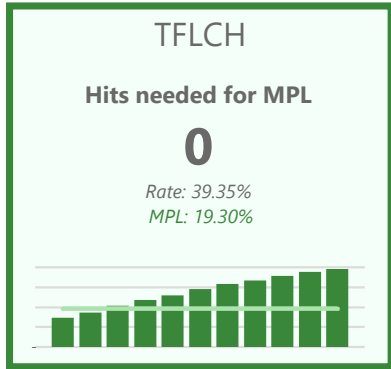


2,817

5,697

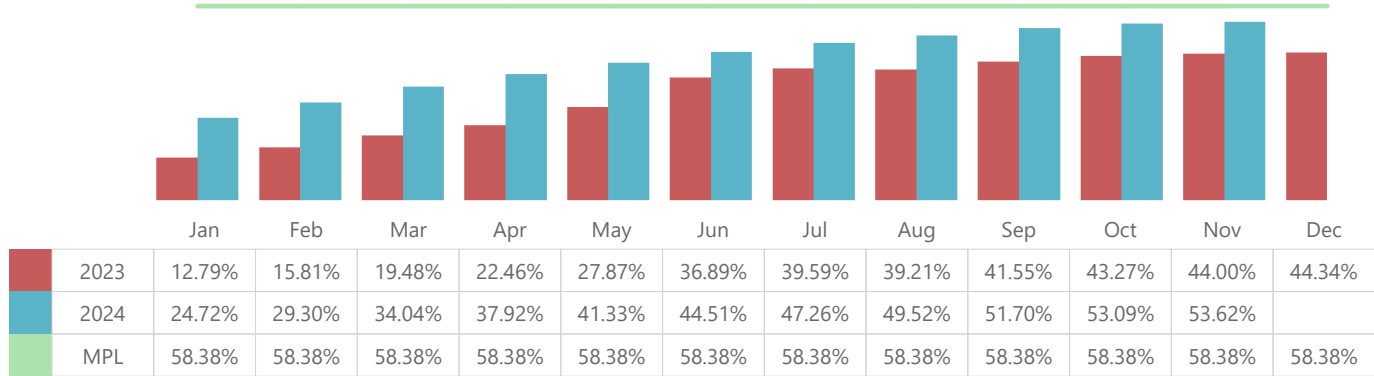
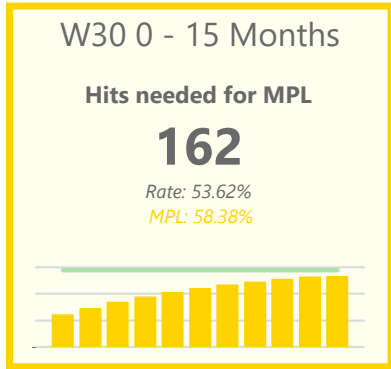
Prevention: Topical Fluoride for Children

Percentage of children aged 1–21 years who received at least 2 topical fluoride applications as (a) dental OR oral health services, (b) dental services, and (c) oral health services within the reporting year.



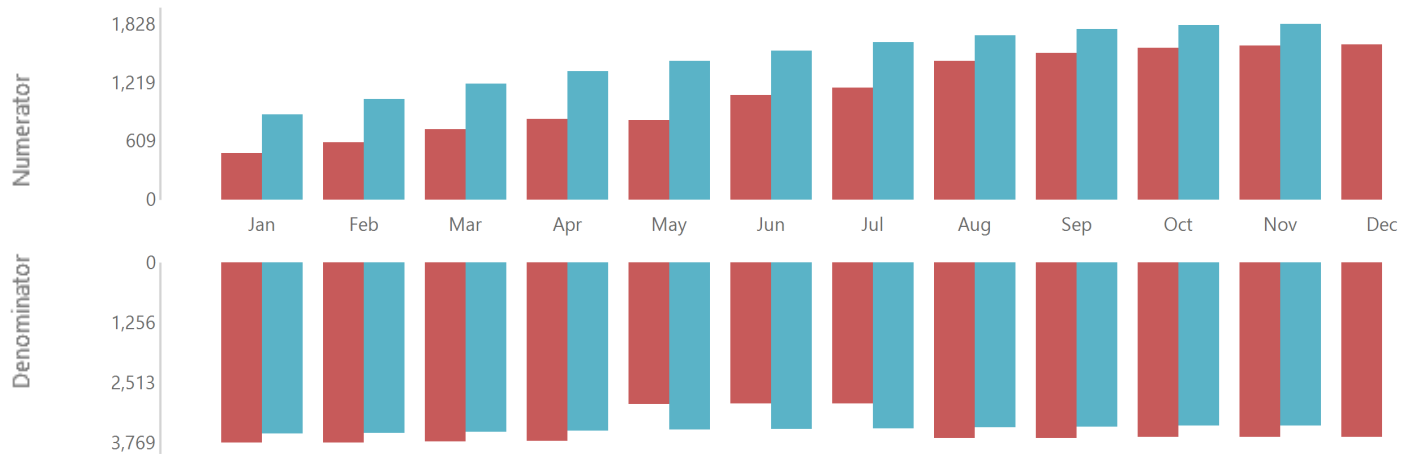
Well-Child Visits in the First 30 Months of Life

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



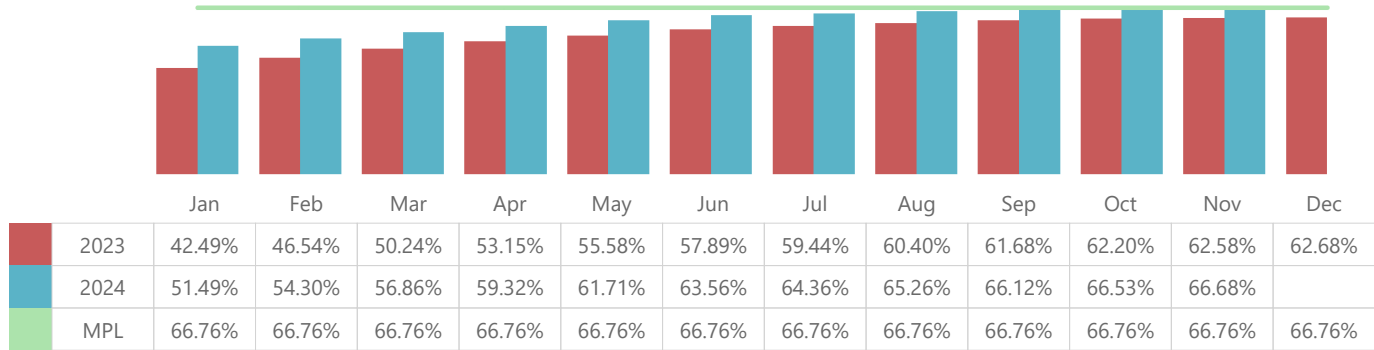
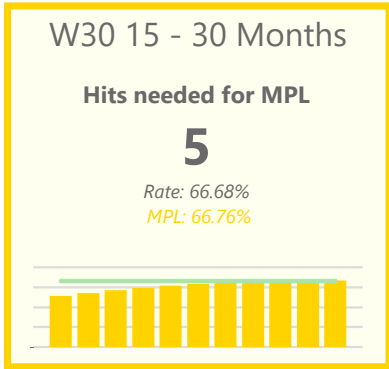
1,828

3,409



Well-Child Visits in the First 30 Months of Life

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



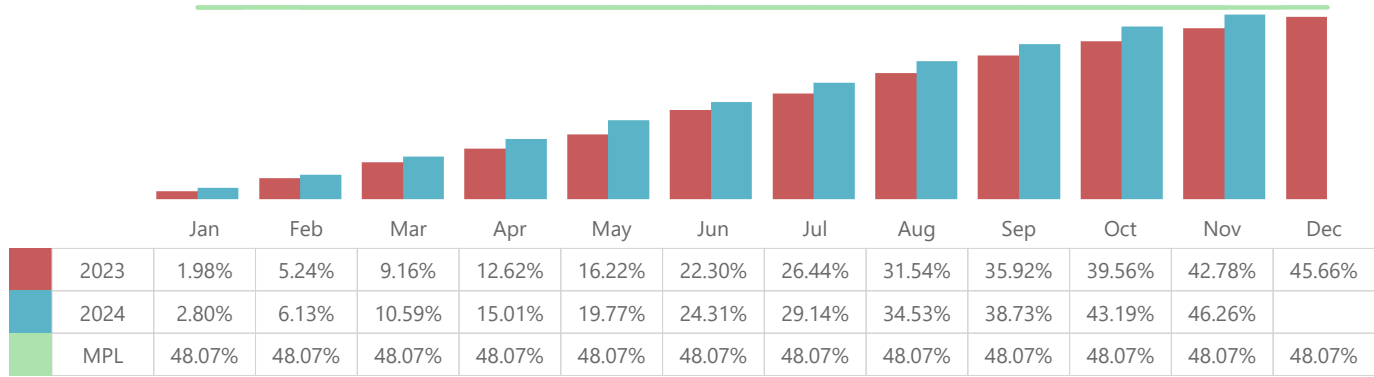
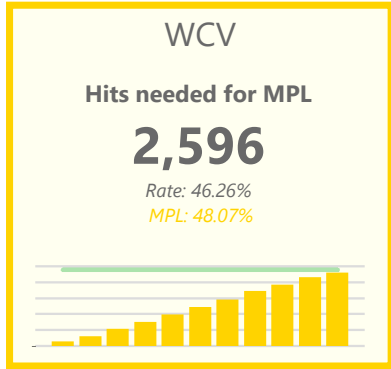
4,424

6,635



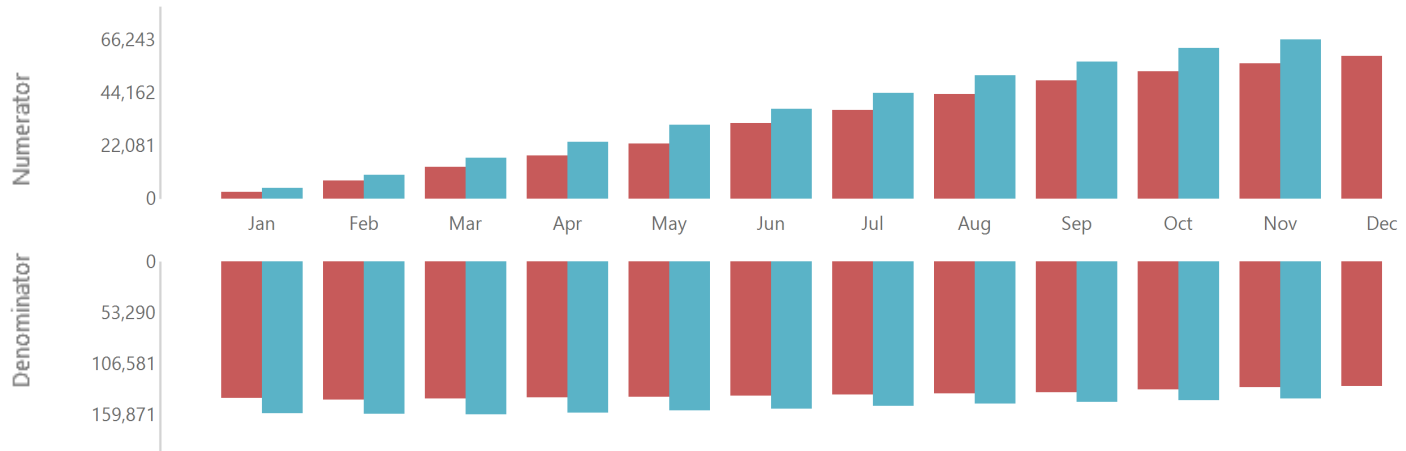
Child and Adolescent Well-Care Visits

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



66,243

143,206





KERN HEALTH SYSTEMS

BOARD OF DIRECTOR'S MEETING



Chief Executive Officer's Report

Emily Duran

December 19, 2024

KHS CORPORATE STRATEGIC PLAN

The KHS Strategic Plan outlines the organization's priorities and provides a roadmap for 2023–2025. **Attachment A: Strategic Plan Key Activities** highlights the new goals set for the upcoming year, 2025, emphasizing the organization's forward-looking focus. These goals reflect KHS's commitment to advancing its strategic priorities and ensuring continued progress in achieving its mission.

DHCS PROGRAM DEVELOPMENT UPDATE

Transitional Rent– DHCS is working to obtain Federal approval to add a new Community Support option called Transitional Rent before the end of the year. Under Transitional Rent, Medi-Cal Managed Care Plans would cover up to six months of rent for members who are experiencing or at risk of homelessness and meet certain additional eligibility criteria. DHCS had previously released a draft Concept Paper which resulted in significant feedback to the Department. As a result of the feedback, DHCS held a workgroup meeting with Managed Care Plans across the State to review updated program guidance. Due to implementation timing concerns DHCS agreed to push back the proposed start date, with optional go-live beginning in July 2025 and mandatory go-live in January 2026. Additionally, DHCS is initially narrowing down the eligible population to only include those who meet criteria for Behavioral Health Services. DHCS will be releasing an updated Model of Care and final Guidance Document by April 2025. Staff will continue to monitor developments and prepare for implementation.

DHCS DATA QUALITY ENCOUNTERS

Each quarter, DHCS sends a report card to the plans for Data Quality of Encounters. Since Encounters are used to determine our rates and pass-through programs to providers, the accuracy of our submissions and their acceptance by DHCS is paramount. We are pleased to recognize the team for scoring a perfect score for all of 2024 to date!

State of California - Health and Human Services Agency
Department of Health Care Services
Encounter Data Quality Report Card
Kern
2024Q3



Encounter Data Grade Point Average (ED-GPA): 4.0

Plan Code	Encounter Data Quality Grade	Quarterly Data Quality Grade	Quarterly Averaged Rate	Encounter Data Quality Grade (EDQG)			Previous QDQG		
				Quarterly Dimensional Rates			2024Q2	2024Q1	2023Q4
				Completeness	Reasonability	Timeliness			
303	High-Performing	Acceptable	100.00%	100.00%		100.00%	A	A	A

LEGISLATIVE SUMMARY

Federal – We are currently experiencing a “Lame Duck Session” in Washington D.C., which is a special session utilized by Lawmakers to resolve unfinished business from a regular session or deal with specific urgent issues. This year’s legislative priority for Congress is to authorize new spending before December 20th, 2024, which is deadline to fund government. There are several current health provisions that expire on December 20th that we are monitoring which include telehealth flexibilities and community health center funding. In addition, we expect a new administration to take over the executive office in January 2025, which will result in a change of leadership for key State Departments in health care. Staff will continue to work with our Federal Trade Association (ACAP) to analyze any new changes to the laws/rules in 2025.

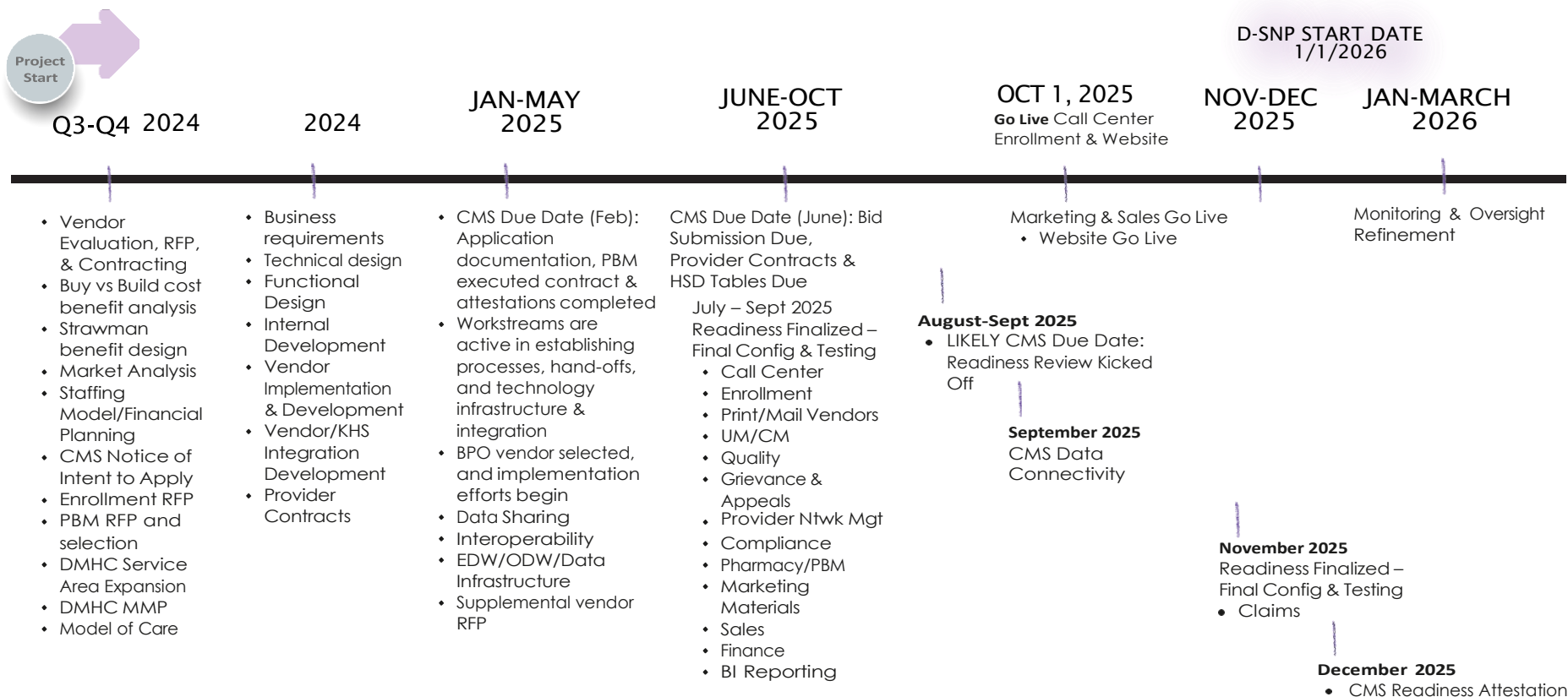
State – With the conclusion of the November elections, staff wanted to call out a notable impact to the Managed Care Organization (MCO) tax and correlating Targeted Rate Increase (TRI) Program. The final MCO Tax agreement in the 2024-2025 State budget included expanded provider incentive payments to additional providers including CHW’s, Acupuncture, Ground Emergency Transportation, and continuous eligibility for 0-5 children. However, with the passage of Proposition 35 in November, the MCO Tax reverts to 2023-2024 providers that included certain primary care, maternity care, and non-specialty mental health services. Prop 35 also outlines specific funding amounts for each provider type. DHCS is working on developing a reimbursement rate for the providers included in Proposition 35 through the Targeted Rate Increase (TRI) program. We expect 2025 TRI payments to be a retroactive process, with DHCS’ rate development discussions taking well into 2025. Staff will continue to monitor for any DHCS changes to the MCO tax and TRI in 2025. In addition, Staff are preparing for upcoming bill introductions and the Governor’s proposed budget in January 2025.

MEDICARE D-SNP

Background

The CalAIM initiative focuses on transforming Medi-Cal to reduce health disparities, improve health outcomes, and enhance care delivery, particularly for the most vulnerable populations. Dual-eligible members, who qualify for both Medicare and Medi-Cal, often face complex healthcare needs and coordination challenges, which led to the creation of Dual Special Needs Plans (D-SNPs). These Medicare Advantage plans provide tailored care coordination and wrap-around services for this population. In alignment with CalAIM’s January 1, 2026, timeline, KHS will implement a D-SNP line of business to integrate care across both programs, requiring significant regulatory compliance, new internal infrastructure, and process development.

Timeline D-SNP Implementation



GRANTS AND STRATEGIC INITIATIVES 2023 – 2025

Community-Based Initiative: All 15 Community Based Organizations (CBO's) have initiated projects aligned with their scope of work. Three (3) of the 15 organizations have completed their projects. In quarter 4, KHS collaborated with Safe Haven and Premier Valley Medical Group to provide crucial support to the California City community. Safe Haven and Premier Valley Medical Group were both funded by the KHS 2023-2025 KHS Grants & Initiatives for food insecurity and a mobile unit through the CBO Initiative. Safe Haven hosts a food pantry event every Tuesday from 10AM – 2PM, offering free food to local residents in need. Premier Valley Medical Group was able to bring their mobile unit to the pantry, offering essential health screenings to individuals while they waited in line for the food pantry. Thank you to our grantees for making a difference.



Quality Grant: All 10 providers have initiated projects using the grant funding. In addition to Premier Valley Medical Group going above and beyond to serve the California City community members through their mobile unit, KHS would also like to highlight Polyclinic Medical Center, Inc. for the quality grant. Polyclinic received funding to expand their services into the weekend and to enhance their infrastructure. Through the quality grant, the clinic is open one Saturday each month to reach patients who otherwise might face barriers to accessing quality healthcare during the traditional workweek. Additionally, the clinic has been able to invest in better internet connectivity and improve on their digital communications, streamline their operational efficiencies, and support their goal of providing all patients with the highest level of service. The provider is meeting 12 of 19 Managed Care Accountability Sets (MCAS) Measures.

Recruitment and Retention (R&R) Grant: All contracts under this grant program have been fully executed. Below is a snapshot of the progress on the R&R Grant. Since the last CEO Report from October of 2024, the R&R grant has helped recruit an additional 5 providers, bringing the total to 21.

Recruitment and Retention (R&R)	Since Last CEO Report	As of 11/15/2024
Physicians Recruited under R&R	5	21
Physicians Retained under R&R	0	23
Transportation Services Rendered Kern Valley Healthcare District	308	2,046

Healthcare Workforce Initiative: All nine (9) organizations have successfully executed their contracts and initiated projects. KHS would like to highlight Cerro Coso Community College in Ridgecrest, the community college received funding from KHS to help implement an Associate Degree of Nursing and expansion of health career programs. This initiative will support our rural communities by providing educational access to areas that include Bishop, Mammoth, Ridgecrest, California City, Mojave, Boron, Tehachapi, and Lake Isabella. Students are working in the nursing lab, especially with the new hands-on SynDaver mannequin. This was purchased as equipment for the RN program and is also used in the prerequisite nursing and biology courses.



INCENTIVE PAYMENT PROGRAM FUNDING

Background

The CalAIM Incentive Payment Program (IPP) is intended to support the implementation and expansion of Enhanced Care Management (ECM) and Community Supports (CSS) by incentivizing managed care plans (MCPs) to invest in provider capacity and delivery system infrastructure; bridge current silos across physical and behavioral health care service delivery; reduce health disparities and promote health equity; achieve improvements in quality performance; and encourage take-up of Community Supports. IPP Program Year 1 and Year 2 have been successfully completed, Year 3 is currently active with estimated completion dates of March 2025. Once all three years have been completed, a final summary of IPP will be presented to the Board of Directors.

IPP Program Year 3 | January 1, 2024 – June 30, 2024

A total of nine (9) providers and CBOs were contracted in IPP PY3 funding for Enhanced Care Management and Community Support Services. All contracts have been fully executed and providers have started working on projects specific to their milestones and requesting reimbursement and three (3) of the nine (9) providers have successfully completed their milestones. Be Finally Free is one of the providers that have completed all milestones and KHS would like to highlight their program. Be Finally Free received IPP funding to expand on the Enhanced Care Management (ECM) program for the Justice-Involved population of focus for both adults transitioning out of incarceration and juveniles transitioning out of incarceration as well as the homeless population.

IPP Next Steps:

As programs are going live, milestones are being successfully completed, the grants team is preparing reimbursements and providing support with ongoing projects. The team is working closely with providers to help close out milestones as deadlines approach and provide extensions where needed.

STUDENT BEHAVIORAL HEALTH INCENTIVE PROGRAM (SBHIP)

Background

The State Budget for 2021 – 2022 included \$13.2 million over three years in incentive funding to build infrastructure, partnerships, and capacity for school behavioral health services in Kern County.

Status Update

Kern County Superintendent of Schools (KCSOS) is the fiduciary intermediary for fund distribution for the SBHIP initiative in Kern County. To date, Kern Health Systems (KHS) has been awarded \$9,991,993.26 under the SBHIP program, funds earned through school districts reaching established milestones of each targeted intervention. The four domains of focus-- substance use disorder, parenting and family services, behavioral health and wellness, and strengthening partnerships, aim to improve access and assistance at the school sites through a care delivery system to the students and their families. Data sharing agreements for the exchange of basic student/member information are in place between KHS and KCSOS, thus supporting the potential to create a county/district wide electronic records system. KHS, Blue Cross, and Kaiser have successfully executed a Memorandum of Understanding (MOU) as required under the SBHIP program and have submitted the MOU to DHCS for final approval anticipated by December 31, 2024.

All districts remain on target to meet their defined milestones and outcomes. KHS submitted the DHCS Bi-quarterly update report on each district's targeted interventions on June 30, 2024. The report was approved in September by DHCS and KHS was designated another 12.5% of allocated funding totaling \$1,372,966.63 for distribution to the school districts by KCSOS. A Targeted Interventions and Performance Outcome Measures status survey was filed by KCSOS to DHCS in November 2024. The final Project Outcomes Report is being finalized by KCSOS and will be submitted to DHCS before 12/31/2024 for final review and approval with distribution of the remaining funding allocations anticipated in April 2025.

Lost Hills School District is a participant in the second cohort of the Children and Youth Behavioral Health Initiative (CYBHI) for Mental Health reimbursements with additional funding through a CYBHI grant. Under CYBHI, the Medi-Cal delivery system and commercial health plans will be required to reimburse providers for a predefined set of medically necessary outpatient mental health and substance use disorder services provided to a student, 25 years of age or younger, at or near a school-site. The CYBHI Act requires that DHCS-funded grants achieve four core objectives- build partnerships, capacity, and infrastructure supporting ongoing school-linked behavioral health services for children and youth; expand access to licensed medical and behavioral health professionals, counselors, peer support specialists, community health workers, and behavioral health coaches serving children and youth; build a statewide, community-based organization provider network for behavioral health prevention and treatment services for children and youth; and enhance coordination and partnerships with respect to behavioral health prevention. and treatment services for children and youth via appropriate data sharing systems.

KHS DECMEBER 2024 ENROLLMENT:

Member Demographics

Member Age		Ethnicity		Language	
0-5	12%	Hispanic	64%	English	66%
18-Jun	30%	Causcasian	16%	Spanish	33%
19-44	35%	No Valid Data	11%	Other	1%
45-64	17%	African American	6%		
65+	6%	Asian Indian	1%		
		Filipino	1%		
		Other	1%		

Percentage Increase in Membership from previous month

Enrollment Type							
	FAMILY-ADULT	FAMILY-CHILD	FAMILY-OTHERS'	Seniors & Persons with Disabilities (SPDs)	Adult Expansion	Long Term Care	Total KHS Medi-Cal Managed Care Enrollment
2024-11	74,681	167,038	23,810	22,646	114,264	526	402,965
2024-12	74,626	167,320	23,913	22,587	115,219	533	404,198
% Change	-0.1%	0.2%	0.4%	-0.3%	0.8%	1.3%	0.3%

Enrollment Update: The Kern County Department of Human Services continues their “automated discontinuance process” for Medi-Cal Redeterminations when beneficiaries do not complete the Annual Eligibility Redetermination process.

COMMUNITY EVENTS

KHS will share sponsorship in the following events in December and January:

Organization Name	Event Name	Purpose	Donated Amount
Kern Partnership for Children and Families	Annual Holiday Cottage	Sponsorship will help fill Christmas wishes for 100 of Kern County's foster children.	\$10,000
Kern High School District	Del Oro FFA	Supports FFA youth department that prepares students to leadership, personal growth, career success through agricultural education.	\$1,100
Bakersfield City School District Education Foundation	Teddy Bear Picnic Holiday	All proceeds support the BCSD Ed Foundation for Teacher Grants & Camp Keep Camperships.	\$5,000
Arvin Union School District	Santa's Workshop	Santa's Workshop will be open to Arvin community members. This will help improve their social emotional wellbeing by providing a safe environment to express their creativity and engage with their family and friends through crafts.	\$1,000
KernTax	85th Annual Meeting	KernTax is a member-supported non-profit corporation, with the mission to bring about more accountable, effective, efficient, reliable government.	\$2,000
The Blessing Corner	Christmas for Seniors Food Bag Delivery	Sponsorship will support 100 food bags to be delivered to the homes of low-income seniors.	\$2,000
KC Hispanic Chamber of Commerce	Holiday Reception	A Holiday Reception which brings out members, businesses, and community together for warm camaraderie as well as to give back to the community during the holiday season.	\$1,000
Boys of Optimistic Manhood Inc.	Our Community, Your Voice	Engage and build with the Rosamond community, provide resources and information for single mom's and foster parents.	\$2,000
Building Healthy Communities	Public Charge Forum	Educate 60 community and health leaders on addressing immigration fears and challenges accessing health care coverage.	\$2,000
Kern Partnership for Children and Families	Annual Breakfast with Santa	Support Kern County foster children and caregivers who open their hearts and homes to the most vulnerable children and youth in our city. Families will enjoy a festive atmosphere that includes a visit and picture with Santa, a hearty breakfast, and an age-appropriate gift.	\$1,000
National Society of the Sons of the American Revolution	National Wreaths Across America Day	Sponsor a wreath in honor of our 22 KHS veterans to be placed on veterans' graves at Bakersfield National Cemetery in December.	\$375
Kern County Cancer Foundation	Pediatric Cancer Christmas Event	Each family will receive a warm meal, stockings, and the children will receive toys from Santa. This is a family friendly event with activities, a mobile petting zoo, and holiday food boxes to take home.	\$3,500

Organization Name	Event Name	Purpose	Donated Amount
Organization en California de Lideres Campesinas, Inc.	CampesinXmas	An annual community event hosted by Lideres Campesinas with the support of various local stakeholders, serve a warm meal, distribute toys to children, and connect agencies with farmworkers who live and work in isolation.	\$1,000
Probation Auxiliary County of Kern (P.A.C.K.)	35th Annual Fog Run 5K/10K	Event raises money to provide much needed services, clothing, and vocational training to at-risk youth in Kern County.	\$1,000
Richland School District	9th Annual Christmas Toy Drive	Purchase toys for 50 underserved children in the city of Shafter.	\$1,250
Delano Harvest Holiday Association	Delano Harvest Holiday event	Proceeds benefit a celebration for Delano families to gather under a safe environment to enjoy tiny tots shows, kiddie parade, a BBQ, youth scholarships, and much more.	\$1,000
Kern County Superintendent of Schools Educational Services Foundation	Leadership Through Influence	Facilitate a series of high-impact, informative, and competency-based learning conversations with an emphasis on professionalism, team building, business literacy, and leadership in Early Childhood Education.	\$1,000
Houchin Community Blood Bank	Annual Resolve to Get Fit and Save Lives Blood Drive	Partner with Houchin to encourage blood donations when collections are historically low after the Holiday Season. Aim to entice eligible donors to support local patients in need by resolving to give blood while also promoting healthy eating and exercising habits.	\$3,184
Kern Community Foundation	Blue Zones Project Bakersfield - Volunteer Big Kern	Individuals, businesses and organizations across Kern County come together and make a lasting impact through service. Volunteers can complete several projects for nonprofits throughout Kern County in a single day, which will represent hundreds of hours of volunteer time.	\$2,500
Kern Coalition Against Human Trafficking	Eyes Wide Shut	An educational Human Trafficking Symposium is set to be a transformative experience, bringing together communities, schools, first responders, and influencers from Kern County for a day of education and enlightenment.	\$2,500
SCLC of Kern County & Martin Luther King Jr. Committee	Annual Community Awards Breakfast Celebration	Promote spiritual principles within local communities, eradicate environmental classicism whenever it exists, educate youth and adults in areas of personal responsibility, leadership, potential, and community service. Ensure economic justice and civil rights in diversity within all municipalities who serve the needs of at-risk families.	\$2,500
Kern Economic Development Corporation	Chairwoman's Dinner	KEDC's mission is to cultivate and promote Kern County's boundless opportunities for business, job creation, and to implement innovative strategies for the region's emerging and established industry clusters.	\$5,000

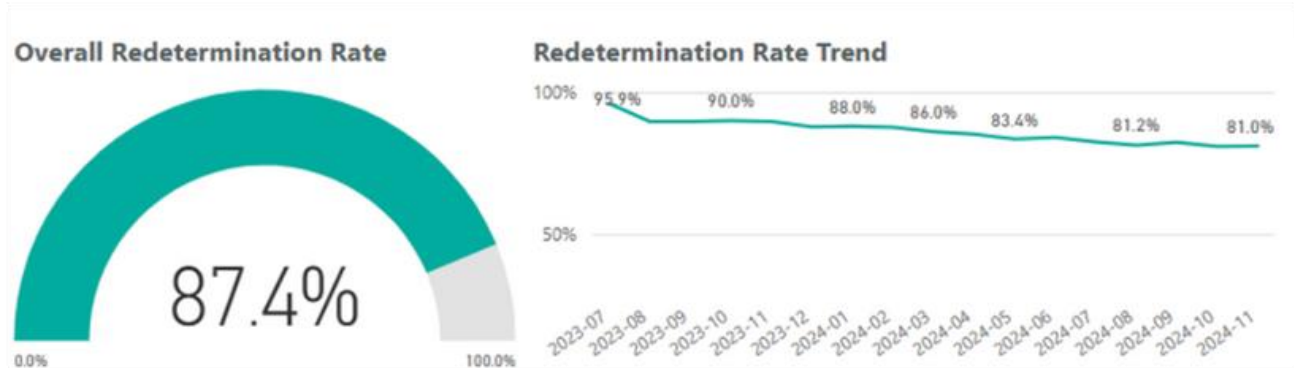
KHS will share sponsorship in the following events in December and January:

Organization Name	Event Name	Location	Date	Time
Clinica Sierra Vista	World AIDS Day	2120 L. St. Bakersfield, CA. 93301	12/02/24	8:00am-12:00pm
CAPK Home Visiting Program	Dr. Seuss Whoville Socialization	4032 Jewett Ave. Bakersfield, CA 93301	12/03/24	10:00am-11:30am
Kern River Valley Family Resource Center	Winter Wonderland Festival	3240 Erskine Creek Rd. Lake Isabella, CA 93240	12/06/24	6:00pm - 8:00pm
Kern Family Health Care	Winter Wellness Wonderland	2900 Buck Owens Blvd. Bakersfield, CA 93308	12/07/24	4:00pm - 8:00pm
Delano Elementary School District	Winter Wonderland	710 Quincy St. Delano, CA 93215	12/12/24	4:00pm-6:00pm
New Life Church	Toy Giveaway and Resource Fair	4313 Shepard St. Bakersfield, CA 93313	12/14/24	8:00am-11:00am
Flood Ministries	Winter Wonderland Resource Fair	1830 Truxtun Ave. Ste 210 Bakersfield, CA 93301	12/14/24	9:00am - 1:00pm
Sierra Shared Spaces	New to Town	6405 Lake Isabella Blvd, Lake Isabella, CA 93240	12/14/24	12:00pm- 3:00pm
First Presbyterian Church	Food Pantry	1705 17th St. Bakersfield, CA 93301	12/19/24	7:30am - 9:30am
Safe Haven Kids League	Annual Food and Toy Giveaway - Central Park - Strata Center	10350 Heather Ave. California City, CA 93505	12/21/24	1:00pm-5:00pm
Division of Adult Parole	Division of Adult Parole Operations Resource-Health Fair	3201 F. St. Bakersfield, CA 93301	01/08/25	10:00am-12:00pm
Kern County Cancer Foundation	6th Annual Free Cervical Cancer Screening Event - Mercado Latino	2105 Edison Hwy. Bakersfield, CA 93305	01/25/24	10:00am-1:00pm
Sierra Sands Unified School District	Parent Learning Series	1325 N. Norma St. Ridgecrest, CA 93555	01/23/25	4:00pm-7:00pm

Medi-Cal Renewal Updates

KHS continues direct outreach activities to members who must complete the Medi-Cal renewal process or those in a hold status who have 90 days (from disenrollment date) to complete their renewal to be retroactively enrolled to their disenrollment date. Member communications include text messages, mail, robocalls, phone calls, and the KFHC Member Portal. KHS also continues working with providers, local Medi-Cal enrollment entities, and community-based organizations to support the correct completion of renewal applications.

Below are Medi-Cal Redetermination Trending Rates.



Employee Video Newsletter

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

[KHS December Newsletter on Vimeo](#)

KHS Media Clips

We compiled local media coverage that KHS received in October 2024 – November 2024. Please see

[Attachment B: Public Relations/Publicity Media Clips.](#)

KHS ORGANIZATIONAL HIGHLIGHTS

KHS World Diabetes Day

Our staff had a great time learning tips about healthy lifestyle choices from different educational booths, as well as sampling some healthy meal bites from Mango Haus, a Blue Zones approved restaurant. Our staff were also treated to delicious acai bowls, courtesy of Healthful Harvest. Thank you to our Wellness Program for organizing this amazing event for our employees!



KHS MEMBER ENGAGEMENT | COMMUNITY HIGHLIGHTS

KHS Health Equity and Quality Awards

On October 17th, Kern Health Systems proudly recognized the recipients of the KHS Health Equity and Quality Awards, celebrating their exceptional contributions to improving health care access and outcomes across Kern County.

These outstanding organizations and individuals embody the spirit of innovation and compassion, tackling critical challenges in our community and creating lasting change. From pioneering mobile health solutions that bring care to underserved areas, to providing vital housing support and developing wellness programs in our schools, these awardees are breaking barriers and bridging gaps in health equity.

Their efforts not only transform lives but also strengthen the foundation of health and well-being for all residents of Kern County. Each recipient exemplifies dedication to improving health care access, fostering collaboration, and addressing the unique needs of our diverse community.

Kern Health Systems is honored to celebrate and support these changemakers, whose work aligns with our mission of ensuring that all residents, regardless of circumstance, have access to high-quality care. Congratulations to this year's KHS Health Equity and Quality Award recipients, and thank you for your continued commitment to making a difference!



Winter Wellness Wonderland

This holiday season, Kern Health Systems made a significant impact on our community, bringing joy and care to over 4,000 Kern County residents through our Winter Wellness Wonderland event. Held on Saturday, December 7th, this festive celebration embodied the holiday spirit while reflecting our commitment to serving the health and wellness needs of our community. The event offered a magical evening for families, filled with holiday delights such as photos with Santa, music, train rides, and hot cocoa. Around every corner, there was something to spark joy and create lasting memories for attendees.

In alignment with our mission, we also ensured that Winter Wellness Wonderland went beyond celebration, offering essential resources to support the health and well-being of our community. Child wellness information and immunizations were available on-site, helping families stay healthy during this special time of year. Additionally, the generosity of our KHS team and Community Partners made our coat drive a tremendous success. Together, we provided warm jackets to families in need, offering not just physical warmth but also the reassurance of comfort and care during the chilly winter season. This event was a shining example of how KHS connects with the community we serve, blending celebration with impactful outreach.



CAHP Annual Conference

On October 23, Kern Health Systems CEO Emily Duran served as a breakout session speaker at the CAHP Annual Conference. Emily shared her insights on Embracing Progress in Medi-Cal alongside two other top executives from Managed Care Plans. The session highlighted success stories, challenges, and strategies for driving their organizations toward a brighter future.



First 5 Kern - Car Seat Safety Certification

Kern Family Health Care is thrilled to have partnered with First 5 Kern to support the certification of a dozen new car seat safety technicians last week! After four days of intensive training and education on car seat installation and child passenger safety, the team joined the Greenfield Family Resource Center on Saturday for a free car seat check event. Our newly certified technicians worked hands-on with parents to ensure their children's car seats were properly secured and provided brand-new replacements for seats that were old, damaged, or no longer met safety standards. It was rewarding to see families leave with the confidence that their little ones were safe and secure. This collaboration helps expand access to safety technicians across Kern County, reinforcing our shared commitment to the well-being of our community. We are grateful to Car Seat Concierge for providing this impactful training and proud to help make a difference for local families!



KHS Leaders Making an Impact in our Community

Kern Health Systems proudly recognizes the incredible leadership and community engagement of several of our team members these past months. CEO Emily Duran shared valuable insights as a panelist at the Chancellor's Hispanic Heritage Month Luncheon hosted by Kern Community College District. At the RISE Conference in Las Vegas, Kailey Collier, Director of Quality Performance, and Tina Dueringer, Director of Case Management, presented on the fundamentals of HEDIS and Quality Improvement, emphasizing the importance of strong foundations in delivering quality care. Devin Brown, Chief Legal and Human Resources Officer, and Traco Matthews, Chief Health Equity Officer, shared their expertise at the Kern County SHRM Symposium, reflecting the innovative leadership driving our organization. Special recognition goes to Elizabeth Maldonado., HR Program Manager, for her exceptional role as the 2024 Symposium Chair. We are honored to see our leaders making a lasting impact, both within our organization and throughout the community.



CSUB Women in Service and Enterprise

Kern Health Systems is proud to celebrate the achievements of two outstanding leaders who are making a significant impact in their fields. Hernan Hernandez, our Deputy Director of Government Relations and Strategic Development, has been appointed by Governor Gavin Newsom to the State Board of Food and Agriculture. Rooted in his upbringing as the child of immigrant farmworkers, Hernan is committed to promoting food security, health equity, and sustainable agriculture. In his new role, he aims to integrate agriculture with public health, amplify the voices of agricultural workers, and advocate for policies that support both the workforce and the industry.

Meanwhile, Amisha Pannu, our Senior Director of Provider Management, recently served as a panelist at CSUB's Women in Service and Enterprise (WISE) event. She shared her experiences overcoming gender bias in management and offered valuable advice to aspiring leaders, including building strong mentor networks, embracing continuous learning, and setting clear career goals. Amisha emphasized her greatest success as fostering collaboration, trust, and growth within her team, inspiring others to achieve their potential. Both Hernan and Amisha exemplify the dedication and leadership that drive positive change in our community and beyond.





Strategic Plan 2025 Key Activities

Goal 1	
Goal Name Description	<u>Quality and Equity</u> Deliver exceptional quality outcomes and health equity for KHS members
Strategy 1	Increase overall quality with a drive toward achieving Managed Care Accountability Set (MCAS) Minimum Performance Levels (MPL) and closing disparity gaps.
2025 Key Activities	<ul style="list-style-type: none"> • Develop and implement at least 2 initiatives for the Children's Domain of Care. • Collaborate with Grants and PNM teams to ensure mobile units are operational and achieving routine cadence of events. • Conduct at least 2 initiatives in support of DHCS required Performance Improvement Projects (PIPS) aimed at improving MCAS performance.
Strategy 2	Meet National Committee for Quality Assurance (NCQA) standards and work toward accreditation.
2025 Key Activities	<ul style="list-style-type: none"> • Conduct final readiness activities including a Mock Audit and any remediation. • Submission of survey for Health Plan accreditation and Health Equity accreditation. • Execute communication and marketing plan in preparation for final readiness • Develop internal oversight and monitoring process post-accreditation.
Strategy 3	Further maturity of the organization's Health Equity programs under the direction of the Chief Health Equity Officer.
2025 Key Activities	<ul style="list-style-type: none"> • Develop and implement action plans (interventions) for KHS to address barriers to health equity for members, per the EQIHEC approved workplan. • Administer the Equity and Practice Transformation (EPT) Grants Program, ACAP Health Equity Collaborative and Co-administer IHI/DHCS HE Collaborative with Quality Performance. • Continuous improvement in collecting and leveraging data to improve outcomes across domains (members, providers, communities, employees). • Formalize embedding Health Equity Office integration into cross departmental health equity related interventions.



Strategic Plan 2025 Key Activities

Goal 2	
Goal Name Description	Workforce Develop initiatives for the recruitment and retention of both internal and external workforce needed to fulfill KHS' mission
Strategy 1	Identify Provider Network needs and gaps to inform target areas and approaches.
2025 Key Activities	<ul style="list-style-type: none"> Continually assess regulatory network capacity and accessibility requirements for goal setting. Incorporate findings into Provider Network Management workplan including network expansion activities.
Strategy 2	Strengthen and expand the KHS provider network through innovative and effective recruitment and retention programs.
2025 Key Activities	<ul style="list-style-type: none"> Continue on-going recruitment efforts based off identified needs assessment. Utilizing provider gap assessment, strategically develop recruitment strategy. Collaborate internally to develop and implement programs designed to address identified gaps. Continued administration of the Recruitment and Retention Grant Program. Continued administration of the Healthcare Workforce Expansion Grant Program.
Strategy 3	Identify business needs and gaps in current workforce to inform target areas and approaches.
2025 Key Activities	<ul style="list-style-type: none"> Collaborate with other Local Plan HR Leaders to share our growth strategies and compare organizational structures to identify any gaps. Conduct Leader & Manager Development by defining leadership expectations and assessing leadership development needs. Identify critical capabilities to develop in future leaders in support of succession planning.
Strategy 4	Meet the growing operational demands of the organization by creating recruitment and retention programs for internal staffing/leadership needs.
2025 Key Activities	<ul style="list-style-type: none"> Define a leadership development strategy and design learning experiences. Create strategy-aligned criteria to identify future leaders and provide future leaders with targeted development. Provide career pathing resources for employees and equip managers for career conversations. Define core Employee Value Proposition showing unique value gained from KHS employment.



Strategic Plan 2025 Key Activities

Goal 3	
Goal Name Description	<u>CalAIM</u> Continue to develop, implement, and grow the programs and policies included under DHCS' CalAIM initiative
Strategy 1	Continued growth and maturity of existing CalAIM programs – Population Health Management, Enhanced Care Management, Community Supports, and Long-Term Care.
2025 Key Activities	<ul style="list-style-type: none"> • Implement evidence-based disease management programs tailored to the specific needs of high-risk members in line with NCQA, D-SNP and DHCS requirements. • Expansion of Enhanced Care Management to new provider sites. • Expansion of Community Support Services to new providers and development of network oversight and training program.
Strategy 2	Strengthen Existing and Establish New Community Partnerships to Support CalAIM.
2025 Key Activities	<ul style="list-style-type: none"> • Continued fostering of strategic partnerships in the community to promote, enhance, and expand the Enhanced Care Management and Community Supports programs. • Continued administration of the Community Based Initiative. • Enhance strategic partner relationships via MOU agreements with key agencies to improve coordination.
Strategy 3	Ongoing collaboration between KHS staff and the Department of Health Care Services (DHCS) on the development and implementation of future CalAIM initiatives.
2025 Key Activities	<ul style="list-style-type: none"> • Continue ECM Justice-Involved Initiative Implementation. • Implementation of New Community Supports Benefit(s) – Transitional Rent and potentially Tattoo Removal. • Work with the State (DHCS) to integrate with the State's Population Health Management Service (Medi-Cal Connect). • Implement Closed-Loop referrals per DHCS requirements.



Strategic Plan 2025 Key Activities

Goal 4	
Goal Name Description	<u>Medicare Duals Special Needs Plan (D-SNP)</u> Develop and implement a competitive Medicare Duals Special Needs Plan (D-SNP) product in alignment with State and Federal requirements
Strategy 1	Development of the long-term D-SNP strategy and implementation roadmap.
2025 Key Activities	<ul style="list-style-type: none"> D-SNP strategy and roadmap Key Activities completed in 2024.
Strategy 2	Analysis of the appropriate market factors to maximize the competitiveness of the product.
2025 Key Activities	<ul style="list-style-type: none"> Market, product, and competitor analysis will be updated in October 2025.
Strategy 3	Design and implementation of an efficient Medicare D-SNP offering with competitive advantages, leveraging KHS innovation and new business/new product development capabilities.
2025 Key Activities	<ul style="list-style-type: none"> Continued regulatory filings and licensure preparations with DMHC, CMS, DHCS. Finalize D-SNP Model of Care, implementation of processes to enhance healthcare delivery for D-SNP members. Operational readiness for D-SNP launch including internal workflows, processes, and policies. D-SNP systems implementations including working with vendors/products, development, testing, integration, and any delegation oversight.



Strategic Plan 2025 Key Activities

Goal 5	
Goal Name Description	<u>Behavioral Health</u> Improve the integration, coordination and outcomes for members experiencing behavioral and mental health conditions
Strategy 1	Development and maturity of an internal Behavioral Health Department.
2025 Key Activities	<ul style="list-style-type: none"> • Implementation of Behavioral Health Quality Improvement framework to establish monitoring structure. • Continued expansion of Behavioral Health Treatment Program.
Strategy 2	Evaluate and ensure the mental health provider network is adequate to provide all outlined non specialty mental health services (NSMHS).
2025 Key Activities	<ul style="list-style-type: none"> • Define and develop modules in the provider learning module system for the Behavioral Health network.
Strategy 3	Communication and coordination with County Behavioral Health regarding DHCS requirements.
2025 Key Activities	<ul style="list-style-type: none"> • Finalize implementation and operationalization of processes defined in the MOU with County Behavioral Health.
Strategy 4	Further evaluate and develop the implementation of Primary Care Provider Roles with Substance Use Disorder services / Medication Assisted Treatment (MAT) services.
2025 Key Activities	<ul style="list-style-type: none"> • Ongoing efforts in BH Project to develop and implement MAT workflow.



Strategic Plan 2025 Key Activities

Goal 6	
Goal Name Description	<u>Member Engagement</u> Increase member engagement in their health care
Strategy 1	Identify and implement innovative and effective offerings designed to engage members more in their health care.
2025 Key Activities	<ul style="list-style-type: none"> Continue to conduct outreach and enrollment activities, attend community partner meetings, and conduct KFHC benefit presentations allowing KHS to connect with its members and the community.
Strategy 2:	Work with internal staff and external partners to develop strategies that ensure continuity of coverage for our members.
2025 Key Activities	<ul style="list-style-type: none"> Continue post-COVID Unwinding Medi-Cal renewal process to continue collaboration with KCDHS, providers, and community partners to ensure continuity of coverage for eligible members.
Strategy 3:	Leverage convenient technology to enhance the effectiveness of engagement and suit members' needs.
2025 Key Activities	<ul style="list-style-type: none"> Finalize implementation of new Member Rewards partner and accompanying processes. Development and release of priority use-cases to improve member engagement through CRM platform. Implementation of updated Member and Provider Portals. Evaluation and improvement of member transportation benefit and associated processes. Automation of member outreach campaign processes.



Strategic Plan 2025 Key Activities

Goal 7	
Goal Name Description	<u>KHS Foundation</u> Explore the opportunity for KHS to create a non-profit foundation to further its mission in the community
Strategy 3	Finalize Operational Activities, complete filing of 501(c)(3), and create funding source plan
2025 Key Activities	<ul style="list-style-type: none">• Appointment of initial Foundation Board of Directors, per the approved Bylaws.• Selection of a Certified Public Accountant (CPA) for foundation funding plan and monitoring.• Development of a funding strategy.• Finalize and submit the filing for 501(c)(3) tax-exempt status.

Public Relations & Publicity

Media Clips

October 2024-November 2024

Mentions

BC Hosts Unique Event to Highlight the Importance of Student Health

By: Bakersfield College | October 22, 2024

“The Bakersfield College Student Health and Wellness Center is hosting a healthcare discussion with **Kern Family Health Care** for BC students on October 24th, from 10:00AM to 12:00PM in Room 231 of the Campus Center Building. This unique event allows students to interact with Kern Family Health representatives and ask questions about medical and mental health. All BC students are welcome to attend, and the event is free of charge.” [Click here to read more.](#)

Clinicians Selected for California Health Care Leadership Program

By: California Health Care Foundation | October 30, 2024

“Thirty-two fellows have been selected for the next cohort of the CHCF Health Care Leadership Program, which helps clinicians improve the operations of safety-net institutions and the overall health care system in California...Michelle Curioso, BSN, MPA, Director of Population Health Management, **Kern Health Systems**.” [Click here to read more.](#)

Local officials give warm welcome to mobile clinic offering mental health services

By: The Bakersfield Californian | November 7, 2024

“Emily Duran, CEO at local Medi-Cal administrator **Kern Health Systems**, added her appreciation for the mobile clinic's ability to bridge a gap to outlying areas that she said often struggle just getting to medical appointments.” [Click here to read more.](#)

Mentions

Newsom appoints Bakersfield resident to state food, ag board

By: The Bakersfield Californian | November 15, 2024

“A Bakersfield man who formerly served as director of the California Farmworker Foundation has been appointed to the 15-member State Board of Food and Agriculture advising senior officials in Sacramento on farming and ranching policy. Hernan Hernandez, a Democrat, has worked as deputy director of government relations and strategic development at local Medi-Cal administrator **Kern Health Systems**.”

[Click here to read more.](#)



COMMITTEE: **PHYSICIAN ADVISORY COMMITTEE**
DATE OF MEETING: **OCTOBER 2, 2024**
CALL TO ORDER: **7:02AM BY JOHN MILLER, MD – KHS MEDICAL DIRECTOR**

Members Present On-Site:	John Miller MD, Quality Improvement Medical Director Atul Aggarwal, MD – Network Provider, Cardiology Hasmukh Amin, MD – Network Provider, Pediatrics	Gohar Gevorgyan, MD – Network Provider, FP Miguel Lascano – Network Provider, OB/GYN Ashok Parmar, MD– Network Provider, Pain Medicine	Raju Patel, MD - Network Provider, Internal Medicine
Members Virtual Remote:			
Members Excused=E Absent=A	Martha Tasinga, MD – KHS Chief Medical Officer (E) David Hair, MD – Network Provider, Ophthalmology (E)		
Staff Present:	Alan Avery, Chief Operating Office (REMOTE) Michelle Curioso, Director of PHM Amy Daniel, Executive Health Services Coordinator Jake Hall, Deputy Director of Contracting	Yolanda Herrera, Credentialing Manager Magdee Hugais, Director of Quality Improvement Abdolreza Saadabadi MD, BH Medical Dir. (REMOTE)	Yesenia Sanchez, Credentialing Coordinator Sukhpreet Sidhu MD, PHM Medical Director

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
Quorum	Attendance / Roll Call	Committee quorum requirements met.	N/A
Call to Order	Dr. John Miller MD, KHS Chief Medical Officer, called the meeting to order at 7:02 am.		N/A
Committee Minutes	<u>Approval of Minutes</u> The Committee's Chairperson, Dr. Miller presented the meeting minutes for approval.	<input checked="" type="checkbox"/> ACTION: Dr. Amin moved to approve minutes of September 4, 2024, seconded by Dr. Lascano. Motion carried.	10/2/24

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p>listed providers below for review of additional adverse information and/or information related to malpractice case(s) that resulted in settlement or judgment made on behalf of the practitioner within the [REDACTED]</p> <ul style="list-style-type: none"> ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] <p>NEW VENDOR CONTRACTS New Vendor Contracts List Dated October 2, 2024, were accepted as presented with no additional questions or comments by the committee members.</p>		

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	MONTHLY MONITORING – DISCIPLINARY ACTIONS OR ADVERSE EVENTS: There were no additional adverse events or disciplinary monitoring reported for September 2024 other than what was reported in the recredentialing report. [REDACTED] [REDACTED] [REDACTED]	<input checked="" type="checkbox"/> ACTION: Monthly Monitoring for September 2024 accepted as presented. Providers will continue to be monitored monthly with any additional reporting to the committee as it is received.	10/2/24
	<u>DELEGATED CREDENTIALING:</u> <u>VSP Annual Oversight Summary</u> Audit Results for Vision Services Plan (VSP) was presented to the committee for review and approval. KHS Credentialing conducted a desk top audit for VSP on 8/16/24. <ul style="list-style-type: none"> • Results: VSP scored 100% utilizing the HICE Accredited-Certified Audit Tool. VSP is CR Accredited with NCQA and expires 4/21/2026. • Opportunity for Improvement: There were no opportunities for improvement only an observation regarding Practitioner Rights outlined in VSP 2000 Credentialing P&P reference a URL to the Provider Manual which could not be accessed easily. 	<input checked="" type="checkbox"/> ACTION: Dr. Amin moved to approve the VSP Annual Oversight Summary as presented. Seconded by Dr. Patel. Motion carried.	10/2/24
OLD BUSINESS	<u>Bariatric Surgery Quality of Care Issues</u>	<input type="checkbox"/> PENDING: Dr. Miller conduct random 10-case review in 6-months as follow-up on this issue.	10/2/24
NEW BUSINESS	<u>REVISED QP-Credentialing Policy and Procedures:</u> <u>23.10-P Delegated Credentialing & Agreement</u> Yolanda Herrera, KHS Credentialing Manager, presented the revision to QP Delegated Credentialing and Agreement Policy 23.10-P for review. The policy revisions were extensive to bring the process in line with current requirements, NCQA Standards after review with	<input checked="" type="checkbox"/> ACTION: Dr. Amin moved to approve the revised Policy & Procedures 23.10-P Delegated Credentialing and 23.06-P Non-Physician Medical Practitioners as presented. Dr. Patel seconded. Motion carried.	10/2/24

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p>NCQA Consultants; The Mahalik Group, and outside legal counsel DSR. Additionally, the Delegation Agreement Template was also revised under advisement with KHS Compliance in an effort to streamline and outlines delegation activities using the same template for all departments who delegate various health plan activities.</p> <p><u>23.06-P Non-Physician Medical Practitioners & Supervising Agreement Form</u></p> <p>Yolanda Herrera, KHS Credentialing Manager, presented the revision to QP Non-Physicians Medical Practitioners & Supervising Agreement form Policy 23.06-P for review. The policy revisions were extensive to bring the process in line with current state requirements related to new regulations for nurse practitioners and physician assistants.</p>		
OPEN FORUM	<p><u>Pediatric Age Limits</u></p> <p>Yolanda Herrera, KHS Credentialing Manager, informed the members that there was a request from a pediatrician to raise the pediatric age limits to 25 years old. The current pediatric age limits are 0-18 or 0-21. After discussion and input from the members, it was the consensus of the members to leave the pediatric age limits at 0-18 and 0-21.</p>	<input checked="" type="checkbox"/> CLOSED – Informational Only	N/A
NEXT MEETING	Next meeting will be held Wednesday, November 6, 2024	Informational only.	N/A
ADJOURNMENT	<p>The Committee adjourned at 7:24 am</p> <p>Respectfully submitted: Amy Daniel, KHS Executive Health Services Coordinator.</p>	N/A	N/A

For Signature Only – Physician Advisory Committee Minutes 10/02/2024

The foregoing minutes were APPROVED AS PRESENTED on: _____
Date Name

The foregoing minutes were APPROVED WITH MODIFICATION on: _____
Date Name

SUMMARY

33 B

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Friday, October 4, 2024

8:30 A.M.

COMMITTEE RECONVENED

Members: Elliott, Bowers, McGlew, Turnipseed, Watson
ROLL CALL: 3 Present; 2 Absent – Bowers, McGlew

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

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))
NO ONE HEARD

FINANCIAL MATTERS

- CA-3) Minutes for Kern Health Systems Finance Committee meeting on August 9, 2024 - Correct changes to summary minutes; Director Ross was present, Director Watson absent - APPROVED
Turnipseed-Watson: 3 Ayes; 2 Absent – Bowers, McGlew
- 4) Proposed Increase in the Not-to-Exceed amount with Dell by \$1,358,341 from \$2,344,713 to \$3,703,654, for the Retroactive Approval of Payments and Projection of Additional Expenses to the Microsoft Enterprise Agreement from January 1, 2022 through December 31, 2024 (Fiscal Impact: \$1,358,341; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Turnipseed-Watson: 3 Ayes; 2 Absent – Bowers, McGlew
- 5) Proposed Contract Renewal with Dell for the Microsoft Enterprise Agreement from January 1, 2025 through December 31, 2027 (Fiscal Impact: \$7,321,888 over the term of the contract; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Turnipseed-Watson: 3 Ayes; 2 Absent – Bowers, McGlew
- 6) Proposed increase in the Not-to-Exceed amount with Cognizant by \$555,940 from \$5,889,582 to \$6,445,522 for the HPA Robot services from September 11, 2024 through September 10, 2025 (Fiscal Impact: \$555,940; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Turnipseed-Watson: 3 Ayes; 2 Absent – Bowers, McGlew
- 7) Proposed increase in the Not-to-Exceed amount with Zipari by \$722,838 from \$1,986,734 to \$2,709,572 for the Member and Provider Portal, from June 1, 2024 through December 31, 2025, which includes a contract extension for seven (7) months. (Fiscal Impact: \$722,838; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Watson-Turnipseed: 3 Ayes; 2 Absent – Bowers, McGlew
- 8) Proposed Increase in the Not-to-Exceed amount with MCG Health by \$1,249,525 from \$4,442,712 to \$5,692,237 for the Evidence Based Clinical Guidelines, from May 31, 2024 through August 4, 2025 (Fiscal Impact: \$1,249,525 over the term of the contract; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Watson-Turnipseed: 3 Ayes; 2 Absent – Bowers, McGlew
- 9) Proposed Contract Extension with The Periscope Group, for the In-Home Medical Assessments, from September 5, 2024 through September 4, 2025. Increasing the Not-to-Exceed amount by \$162,000 from \$142,025 to \$304,025 over the term of the contract. (Fiscal Impact: \$162,000; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Watson-Turnipseed: 3 Ayes; 2 Absent – Bowers, McGlew

AgendaFinance Committee Meeting
Kern Health SystemsPage 3
10/4/2024

- 10) Proposed New Contract with BG Healthcare Consulting, for the Clinical Consulting Services, from January 1, 2025 through December 31, 2027 (Fiscal Impact: \$1,500,000 over the term of the contract; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Turnipseed-Watson: 3 Ayes; 2 Absent – Bowers, McGlew
- 11) Proposed Contract Extension with Reliable Janitorial Services, for the Janitorial Services, from November 1, 2024 through October 31, 2026. Increasing the Not-to-Exceed amount by \$660,968 from \$250,000 to \$910,968 over the term of the contract. (Fiscal Impact: \$660,968; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Watson-Turnipseed: 3 Ayes; 2 Absent – Bowers, McGlew
- 12) Proposed Contract Extension with Harte Hanks Response Management, for the New Member Welcome Call Center, from January 1, 2025 through December 31, 2027. Increasing the Not-to-Exceed amount by \$750,000 from \$198,060 to \$948,060 over the term of the contract. (Fiscal Impact: \$750,000; Budgeted) - APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Watson-Turnipseed: 3 Ayes; 2 Absent – Bowers, McGlew
- 13) Report on Kern Health Systems financial statements for July 2024 and August 2024 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Turnipseed-Watson: 3 Ayes; 2 Absent – Bowers, McGlew
- 14) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for July 2024 and August 2024 and IT Technology Consulting Resources for the period ended July 31, 2024 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
Watson-Turnipseed: 3 Ayes; 2 Absent – Bowers, McGlew

ADJOURN TO FRIDAY, DECEMBER 13, 2024 AT 8:30 A.M.



COMMITTEE: **BEHAVIORAL HEALTH ADVISORY COMMITTEE**
 DATE OF MEETING: **OCTOBER 16, 2024**
 CALL TO ORDER: **12:04 PM BY MELINDA SANTIAGO, DIRECTOR OF BEHAVIORAL HEALTH - CHAIR**

Members Present On-Site:	Marisa Garcia-Trebizo, LMFT - Director at CSV Heather Hornibrook, LMFT – Deputy Dir. KBHS	Mesha Muwanga, LMFT – Rhema Therapy Inc. Melinda Santiago, KHS Director of Behavioral Health	Martha Tasinga MD, KHS Chief Medical Officer
Members Virtual Remote:	Matthew Beare, MD – Clinica Sierra Vista Anuradha Rao, MD - Omni	Franco Song, MD – Psychiatric Wellness Center	
Members Excused=E Absent=A	Cherilyn Haworth, CSUB (A)		
Staff Present:	Amy Daniel, KHS Executive Health Services Coordinator Vanessa Hernandez, KHS Senior Support Clerk Yolanda Herrera, KHS Credentialing Manager	John Miller, MD - KHS QI Medical Director Courtney Morris, KHS Behavioral Health Supervisor Steve Pocasangre, KHS NCQA Accreditation Specialist	Abdolreza Saadabadi, MD PhD Pam Thomsen, KHS NCQA Program Manager Julie Ybarra, KHS Supervisor BH

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
Quorum	Attendance / Roll Call	Committee quorum requirements met.	N/A
Call to Order	Dr. Martha Tasinga, CMO and Melinda Santiago, KHS Director of Behavioral Health called the meeting to order at 12:04 PM.		N/A
Committee Minutes	<u>Approval of Minutes</u> Approval of Minutes from July 10, 2024 meeting.	<input checked="" type="checkbox"/> APPROVED: A motion was made by M. Muwanga, LMFT and seconded by Dr. A. Rao, to approve the minutes of July 10, 2024. Motion carried.	10/16/24
OLD BUSINESS	<u>Grievance Process</u> NCQA ME 7E (BH) Grievance and Appeal – Review qualitative and quantitative analysis	<input checked="" type="checkbox"/> PENDING: Held until next meeting. <input checked="" type="checkbox"/> PENDING: Held until next meeting.	Pending

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p><u>Eating Disorders Follow-up</u> Follow-up meeting with Dr. Sidhu, Dr. Tasinga and Dr. Rao to work on this suggested algorithm. Dr. Rao suggested including Marlana Tanner, RD in this meeting as she has guidelines for eating disorders.</p>		
NEW BUSINESS	<p><u>NCQA Standards QI 4.A-B</u> Melinda Santiago, Director of Behavioral Health presented qualitative and quantitative analysis report. Reviewed the targeted measures and methodology for data collection on the continuity of care coordination between medical care and behavioral health outcomes. Reviewed all six factors with activities listed that included exchange of information, Appropriate Diagnosis, Treatment, and Referral of Behavioral Health Disorders Commonly Seen in Primary Care, Appropriate Use of Psychotropic Medications, Management of Treatment Access and Follow-Up for Members with Co-Existing Medical and Behavioral Health Disorders, Primary or Secondary Preventive Behavioral Healthcare Program Implementation, and Special Needs of Members with Serious Mental Illness (SMI) or Serious Emotional Disturbance (SED). Reviewed the results qualitative analysis, quantitative analysis, reviewed barriers and opportunities, and planned interventions.</p> <p>KHS collaborates with the health plans core system of care with equitable and high-quality integrated care by collecting and analyzing the data to improve those opportunities that found between medical care and behavioral health care.</p> <p>Melinda reviewed with the members that data currently being collected through various targeted measures with data collection through MCAS, HEDIS, Survey results and claims data.</p> <p>Additional barriers identified contributing to low rates or failure to meet goals included lack of coordination between PCPs and Behavioral Health Specialist, especially due to PCPs not aware of the BH Referrals and the BH Providers don't have access to the provider platform to share information with the PCPs.</p>	<p>☑ ACTION: Collectively committee agreed with recommendation. Marisa Garcia Trebizo-CSV motioned to approve these targeted areas of focus: AMM, ADD and SSD. Mesha Muwanga seconded, and motion carried.</p>	10/16/24

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p>Dr. Saadabadi suggested recommendation of the factors.</p> <p>BH Director selected opportunities where improvements could be made, were thoroughly discussed amongst the members with the following recommendation to target these areas of focus:</p> <ol style="list-style-type: none"> 1. AMM 2. ADD 3. SSD <p><u>NCQA Standards ME 7E1 & 7E2</u></p> <p>Melinda presented the Behavioral Health Complaints and Appeals for Year 2023 per 1,000 Members.</p> <p>KHS has an overall behavioral health grievance goal of 10 per 1000 members per year and 2 -per members per year for each grievance category.</p> <p>The following highlights were noted:</p> <ul style="list-style-type: none"> • 131 BH Complaints were filed – resulting in 0.04 complaints per 1000 members – KHS met our goal of <10 grievances per 1000 • 4 BH Appeals were filed – resulting in less than .01 appeals per 1000 members – KHS met our goal of <1 grievance per 1000 members. 	<p><input checked="" type="checkbox"/> Action – Follow-up Agenda Item</p> <ol style="list-style-type: none"> 1. BH Director will present the NCQA Standards ME 7E1 Grievance and Appeal – Review qualitative and quantitative analysis <ul style="list-style-type: none"> • Discussion on selected opportunities 2. ME 7E – Annual Assessment of Behavioral Healthcare and Services – Review (BH) Member Experience Surveys <ul style="list-style-type: none"> • Discussion on selected opportunities 	
OPEN FORUM	<p><u>Open Forum</u></p> <p>APL 24-012 (SB1019)</p>	<input checked="" type="checkbox"/> CLOSED: Informational discussion only.	10/16/24
NEXT MEETING	Next meeting will be held January 15, 2025.	<input checked="" type="checkbox"/> CLOSED: Informational only.	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
ADJOURNMENT	The Committee adjourned at 1:29 pm. <i>Respectfully submitted: Amy L. Daniel; Executive Health Services Coordinator</i>	N/A	N/A

For Signature Only – Behavioral Health Advisory Committee Minutes 10/16/2024

The foregoing minutes were APPROVED AS PRESENTED on: _____

Date

Name

The foregoing minutes were APPROVED WITH MODIFICATION on: _____

Date

Name



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COMMITTEE: *2024 Delegated Entity Oversight Committee*
DATE OF MEETING: *October 29, 2024*
CALL TO ORDER: *1:00 pm by Jane MacAdam - Director of Compliance and Regulatory Affairs*

Members Present On-Site:	N/A	
Members Virtual Remote:	N/A	
Members Excused=E Absent=A	N/A	
Staff Present:	<p> Linda Anchondo, Senior Program Manager Cynthia Cardona, Cultural and Linguistic Services Manage Amy Sanders, Member Services Manager Michelle Curioso, Director of Population Health Management Sandeep Dhaliwal, Compliance Manager, Audits, and Investigations Misty Dominguez, Director of Health Services Special Programs Robin Dow-Morales, Senior Director of Claims Heather Fowler, Senior Regulatory and Government Program Manager Yolanda Herrera, Credentialing Manager Magdee Hugais, Director of Quality Improvement Andrea Hylton, Director of Procurement and Facilities Elizabeth Johns, Compliance Analyst I </p>	<p> Maninder Khalsa, Medical Director of Utilization Management Jane MacAdam, Director of Compliance and Regulatory Affairs Deborah Murr, Chief Compliance and Fraud Prevention Officer Greg Panero, Provider Network Analytics Program Manager Maria Parra, Member Services Manager Christine Pence, Senior Director for Health Services Jeff Pollock, Regulatory and Government Program Manager Martha Quiroz, Member Services Manager Lizbeth Rodriguez, Delegation Oversight Business Analyst Isabel Silva, Senior Director of Wellness and Prevention Katie Sykes, Delegation Oversight Manager James Winfrey, Deputy Director of Provider Network </p>

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATION S/ ACTION	DATE RESOLVED
<p>Jane MacAdam:</p> <p>1. Action Items: From 7/30/2024 Meeting; Minutes Attached</p>	<p>A. The Plan will ask Health Dialog for the Health Information Library menu of topics.</p> <p>Nate will validate that the prompts work correctly.</p> <p>Compliance, W&P, and MS will coordinate for this audit:</p> <ol style="list-style-type: none"> 1. Update: This topic will be added to the next JOM with Health Dialog/CareNet 2. Amy will send the CareNet IVR report to Compliance. <ol style="list-style-type: none"> a. The report will list how many members may have been impacted by CareNet's phone going down for approximately an hour. b. It will be discussed at the next quarter's meeting. 	<p>ACTION:</p> <ol style="list-style-type: none"> 1. Amy will send the CareNet IVR report to Compliance. 2. Amy and Christine will research if the Missing letters were sent and report the information to Jane. 	<p>A. Cynthia: Completed</p>
	<p>B. Cynthia will send the list of the 68 Members, who did not receive an NOA/GTL letter, to Amy, Christine, and Jane.</p> <ol style="list-style-type: none"> 1. What is the process once Cynthia sends the missing letter information out: <ol style="list-style-type: none"> a. Christine, Amy, and Jane discussed the letters that were not received and the process. b. Amy sends the information to the grievance Supervisors for follow up. <ol style="list-style-type: none"> i. Amy will research. If the letters did no go out, they will research why and resend the letters. ii. Christine will verify in Jiva that there is notification that the letters were sent. c. Per Jane, we need to define the process of what happens when a member did not receive a letter, such as look at Jiva to see if the letter was sent. If we did not send it out, we need to send it even if it is late. d. Christine and Amy will report the info to Jane to carry it over to the Compliance Committee meeting on November 20. 		

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
2. Delegation Oversight Committee Charter	A. Review Updated Charter- Jane MacAdam: <ol style="list-style-type: none"> 1. The draft Charter was reviewed and shown. <ol style="list-style-type: none"> a. There were no significant updates in the Charter. b. Compliance will update the verbiage in section C. Duties and responsibilities, number 10. 	ACTION: 3. Compliance will update the verbiage in the Charter in section C. Duties and responsibilities, number 10.	
3. VSP	A. Delegation Oversight Audit Update- Jane MacAdam: <ol style="list-style-type: none"> 1. The KHS Departments have completed their review and summary. 2. Compliance is in the process of completing the final cover page and associated CAP. <ol style="list-style-type: none"> a. It will be sent to VSP within the next few days. b. Robin will add the Claims information in the format Compliance is requesting. c. Robin will be re-auditing later 3. This will be reviewed at the next quarter Committee meeting. 	ACTION: 4. Robin will add the Claims information in the format Compliance is requesting for the VSP Audit.	N/A
	B. AB 1455 – Claims Timeliness- Jane MacAdam: <ol style="list-style-type: none"> 1. No Concerns this quarter. 		
	C. JOM Meeting Minutes- Katie Sykes: <ol style="list-style-type: none"> 1. No Concerns 2. Delegation Oversight is tracking action items 		

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
4. Health Dialog / Care Net	<p>A. Transition - Katie Sykes:</p> <ol style="list-style-type: none"> 1. Updated distribution, reporting inventory, and method of receipt. 2. There were challenges with their transition their reports. <ol style="list-style-type: none"> a. KHS has a new daily report and two (2) new monthly reports that CareNet is providing. b. Delegation Oversight has a methodology that they can utilize moving forward to assess both the lower trend as well as the orphaned call records. c. Call forwarding metrics <ol style="list-style-type: none"> i. Can look at a monthly average or a quarterly average 	<p>ACTION:</p> <ol style="list-style-type: none"> 5. Compliance will revisit the Request List for the CareNet Audit 	N/A
	<p>B. Delegation Oversight / Pre-Delegation Audit- Jane MacAdam:</p> <ol style="list-style-type: none"> 1. Did create a Letter and Request List earlier this year. 2. Did not initiate that Pre-Delegation Audit <ol style="list-style-type: none"> a. Compliance will revisit the Request List b. Will kick off the audit before the end of the year. 		
	<p>C. SLA & Performance Monitoring (Q3) - Katie Sykes:</p> <ol style="list-style-type: none"> 1. SLAs are specific to call center <ol style="list-style-type: none"> a. They are covered in the member services Call Center oversight report. 		
	<p>D. JOM Meeting Minutes - Katie Sykes:</p> <ol style="list-style-type: none"> 1. JOM action items were completed <ol style="list-style-type: none"> a. Pending the annual delegation audit notification to be sent over to CareNet. 		

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
5. American Logistics	<p>A. DHCS Focused Audit - Transportation CAP - Amy Sanders:</p> <ol style="list-style-type: none"> 1. Two of the Corrective Actions noted: <ol style="list-style-type: none"> a. Surveying members with NEMT services with door-to-door assistance, with that transportation, and lower modality audits. b. Q3 Door to Door Survey Results: <ol style="list-style-type: none"> i. Goal is to have 30 done per month, 15 wheelchair and 15 Gurney. ii. Outreached to 129 and contacted 70 (54%). <ol style="list-style-type: none"> 1) 66 (94.3%) did receive 2) Four (4) (5.7%) indicated that they did not receive door to door service and required assistance c. Q3 Lower modality Results: <ol style="list-style-type: none"> i. Listened to 75 lower modality calls ii. Requested additional Original calls from AL iii. 49 (65%) Members requested lower modality iv. 26 (35%) did not request lower modality <ol style="list-style-type: none"> 1) AL offered/suggested lower modality v. Jane and MS will take it offline to determine how to approach AL's representatives offering/suggesting the lower modality before the next Committee meeting. d. Waiting on AL to respond to the CAP on the Provider no show rate. <ol style="list-style-type: none"> i. Katie sent another follow-up letter to AL asking them to respond by the end of the week. e. Will start surveying monthly instead of all at once, quarterly <ol style="list-style-type: none"> ii. Due to the Members not remembering that far back. f. Amy will send the Executive summary of the 3rd Quarter Door-to Door and Lower Modality Surveys to Jane. g. Amy will add the action taken/conclusion and the vendor trending on the next report. 	<p>ACTION:</p> <ol style="list-style-type: none"> 6. Jane and MS will take it offline to determine how to approach AL's representatives offering/suggesting the lower modality before the next Committee meeting. 7. Amy will send the AL Executive summary of the 3rd Quarter Door-to Door and Lower Modality Surveys to Jane. 8. Amy will add the action taken/conclusion and the vendor trending on the next AL report. 	N/A
	<p>B. Delegation Oversight Audit-Jane MacAdam:</p> <ol style="list-style-type: none"> 1. Kick off started today, 10/29/2024 <ol style="list-style-type: none"> a. AL is working on this request. 		

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
5. American Logistics Cont.	<p>C. JOM Meeting Minutes - Katie Sykes:</p> <ol style="list-style-type: none"> 1. Three (3) items have been closed out of eleven (11) throughout the quarter <ol style="list-style-type: none"> a. Followed up on all 2. We have the returned edits from AL on the contract <ol style="list-style-type: none"> a. Our legal team is reviewing 3. AL is meeting their SLAs 		
6. Transportation Committee	<p>A. Overview / Updates - Katie Sykes:</p> <ol style="list-style-type: none"> 1. Delegation Oversight is the owner of this committee. 2. Delegation Oversight is requesting agenda items by the 10th of the month. 3. The Committee will be held on the last Monday of every month, at least quarterly. 	<p>ACTION:</p> <p>9. Delegation Oversight is requesting agenda items by the 10th of the month for the Transportation Committee.</p>	
7. Language Line	<p>A. JOM Meeting Minutes and Performance Monitoring Summary Q3 - Katie Sykes:</p> <ol style="list-style-type: none"> a. All action items have been closed out. b. The contract is up in February 2025. <ol style="list-style-type: none"> a. Will add in the deliverable reporting metrics and SLAs to the new contract c. Their quarterly connect time is strong at 4 seconds. 	<p>ACTION:</p> <p>N/A</p>	N/A
8. AllMed	<p>A. Contract Update - Jane MacAdam:</p> <ol style="list-style-type: none"> 1. Submitted the contract to DMHC for review. <ol style="list-style-type: none"> a. DMHC determined this was a material modification to our DMHC licensure. b. Compliance is reviewing the Comment table and will respond to DMHC this week. 	<p>ACTION:</p> <p>10. Compliance is reviewing the DMHC Comment table regarding the ALLMED Contract and will respond to DMHC this week.</p>	N/A

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AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
8. AllMed Cont.	B. Pre-Delegation Audit - Jane MacAdam: <ul style="list-style-type: none"> a. AllMed provided all items, and we are wrapping up the audit. b. Will be bringing the results back to the next meeting. 		
9. DSNP	A. PBM and Delegation Update - Misty Dominguez: <ul style="list-style-type: none"> a. Deciding our delegate for pharmacy b. Did file our NOI (Notice of intent) <ul style="list-style-type: none"> i. Received our H contract number c. We are identifying what services may stay all internal and what services we may be looking to delegate 	ACTION: N/A	N/A
10. Monitoring / Auditing Results	A. Call Center Q3- Maria Parra: <ul style="list-style-type: none"> 1. AL: No concerns 2. Argus/DST: No concerns 3. Harte Hanks: Did not meet metrics, continuing to monitor. 4. Health Dialog/CareNet: They are not meeting metrics but have slightly improved. Did transfer 100% of our calls (Over 1200 call for September) 5. Payspan/Zelis: They did not meet their ASA. <ul style="list-style-type: none"> a. They are meeting 90% in their overall score. 6. VSP: Did not meet their ASA for September, but no concerns overall. <ul style="list-style-type: none"> a. Katie will investigate a drop in trends but has not noticed anything. 	ACTION: 11. Katie will investigate a drop in trends for VSP but has not noticed anything.	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
10. Monitoring / Auditing Results Cont.	<p>B. Cultural Linguistics Q3 - Cynthia Cardona:</p> <ol style="list-style-type: none"> 1. Bilingual Staff Calls Audit: <ol style="list-style-type: none"> a. 30 Spanish calls audited b. 99% did not have difficulty communicating with members in non-English language 2. Post Call Surveys <ol style="list-style-type: none"> a. 10,771 Spanish Post Call Surveys b. 97% of Members are Satisfied with the linguistic Performance of bilingual staff. 3. Vendor Bilingual Call Audits: <ol style="list-style-type: none"> a. American Logistics (AL) b. Health Dialog c. Vision Services Provider (VSP) d. Harte Hanks <ol style="list-style-type: none"> i. 101 Spanish Audio Call Audits ii. 98% of Bilingual staff did not have difficulty communicating with Members in a non-English language 4. LLS Interpreter call Monitoring Audit: <ol style="list-style-type: none"> a. 30 OPI Interpreter Service Calls b. 100% of LLS' Audited calls met expectations. 5. Satisfaction Surveys: <ol style="list-style-type: none"> a. Member Onsite Interpreting <ol style="list-style-type: none"> i. 30 Members surveyed ii. 100% reported "Strongly agreed" satisfaction b. Member OPI/VRI Interpreting <ol style="list-style-type: none"> iii. 30 Members surveyed iv. 100% reported "Strongly agreed" satisfaction c. Member Translations <ol style="list-style-type: none"> v. 32 Members surveyed vi. 99% "Very Satisfied" Satisfaction vii. 12 Members reported not receiving an NOA/GTL translation d. KHS Staff OPI Satisfaction <ol style="list-style-type: none"> viii. 135 KHS Staff Surveyed ix. 98% "Strongly agreed" Satisfaction with LLS 		

KHS PROPRIETARY PROPERTY – CONFIDENTIAL

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
10. Monitoring / Auditing Results Cont.	C. Delegated Credentialing - Yolanda Herrera: 1. The remaining audit will be completed in December		
	D. Transportation Provider Enrollment Monitoring - Yolanda Herrera: No issues, continue to meet fee for service requirements.		
Open Forum	No Comments	N/A	N/A
Next Meeting	Next meeting is scheduled for Tuesday, January 28, 2025, 1:00 – 2:30 PM	N/A	N/A
ADJOURNMENT	The Committee adjourned at 2:10 pm	N/A	N/A



COMMITTEE: *Fraud, Waste, and Abuse (FWA) Committee*
DATE OF MEETING: *November 4, 2024*
CALL TO ORDER: *3:00 pm by Jane MacAdam – Director of Compliance and Regulatory Affairs*

Members Present On-Site:	N/A	
Members Virtual Remote:	N/A	
Members Excused=E Absent=A	N/A	
Staff Present:	Alan Avery, Chief Operating Officer Brandon Bowe, Compliance Analyst Cynthia Cardona, Cultural and Linguistic Services Manager Sandeep Dhaliwal, Compliance Manager, Audits and Investigations Heather Fowler, Senior Regulatory and Government Program Manager Russell Hasting, PHM Manager of Case Management Yolanda Herrera, Credentialing Manager Loni Hill-Pirtle, Administrative Director, Enhanced Care Management Magdee Hugais, Director of Quality Improvement Jane MacAdam, Director of Compliance and Regulatory Affairs Adriana Salinas, Director of Community and Social Services – Community Support Services	Deborah Murr, Chief Compliance and Fraud Prevention Officer Jeff Pollock, Regulatory and Government Program Manager Heather Pruitt, Compliance Analyst Martha Quiroz, Member Services Manager Bruce Wearda, Director of Pharmacy Maria Parra, Member Services Manager James Winfrey, Deputy Director of Provider Network Robin Dow-Morales, Senior Director of Claims Karen Beale, Compliance Analyst Michelle Curioso, Director of Population Health Management Christina Kelly, Pharmacy Administrative and Support Supervisor

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
Action Items from 08/05/2024	All discussions related to alleged Fraud, Waste, and Abuse conducted during the meeting will be kept confidential by all participants.	N/A	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
Meeting - Jane	<p>A. Frequency of Training Reminders</p> <p>B. Compliance is seeking clarification from DHCS on expectations regarding transportation benefit restrictions</p>		
DHCS Medical Audit Findings	<p>A. Late Reporting</p> <p>DHCS Accepted CAP; receipt of one late submission from Member Services since corrective actions implemented and addressed with appropriate member (June)</p>	N/A	N/A
FWA Training	<p>A. Due by 12/03/2024</p> <p>246 employees have not yet completed</p> <p>Robin reported she had difficulty accessing the linked in courses and recommends employees contact HR if having trouble.</p>	1. Jane will send out current list to Directors and Chiefs	
Reports	<p>A. Member Services - Frequent Rider Report</p> <p>Martha reviewed May and June data; currently working on data for July/August delayed due to conflicting priorities.</p> <ul style="list-style-type: none"> • 61 members researched in May; of those: <ul style="list-style-type: none"> ○ 37 did not have any significant concerns and were not researched further ○ 4 were already under FWA restrictions. ○ Completed outreach to 20 members and 7 members issued verbal warning. ○ 13 members temporarily restricted to bus passes. 	N/A	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<ul style="list-style-type: none"> 80 members researched in June; of those: <ul style="list-style-type: none"> 61 did not require further review Successful outreach to 19 members, with 7 issued verbal warning during the call and 12 temporarily restricted to bus passes Jane advised Compliance and Member Services have been working collaboratively to create some automation related to potential FWA transportation cases, eliminating a significant amount of emails and manual work. 		
	<p>B. Credentialing - Provider Monitoring Reports</p> <ul style="list-style-type: none"> Reports included in packet. Yolanda confirmed nothing of substance to report from the monthly monitoring. Several accusations for specific providers being monitored through the Physician Advisory Committee (PAC) and if any definitive action needed, will be taken at that time. Yolanda reported we do sometimes have issues related to non-Par providers, but we enter zero pay contracts as those arise. 	N/A	N/A
	<p>C. Compliance –</p> <p>i. Verification of Services</p> <p>Jane reminded the team of the texting campaign for this effort – members receive text with no more than three procedure codes listed. Member can respond that they did receive the service, did not receive the service, or do not remember.</p>	N/A	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p>We do have a relatively high no response rate, but compared to previous process of sending letters, much higher response rate.</p> <p>We have increased the number of texts monthly.</p> <p>Most of those that respond indicate they did receive the service.</p> <p>In August and September, one person responded they did not receive the service. These responses go to the FWA team for review. In both cases, the member changed their response after we contacted them and advised they did receive the service,</p> <ul style="list-style-type: none"> ○ 91% confirmed service received ○ 1% indicated service was not received ○ 8% did not remember <p>ii. FWA Investigations</p> <p>Jane reviewed reports; volumes continue to increase. In October, received 56 cases vs. 19 last October. So far, in 2024, Compliance has received more than twice the number of potential FWA referrals than in all of 2023.</p> <ul style="list-style-type: none"> ○ 44% did not require reporting to DHCS ○ 4% are still within the ten (10) days for reporting and under review 		

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<ul style="list-style-type: none"> ○ 52% reported to DHCS <p>Of the cases reported to DHCS 96% have been timely; 10 cases were reported late, but only one (1) since our corrective action plans were implemented. We now reach out to the management team to address with the appropriate personnel and provide confirmation of education.</p> <p>Jane reviewed the provider vs. member cases; previously running about 50/50, but member cases are now slightly higher.</p> <ul style="list-style-type: none"> • Jane and Robin discussed comparison of KHS to other plans. • Jane confirmed Compliance Manager and analyst attend quarterly DOJ meetings with other plans. <ul style="list-style-type: none"> ○ In 2024, 87% of the cases are closed, with 13% still under investigation. • Jane advised the majority of the provider cases involve upcoding and/or where the medical records do not support the code billed. We report our findings to the provider and may require a response, education, or initiate a formal Corrective Action Plan, • Jane reviewed the types of allegations. Majority of member cases involve misuse of transportation benefit. Compliance may send a transportation education letter, or a warning letter. For provider cases, majority fall under services not rendered or 		

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	excessive/unnecessary visits.		
OPEN FORUM	Open Forum or other Summary/Discussion made. <ul style="list-style-type: none"> Jane and Robin discussed the need to include any reporting from Zelis. Currently, no FWA concerns noted. 	N/A	N/A
NEXT MEETING	Next meeting is scheduled for Tuesday, February 3, 2025: 3:00 – 4:30 PM	Informational only.	N/A
ADJOURNMENT	Meeting Adjournment	N/A	N/A



COMMITTEE: **PHYSICIAN ADVISORY COMMITTEE**
DATE OF MEETING: **OCTOBER 2, 2024**
CALL TO ORDER: **7:02AM BY JOHN MILLER, MD – KHS MEDICAL DIRECTOR**

Members Present On-Site:	John Miller MD, Quality Improvement Medical Director Atul Aggarwal, MD – Network Provider, Cardiology Hasmukh Amin, MD – Network Provider, Pediatrics	Gohar Gevorgyan, MD – Network Provider, FP Miguel Lascano – Network Provider, OB/GYN Ashok Parmar, MD– Network Provider, Pain Medicine	Raju Patel, MD - Network Provider, Internal Medicine
Members Virtual Remote:			
Members Excused=E Absent=A	Martha Tasinga, MD – KHS Chief Medical Officer (E) David Hair, MD - Network Provider, Ophthalmology (E)		
Staff Present:	Alan Avery, Chief Operating Office (REMOTE) Michelle Curioso, Director of PHM Amy Daniel, Executive Health Services Coordinator Jake Hall, Deputy Director of Contracting	Yolanda Herrera, Credentialing Manager Magdee Hugais, Director of Quality Improvement Abdolreza Saadabadi MD, BH Medical Dir. (REMOTE)	Yesenia Sanchez, Credentialing Coordinator Sukhpreet Sidhu MD, PHM Medical Director

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
Quorum	Attendance / Roll Call	Committee quorum requirements met.	N/A
Call to Order	Dr. John Miller MD, KHS Chief Medical Officer, called the meeting to order at 7:02 am.		N/A
Committee Minutes	<u>Approval of Minutes</u> The Committee's Chairperson, Dr. Miller presented the meeting minutes for approval.	<input checked="" type="checkbox"/> ACTION: Dr. Amin moved to approve minutes of September 4, 2024, seconded by Dr. Lascano. Motion carried.	10/2/24

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p><u>Peer Review Reports</u></p> <p>CREDENTIALING REPORT Mental Health Pre-Approvals from -Report dated 10/2/2024: In compliance with Senate Bill 2581, Dr. Tasinga, KHS CMO, pre-approved the Mental/Behavioral Health providers as listed on 10/02/2024 [REDACTED]</p> <p>INITIAL CREDENTIALING REPORT Initial Applicants List Dated 10/02/2024. The clean files were accepted as presented with no additional discussion. There were (5) initial applications presented for comprehensive review.</p> <ul style="list-style-type: none"> [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] <p>RECREREDENTIALING REPORT Recredentialing Providers List Dated 10/2/2024. Recredentialing files meeting clean file review were accepted as presented with no additional questions or alternative actions.</p> <p>Recredentialing with comprehensive reviews were conducted for the</p>	<p><input checked="" type="checkbox"/> ACTION: Dr. Amin moved to approve the Credentialing, Recredentialing and New Vendor Contracts from the reports dated September 4, 2024, seconded by Dr. Patel. Motion carried.</p>	<p>10/2/24</p>

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p>listed providers below for review of additional adverse information and/or information related to malpractice case(s) that resulted in settlement or judgment made on behalf of the practitioner within the previous three years:</p> <ul style="list-style-type: none">• [REDACTED]• [REDACTED]• [REDACTED] <p>NEW VENDOR CONTRACTS New Vendor Contracts List Dated October 2, 2024, were accepted as presented with no additional questions or comments by the committee members.</p>		

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	MONTHLY MONITORING – DISCIPLINARY ACTIONS OR ADVERSE EVENTS: <div style="background-color: black; height: 15px; width: 320px; margin-bottom: 2px;"></div> <div style="background-color: black; height: 15px; width: 310px; margin-bottom: 2px;"></div> <div style="background-color: black; height: 15px; width: 280px; margin-bottom: 2px;"></div> <div style="background-color: black; height: 15px; width: 250px; margin-bottom: 2px;"></div> <div style="background-color: black; height: 15px; width: 100px;"></div>	<input checked="" type="checkbox"/> ACTION: Monthly Monitoring for September 2024 accepted as presented. Providers will continue to be monitored monthly with any additional reporting to the committee as it is received.	10/2/24
	<u>DELEGATED CREDENTIALING:</u> <u>VSP Annual Oversight Summary</u> Audit Results for Vision Services Plan (VSP) was presented to the committee for review and approval. KHS Credentialing conducted a desk top audit for VSP on 8/16/24. <ul style="list-style-type: none"> • Results: VSP scored 100% utilizing the HICE Accredited-Certified Audit Tool. VSP is CR Accredited with NCQA and expires 4/21/2026. • Opportunity for Improvement: There were no opportunities for improvement only an observation regarding Practitioner Rights outlined in VSP 2000 Credentialing P&P reference a URL to the Provider Manual which could not be accessed easily. 	<input checked="" type="checkbox"/> ACTION: Dr. Amin moved to approve the VSP Annual Oversight Summary as presented. Seconded by Dr. Patel. Motion carried.	10/2/24
OLD BUSINESS	<u>Bariatric Surgery Quality of Care Issues</u>	<input type="checkbox"/> PENDING: Dr. Miller conduct random 10-case review in 6-months as follow-up on this issue.	10/2/24
NEW BUSINESS	<u>REVISED QP-Credentialing Policy and Procedures:</u> <u>23.10-P Delegated Credentialing & Agreement</u> Yolanda Herrera, KHS Credentialing Manager, presented the revision to QP Delegated Credentialing and Agreement Policy 23.10-P for review. The policy revisions were extensive to bring the process in line with current requirements, NCQA Standards after review with	<input checked="" type="checkbox"/> ACTION: Dr. Amin moved to approve the revised Policy & Procedures 23.10-P Delegated Credentialing and 23.06-P Non-Physician Medical Practitioners as presented. Dr. Patel seconded. Motion carried.	10/2/24

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p>NCQA Consultants; The Mahalik Group, and outside legal counsel DSR. Additionally, the Delegation Agreement Template was also revised under advisement with KHS Compliance in an effort to streamline and outlines delegation activities using the same template for all departments who delegate various health plan activities.</p> <p><u>23.06-P Non-Physician Medical Practitioners & Supervising Agreement Form</u></p> <p>Yolanda Herrera, KHS Credentialing Manager, presented the revision to QP Non-Physicians Medical Practitioners & Supervising Agreement form Policy 23.06-P for review. The policy revisions were extensive to bring the process in line with current state requirements related to new regulations for nurse practitioners and physician assistants.</p>		
OPEN FORUM	<p><u>Pediatric Age Limits</u></p> <p>Yolanda Herrera, KHS Credentialing Manager, informed the members that there was a request from a pediatrician to raise the pediatric age limits to 25 years old. The current pediatric age limits are 0-18 or 0-21. After discussion and input from the members, it was the consensus of the members to leave the pediatric age limits at 0-18 and 0-21.</p>	<input checked="" type="checkbox"/> CLOSED – Informational Only	N/A
NEXT MEETING	Next meeting will be held Wednesday, November 6, 2024	Informational only.	N/A
ADJOURNMENT	<p>The Committee adjourned at 7:24 am</p> <p>Respectfully submitted: Amy Daniel, KHS Executive Health Services Coordinator.</p>	N/A	N/A

For Signature Only – Physician Advisory Committee Minutes 10/02/2024

The foregoing minutes were APPROVED AS PRESENTED on:

Date_____
Name

The foregoing minutes were APPROVED WITH MODIFICATION on:

Date_____
Name



COMMITTEE: **Compliance Committee**
 DATE OF MEETING: **November 20, 2024**
 CALL TO ORDER: **3:03 pm by Jane MacAdam - Director of Compliance and Regulatory Affairs**

Members Present On-Site:	N/A		
Members Virtual Remote:	N/A		
Members Excused= E Absent=A	N/A		
Staff Present:	Linda Anchondo, Compliance Program Manager Alan Avery, Chief Operating Officer Karen Beale, Compliance Analyst II Stephanie Camarena, Compliance Analyst II Cynthia Cardona, Cultural and Linguistic Services Manager Tiffany Chatman, Manager of Wellness & Prevention Partnerships Michelle Curioso, Director of Population Health Management Flor Del Hoyo Galvan, Manager of Member Wellness & Prevention Sandeep Dhaliwal, Compliance Manager, Audits and Investigations Robin Dow-Morales, Director of Claims Heather Fowler, Compliance Manager Jake Hall, Senior Director of Contracting and Quality Performance Jared Harness, Compliance Analyst Loni Hill-Pirtle, Director Enhanced Care Management Magdee Hugais, Director of Quality Improvement	Elizabeth Johns, Compliance Analyst I Jane MacAdam, Director of Compliance & Regulatory Affairs Deborah Murr, Chief Compliance and Fraud Prevention Officer Kristie Onaindia, Provider Relations Manager Kalpna Patel, QI Supervisor RN Christine Pence, Senior Director Health Services Jeff Pollock, Regulatory and Government Program Manager Heather Pruitt, Compliance Analyst I Adriana Salinas, Director of Community & Social Services Amy Sanders, Member Services Manager Nate Scott, Director of Member Services Isabel Silva, Senior Director of Wellness and Prevention Katie Sykes, Delegation Oversight Manager Bruce Wearda, Director of Pharmacy James Winfrey, Deputy Director of Provider Network	

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
Previous Action Items: Jane	A. Amy will let Jane know once they go live on the Jiva Grievance Module so it can be added to the Compliance Dashboard	<input checked="" type="checkbox"/> Action Item: 1. Amy will let Jane know when they do go live on the Jiva	N/A

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AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
(From 08/26/2024 Meeting; Minutes Attached)	1. Jiva Grievance Module did not go live. Amy will let Jane know when they do go live.	Grievance Module.	
	B. Jane will be escalating to receive responses regarding the Retrospective APL audits. 1. JM will be reaching out to the Departments regarding the six (6) Retrospective APL audits.	<input checked="" type="checkbox"/> Action Item: 2. JM will be reaching out to the Departments regarding the six (6) Retrospective APL audits.	N/A
	C. QI will follow up to confirm if/when letters were sent to Adventist Health and PVMG regarding IHA audit results. 1. Kalpna Confirmed that were sent out on 11/20/2024	N/A	11/20/2024
	D. Will include Tiffany Chapman to the Compliance Committee meeting to report on the Oversight of the MOU. 1. Completed 11/19/2024	N/A	11/19/2024
	E. Jane will reach out to Christine/UM to discuss the DMHC Audit around being able to get ahold of a Medical Discission Maker. 1. Made nine (9) call in November: a. 100% of the calls were able to go through to a Medical Discission Maker b. Jane will follow-up with Christine on the results	<input checked="" type="checkbox"/> Action Item: 3. Jane will follow-up with Christine on the results of being able to get ahold of a Medical Discission Maker.	N/A
08/26/2024 Meeting Minutes	F. Included in Packet	N/A	N/A
Governance & Compliance Committee Meetings	G. Governance & Compliance Committee Meetings: Deb Murr 1. They are meeting monthly outside of the Board meetings. 2. The Committee will continue through 2025. 3. Deb will forward the invite to Jake starting 2025.	<input checked="" type="checkbox"/> Action Item: 4. Deb will forward the Governance & Compliance Committee Meetings invite to Jake starting 2025.	N/A
Enterprise Risk Management (ERM)	H. Enterprise Risk Management (ERM): Deb Murr 1. We are in final stages of selecting the vendor. It will be a 6–9-month endeavor with the Plan. 2. The Vendors will reach out to the leaders of the organization in January or February for interviews on their processes.	N/A	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<ol style="list-style-type: none"> 3. The Vendor will be identifying a risk score: <ol style="list-style-type: none"> a. High b. Medium c. Low d. Developing a road map on how to address the issue 4. Create templates for the Plan to take on the processes ourselves. 5. Having an external Vendor comeback in 2-3 years. 6. Deb will Present: <ol style="list-style-type: none"> a. Governance & Compliance Committee on 12/5 b. The Board on 12/19 for final approval and hopefully have the contract in place by January 2025. 		
Compliance Week	<ol style="list-style-type: none"> I. Celebrated week of 11/04-11/08 <ol style="list-style-type: none"> 1. 15 winners 2. One (1) winner left that will be picked from a pool of employees that completed all their Training. 	N/A	N/A
Compliance Trainings	<ol style="list-style-type: none"> J. HIPAA Training: <ol style="list-style-type: none"> 1. Zero (0) outstanding (except for recently assigned/not due yet) 2. Additional courses with future due dates <ol style="list-style-type: none"> a. Foundations of Diversity, Equity, Inclusion, and Belonging Training that was due 11/15. <ol style="list-style-type: none"> i. Eighty-two (82) employees that are overdue last week ii. Jane will send out the list the Departments. 	<p><input checked="" type="checkbox"/> Action Item:</p> <ol style="list-style-type: none"> 5. Jane will send out the list of employees that have not completed the Foundations of Diversity, Equity, Inclusion, and Belonging training 	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
Code of Conduct	K. Updated Code of Conduct (attached) <ol style="list-style-type: none"> 1. Approved by DHCS 2. Will be or has been posted to the intranet and internet. 	N/A	N/A
Compliance Dashboard	L. Compliance Dashboard remains in development <ol style="list-style-type: none"> 1. Work in progress 2. All Metrics originally defined will not be implemented during the 2024 project 3. Currently working on validating some of the numbers with the technical team (and will be reaching out to business owners) Compliance KPI Census - Power BI Report Server	N/A	N/A
Regulatory Audits	M. 2023 DHCS Focused Audit (BH/Transportation): <ol style="list-style-type: none"> 1. Received Final Report 08/30/2024 (attached) 2. Initial Corrective Action Plan sent 10/07/2024. 3. Feedback from DHCS received with requested updates to be provided by 12/02/2024. <ol style="list-style-type: none"> a. <u>CAP accepted by DHCS for:</u> <ol style="list-style-type: none"> i. 2.1 Care Coordination to deliver mental health care services to members ii. 2.2 Coordination of Non-Specialty Mental Health Services and Specialty Mental Health Services b. <u>CAP partially accepted by DHCS for:</u> <ol style="list-style-type: none"> i. 2.3 Confirmation of Referred Treatments for Substance Use Disorder ii. 2.4: Follow Up for Referred Substance Use Disorder Treatments iii. 3.1: Monitoring Level of Service Modifications iv. 3.2: Monitoring of Door-to-Door 	<input checked="" type="checkbox"/> Action Item: <ol style="list-style-type: none"> 6. Jane will review the 2023 DHCS Focused Audit CAP verbiage used and will reply to Amy on her questions regarding Monthly and Quarterly Follow up on 3.1, 3.2, and 3.3. 	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p style="text-align: center;">Assistance</p> <p style="text-align: center;">v. 3.3: Monitoring of No-Show Rates</p> <ol style="list-style-type: none"> 4. Next response due date is 12/2 5. Amy and Jane discussed the audit. 6. Jane will review the 2023 DHCS Focused Audit CAP verbiage used and will reply to Amy on her questions regarding Monthly and Quarterly Follow up on 3.1, 3.2, and 3.3. 7. The Plan did not receive what they need from AL to complete 3.3 but will discuss at the JOM on 11/21. 8. There will be a breakout meeting regarding the CAP items. 		
	<p>N. 2023 DMHC Medical Audit:</p> <ol style="list-style-type: none"> 1. Final Audit Report received 10/08/2024 with twenty (20) deficiencies. <ol style="list-style-type: none"> a. Audit Summary (attached) <ol style="list-style-type: none"> i. Four (4) of the twenty (20) were considered corrected ii. Four (4) are being referred to the Office of Enforcement iii. One (1) the Plan fixed the issue iv. Nine (9) DMHC agreed The Plan has taken corrective action and/or we are monitoring but will have to validate through subsequent file review. v. Two (2) not able to remediate sue to Pharmacy is now carved out. b. Final Report (attached) <ol style="list-style-type: none"> i. DMHC will reach out to the Plan to discuss the 18-month follow-up survey c. KHS statement to DMHC's final report (attached) 2. DMHC published the final report on the DMHC website on 10/24/2024 	N/A	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p>O. KHS Network Adequacy Validation (NAV)</p> <ol style="list-style-type: none"> Received final report/close out on 09/30/2024 (attached): No specific opportunities were identified related to the data collection and management processes KHS had in place to inform network adequacy standard and indicator calculations. 	N/A	N/A
	<p>P. 2024 DHCS Medical Audit</p> <ol style="list-style-type: none"> Received Entrance Letter from DHCS on 10/03/2024 Pre-Audit Deliverables submitted 10/31/2024 Ongoing requests for samples and additional documentation submitted timely On Site to be conducted virtually 12/09/2024 – 12/20/2024 	N/A	N/A
	<p>Q. 2024 DMHC Audit of KHS Fiscal and Administrative Affairs</p> <ol style="list-style-type: none"> The examination will be of the Plan's fiscal and administrative affairs, including an examination of the financial report for the quarter ended September 30, 2024. The documents listed in the Entrance Letter and the three excel documents attached above need to be submitted by January 27, 2025. The virtual examination will begin on April 7, 2025, and will be conducted remotely. Sandeep will send out the official notification to those impacted by the audit by 11/22. 	<p><input checked="" type="checkbox"/> Action Item:</p> <ol style="list-style-type: none"> Sandeep will send out the official notification to those impacted by the 2024 DMHC Audit of KHS Fiscal and Administrative Affairs audit by 11/22. 	N/A
DMHC Enforcement Matter 22-245	<p>R. Enforcement Notification received 10/24/2024 regarding 2020 DMHC Medical Audit:</p> <ol style="list-style-type: none"> Uncorrected deficiency regarding denial letters for non-formulary prescription drugs (clear/concise explanation and description of criteria) 	N/A	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
DSNP	<p>S. DMHC Filings:</p> <ol style="list-style-type: none"> 1. Medicare Service Area Expansion (SAE) submitted 08/31/2024; DMHC approved 11/12/2024 2. EAE D-SNP filing submitted to DMHC 11/15/2024 3. DHCS DSNP Readiness Checklist #2 submitted 11/14/2024 4. The Plan is licensed to offer Medicare DSNP in 2026 	N/A	N/A
Reports	<p>T. Member Services Quarterly Grievance Audits: Amy Sanders</p> <ol style="list-style-type: none"> 1. Made changes in the audit score, aiming for 90%. 2. The Q3 average is 89.42%. <ol style="list-style-type: none"> a. Changing the scoring of the audit form <ol style="list-style-type: none"> i. The Regulatory items will have more weight than Non-Regulatory items. b. Common Deficiencies: <ol style="list-style-type: none"> i. Not using the appropriate Acknowledgement Letter, with DMHC information in bold font. ii. Not Sending the Acknowledgment letter by the 5th day. iii. Sending request for response to Providers after the 5th day. (Not a Regulatory requirement) c. Update the Staff in their monthly one-on-one with their individual scores and take corrective action as necessary d. Go over the Audit findings at the team meetings. 	N/A	N/A
	<p>U. Quality Improvement- Q3: Magdee Hugais</p> <ol style="list-style-type: none"> 1. IHA Audits <ol style="list-style-type: none"> a. Working on a clinical oversight policy. b. Will continue sending out the letter to Providers notifying them of their results. 	N/A	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<ul style="list-style-type: none"> c. Deb and Magdee discussed the process of educating the Providers 2. Exempt Grievance Audits <ul style="list-style-type: none"> a. Fifty (50) cases were randomly selected and were at 100%. 3. NAR Audits <ul style="list-style-type: none"> a. Ten (10) files audited b. One (1) error in September and corrective action was taken 4. Gold Card Audits <ul style="list-style-type: none"> a. 205 (10%) of referrals audited <ul style="list-style-type: none"> i. 167 Referrals MET criteria ii. 35 Referrals did NOT meet criteria iii. Three (3) Referrals PARTIALLY met criteria b. Creating a policy on Gold Card Renewals 5. CBCC Audits <ul style="list-style-type: none"> a. CBCC used it three (3) times. b. The Plan will reach out to CBCC to see if they have barriers to using it. c. CBCC is the only one using the MCG service and we are paying for that service. 		
	<p>V. UM Audits: Christine Pence</p> <ul style="list-style-type: none"> 1. Overall increased for referral in Q3. <ul style="list-style-type: none"> a. 2.2% increase in referrals over Q2 b. 7.1% increase in referrals over Q1 c. The percentage of delayed referrals were reduced by 35% d. Errors within the NOA reduced from 4.8% to 	N/A	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p>3.1%</p> <p>e. Missing Citation or criteria reduced from 1.4% to 0.3%</p> <p>f. Errors in processing the referral reduced from 5.1% to 2.7%.</p> <p>g. The percentage of NOA language above 6th grade reading level tended up from Q2 but improved from Q1.</p> <p>i. The Team will evaluate and develop a plan.</p>		
	<p>W. Health Education: Flor Del Hoyo Galvan</p> <p>1. Service Audit:</p> <p>a. Areas of 100%:</p> <p>i. Class participation</p> <p>ii. Participant tracking</p> <p>iii. Doing all planned activities</p> <p>iv. Covering all class material</p> <p>v. Using appropriate teaching methods (SMART goals and Question and Answer)</p> <p>b. No areas fell below 50%</p> <p>i. Spoke loud and clear: 83%</p> <p>ii. Took photos and/or video of the class: 91%</p> <p>iii. Explained the follow up calls for Members: 80%</p> <p>iv. Discussed or explained some common myths: 82%</p> <p>v. Explained or demonstrated activities before doing them: 90%</p> <p>vi. Provided examples for topic or Concepts: 91%</p>	<p><input checked="" type="checkbox"/> Action Item:</p> <p>8. Flor will get back to the committee with the result of the Asthma follow up calls at 1 and 3 months.</p>	N/A

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<p>vii. Asked Participants to sign in: 91%</p> <p>viii. Class info on the website: 88%</p> <p>2. Satisfaction survey:</p> <p>a. Class presentation was interesting and easy to follow is just under 100%</p> <p>b. The facilitator presented the material effectively is just under 100%</p> <p>c. I am satisfied with the reward is just under 90%</p> <p>i. Will discuss with Member on how we can improve in this area.</p> <p>d. Participant feedback - Open ended questions:</p> <p>i. What did you like most about the class?</p> <p>a) "Everything is perfect."</p> <p>b) "They explain everything well."</p> <p>c) "I'm Learning a lot about eating right."</p> <p>d) "Quizzes and opportunity to participate." etc.</p> <p>ii. How can we improve?</p> <p>a) "More time"</p> <p>b) "Increase interactivity"</p> <p>c) "Offer easy yummy recipes."</p> <p>d) "Homework studies"</p> <p>e) "Need bigger screen"</p> <p>f) "Seats hurt" etc.</p> <p>3. Class Effectiveness</p> <p>a. Asthma education</p> <p>i. 73% Pre-Test</p>		

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<ul style="list-style-type: none"> ii. 77% Post-Test b. Fresh Start <ul style="list-style-type: none"> i. 68% Pre-Test ii. 71% Post-Test c. Nutrition Education <ul style="list-style-type: none"> i. 63%Pre-Test EHBA ii. 84%Post-Test EHBA iii. 72%Pre-Test A+E iv. 75% Post-Test A+E d. Diabetes Prevention Program: Knowledge Gain <ul style="list-style-type: none"> i. Pre-Test. <ul style="list-style-type: none"> a) 89% -Classes 1-4 b) 87%- Classes 5-8 c) 84% Classes 9-12 ii. Pre-Test. <ul style="list-style-type: none"> a) 91% -Classes 1-4 b) 89%- Classes 5-8 c) 90% Classes 9-12 e. Diabetes Education: Knowledge Gain <ul style="list-style-type: none"> i. 71% Pre-Test ii. 79% Post-Test f. Asthma follow up calls at 1 and 3 months: <ul style="list-style-type: none"> i. Flor will get back to the committee with the result g. Diabetes Prevention Weight Loss by Month: <ul style="list-style-type: none"> i. July 0.6% ii. August 1.4% iii. September 1.9% 		

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AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	h. Diabetes Education: Average weight Comparison: i. Class 1: 184.2 ii. Class 6 181.4 iii. Weight Loss Trend- 2.8%		
	X. MOU Status 1. Three (3), potentially four (4), is expected to be signed off on by the end of the year. 2. Jane expedited the MOU that is with DHCS.		N/A
	Y. Compliance 1. Regulatory submissions have increased 60%. 2. KPI Reporting to BOD	N/A	N/A
Open Forum	Discussion	N/A	N/A
Next Meeting	Next meeting is scheduled for Wednesday, February 12, 2025: 3:00 – 4:30 PM	N/A	N/A
ADJOURNMENT	Meeting Adjournment 4:28 pm	N/A	N/A

SUMMARY

GOVERNANCE AND COMPLIANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Thursday, December 5, 2024

8:30 A.M.

COMMITTEE RECONVENED

Members: Acharya, Hoffmann, Meave, Turnipseed
ROLL CALL: All present

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 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

Governance and Compliance Committee Meeting
Kern Health Systems

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COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))
NO ONE HEARD.

COMMITTEE MATTERS

- 3) Presentation by Moss Adams to perform Enterprise Risk Assessment services from January 1, 2025 through December 31, 2025. (Fiscal Impact: \$280,000; Budgeted) - RECEIVED AND FILED; RECOMMENDED ENTERPRISE RISK MANAGEMENT FIRM TO PROVIDE ENTERPRISE RISK ASSESSMENT SERVICES; REFERRED TO KHS BOARD OF DIRECTORS
- 4) Discussion regarding Kern Health Systems General Counsel and reporting relationship with Board of Directors (Fiscal Impact: None) – DISCUSSED; RECOMMENDATION MADE TO KHS BOARD OF DIRECTORS

ADJOURN TO THURSDAY, JANUARY 30, 2025, AT 8:30 A.M.