KERN HEALTH SYSTEMS

REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, June 10, 2021
at
8:00 A.M.

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

The public is invited.

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

AGENDA

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, June 10, 2021

8:00 A.M.

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

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

BOARD TO RECONVENE

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

ADJOURN TO CLOSED SESSION

CLOSED SESSION

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

8:15 A.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

CA-4) Minutes for Kern Health Systems Board of Directors regular meeting on April 14, 2021 (Fiscal Impact: None) –
APPROVE

5) Form Chief Executive Officer Search Committee (Fiscal Impact: None) –
FORM COMMITTEE

CA-6) Report on Managed Care Accountability Set (MCAS) Two Year Strategic Initiative (Fiscal Impact: None) –
RECEIVE AND FILE

CA-7) Report on Participating Provider Network Adequacy Assessment (Fiscal Impact: None) –
RECEIVE AND FILE

CA 8) Report on Kern Health Systems 2021 Corporate Goals (Fiscal Impact: None) –
RECEIVE AND FILE

9) Proposed Kern Health Systems 2022 Corporate Goals (Fiscal Impact: None) –
APPROVE

CA-10) Report on Kern Health Systems investment portfolio for the first quarter ending March 31, 2021 (Fiscal Impact: None) –
RECEIVE AND FILE

CA-11) Proposed renewal and binding of insurance coverages for crime, excess crime, property, general liability, excess liability, sexual abuse, pollution, workers' compensation, fiduciary liability, cyber insurance, managed care errors and omissions, earthquake insurance, flood insurance and deadly weapon response program from July 1, 2021 through June 30, 2022 (Fiscal Impact: $1,125,000 Estimated; Budgeted) –
APPROVE

12) Report from the Milliman actuary firm regarding capital reserves (Fiscal Impact: None) –
RECEIVE AND FILE

CA-13) Proposed Agreement with Stria, LLC for on-site Claims mailroom functions and Optical Character Recognition services, from June 14, 2021 through June 14, 2024, in an amount not to exceed $1,221,000 (Fiscal Impact: $407,000 estimated annually; Budgeted)
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA-14) Proposed Agreement with PaySpan, Inc., for the provider payment services, from August 21, 2021 through August 21, 2024, in an amount not to exceed $480,000 per three years (Fiscal Impact: $160,000 estimated annually; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA-15) Proposed Amendment to PMO Partners, LLC Agreement, for consulting services, from June 10, 2021 through July 30, 2021, in an amount not to exceed $50,000 (Fiscal Impact: $147,152 estimated annually; Budgeted) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

16) Proposed Retroactive Amendment No. 33 to Physician Services Agreement and Amendment No. 58 to Hospital and Other Facility Services Agreement with Kern Medical Center for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between the County of Kern and the California Department of Health Care Services (Fiscal Impact: None) –
APPROVE

17) Proposed Retroactive Amendment to Hospital and Other Facility Services Agreement with Kern Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between Kern Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) –
APPROVE

18) Proposed Retroactive Amendment to Hospital and Other Facility Services Agreement with Tehachapi Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between Tehachapi Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) –
APPROVE

19) Proposed 2021 Budget changes relating to Pharmacy, Hospital Directed Payments, Grants and the 2021 Capital Budget and 2021 Corporate Projects (Fiscal Impact to Net Position: Negative $7,000,000; Not-Budgeted) –
APPROVE

CA-20) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

21) Report on Kern Health Systems financial statements for February 2021, March 2021 and April 2021 (Fiscal Impact: None) –
RECEIVE AND FILE

CA-22) Report on Accounts Payable Vendor Report, Administrative Contracts between $30,000 and $100,000 for February 2021, March 2021 and April 2021 and IT Technology Consulting Resources for the period ended April 30, 2021 (Fiscal Impact: None) –
RECEIVE AND FILE

23) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –
RECEIVE AND FILE

24) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –
RECEIVE AND FILE

CA-25) Miscellaneous Documents –
RECEIVE AND FILE

A) Minutes for Kern Health Systems Quality Improvement (QI) / Utilization Management meeting of August 20, 2020
B) Minutes for Kern Health Systems Quality Improvement (QI) / Utilization Management meeting of November 12, 2020
C) Minutes for Kern Health Systems Quality Improvement (QI) / Utilization Management meeting of February 25, 2021
D) Minutes for Kern Health Systems Finance Committee meeting on April 9, 2021

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

AMERICANS WITH DISABILITIES ACT
(Government Code Section 54953.2)

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

SUMMARY

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Regular Meeting
Thursday, April 15, 2021

8:00 A.M.

BOARD RECONVENED

Directors: McGlew, Judd, Stewart, Deats, Bowers, Flores, Garcia, Hoffmann, Jones, Martinez, Melendez, Nilon, Patel, Patrick, Rhoades, Watson
ROLL CALL: 12 Present; 4 Absent – Bowers *(arrived at 8:30 a.m.)*, Hoffmann, Jones, Martinez

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

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

BOARD ACTION SHOWN IN CAPS

ADJOURN TO CLOSED SESSION
Patel

CLOSED SESSION

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

8:15 A.M.

BOARD RECONVENED

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING MARCH 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR JUDD ABSTANED FROM VOTING ON BAJAJ, BURCOVSCHII, DIERKSHEIDE, HANNON, TIRADO;
DIRECTOR STEWART ABSTAINED FROM BUCKNER, CONTARINO, GUTIERREZ, MCLEMORE, RODRIGUEZ; DIRECTOR GARCIA ABSTAINED FROM VOTING ON RUSSELL

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING APRIL 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR JUDD ABSTANED FROM VOTING ON COFFEY, GREENHILL, OLANGO, RAY; DIRECTOR STEWART ABSTAINED FROM VOTING ON MITCHELL, PHAM; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON FELIX, OLANGO, PARADA

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREDENTIALING MARCH 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREDENTIALING; DIRECTOR JUDD ABSTAINED FROM VOTING ON KLANG, ATEN, FARVON, GIESBRECHT, JOOLHAR; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON KLANG, ATWAL-KHANNA, GIESBRECHT

Item No. 1 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREDENTIALING APRIL 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREDENTIALING; DIRECTOR MCGLEW ABSTAINED FROM VOTING ON MARISTANY; DIRECTOR JUDD ABSTAINED FROM VOTING ON KERN MEDICAL, OH, POLLOCK; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON KERN MEDICAL, MATTIS

PUBLIC PRESENTATIONS

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NO ONE HEARD

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

CA-4) Minutes for Kern Health Systems Board of Directors regular meeting on February 11, 2021 (Fiscal Impact: None) – APPROVED
Nilon-Patel: 12 Ayes: 4 Absent – Bowers, Hoffmann, Jones, Martinez

5) Welcome New Board Member to the Kern Health Systems Board of Directors (Fiscal Impact: None) – RECEIVED AND FILED
Melendez-Patrick: 12 Ayes; 4 Absent – Bowers, Hoffmann, Jones, Martinez

DIRECTOR BOWERS ARRIVED AT 8:30 A.M. DURING THE DISCUSSION ON ITEM 6

6) Report from Association for Community Affiliated Plans, Washington, D.C. on national health care policy under the Biden Administration (Fiscal Impact: None) – MARGARET A. MURRAY AND JENNIFER M. BABCOCK, ASSOCIATION FOR COMMUNITY AFFILIATED PLAN, HEARD; RECEIVED AND FILED
Melendez-Rhoades: 13 Ayes; 3 Absent – Hoffmann, Jones, Martinez

7) Report by Daniells Phillips Vaughan & Bock on the audited financial statements of Kern Health Systems for the year ending December 31, 2020 (Fiscal Impact: None) – NANCY BELTON AND SHANNON WEBSTER, DANIELLS PHILLIPS VAUGHAN & BOCK, HEARD; APPROVED
Nilon-Stewart: 13 Ayes; 3 Absent – Hoffmann, Jones, Martinez

8) Report on California Advancing and Innovating Medi-Cal (CalAIM) Initiative (Fiscal Impact: None) – RECEIVED AND FILED
Rhoades-Patrick: 13 Ayes; 3 Absent – Hoffmann, Jones, Martinez

CA-9) Proposed Agreement with Office Ally, LLC, to process and submit electronic medical claims from providers and institutions directly to KHS, from April 15, 2021 through April 15, 2024, in an amount not to exceed $0.23 per claim (Fiscal Impact: $180,000 estimated annually; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUITVE OFFICER TO SIGN
Nilon-Patel: 12 Ayes: 4 Absent – Bowers, Hoffmann, Jones, Martinez

CA-10) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
Nilon-Patel: 12 Ayes: 4 Absent – Bowers, Hoffmann, Jones, Martinez

DIRECTOR DEATS LEFT THE MEETING DURING THE DISCUSSION ON ITEM 11 AND DID NOT RETURN

DIRECTOR PATEL LEFT THE MEETING DURING THE DISCUSSION ON ITEM 11 AND DID NOT RETURN

11) Report on Kern Health Systems financial statements for December 2020 and January 2021 (Fiscal Impact: None) – RECEIVED AND FILED
Judd-Stewart: 11 Ayes; 5 Absent – Deats, Hoffmann, Jones, Martinez, Patel

CA-12) Report on Accounts Payable Vendor Report, Administrative Contracts between $30,000 and $100,000 for December 2020 and January 2021 and IT Technology Consulting Resources for the period ending December 31, 2020 (Fiscal Impact: None) – RECEIVED AND FILED
Nilon-Patel: 12 Ayes: 4 Absent – Bowers, Hoffmann, Jones, Martinez

13) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) – ALAN AVERY, CHIEF OPERATING OFFICER PRESENTED THE 2021 1ST QUARTER GRIEVANCE REPORT TO THE BOARD. FORMAL GRIEVANCES FOR THE 1ST QUARTER DECREASED FROM THE 4TH QUARTER OF 2020. ACCESS TO CARE AND MEDICAL NECESSITY GRIEVANCES HAD SLIGHT INCREASES BUT NO SIGNIFICANT ISSUES OR TRENDS WERE FOUND. THE ONE AREA THAT EXPERIENCED A 20% DECREASE WAS POTENTIAL INAPPROPRIATE CARE. MR. AVERY REVIEWED WITH THE BOARD HOW GRIEVANCES ARE PROCESSED AND A DISPOSITION DECISION IS REACHED. EACH GRIEVANCE COMES TO MEMBER SERVICES FROM EITHER A MEMBER OR A PROVIDER. THE GRIEVANCE COORDINATOR RESEARCHES THE FACTS OF THE GRIEVANCE, REQUESTS MEDICAL RECORDS IF NEED OR INPUT FROM THE PROVIDER, REQUESTS A MEDICAL DIRECTOR OR PHARMACIST REVIEWS THE CLINICAL RECORDS TO DETERMINE IF NEW INFORMATION WAS RECEIVED TO CHANGE THE DECISION. A RECOMMENDATION IS THEN MADE TO THE WEEKLY GRIEVANCE COMMITTEE FOR DISCUSSION AND APPROVAL. THIS COMMITTEE IS COMPRISED OF A MEDICAL DIRECTOR, AND REPRESENTATIVES FROM UM, QUALITY, CASE MANAGEMENT, PROVIDER NETWORK MANAGEMENT, COMPLIANCE AND THE COO. THE COMMITTEE REVIEWS THE FACTS OF THE CASE PRIOR TO THE MEETING, REVIEWS THE RECOMMENDATION AND COMES TO A DECISION. BOARD MEMBER MR. NILON ASKED HOW THE PLAN CAME UP WITH TARGETS TO CREATE THE GREEN, YELLOW AND RED INDICATORS THAT WERE APPLIED THROUGHOUT THE OPERATIONAL REPORT. MR. AVERY INDICATED THE COLOR INDICATOR WAS SIMPLY A MEASUREMENT COMPARING CURRENT ACTIVITY TO PREVIOUS ACTIVITY AND IF THE VARIANCE APPEARED TO BE A CONCERN TO MANAGEMENT. IN REVIEWING THE DISPOSITION OF THE 560 FORMAL GRIEVANCES FOR THE QUARTER, MR. AVERY REPORTED THE MEDICAL NECESSITY GRIEVANCES ARE THE CATEGORY WITH THE MOST ACTIVITY. THE MAJORITY OF THOSE GRIEVANCES ARE PRIMARILY RADIOLOGY REFERRALS AND PAIN MANAGEMENT REFERRALS. OF THE TOTAL MEDICAL

NECESSITY GRIEVANCES 54% OF THE ORIGINAL DECISIONS WERE UPHELD BY THE GRIEVANCE COMMITTEE AND 22% WERE REVERSED AND RULED IN FAVOR OF THE MEMBER AND 74 GRIEVANCES (24%) WERE STILL UNDER REVIEW. THE PRIMARY REASON WE UPHOLD THE MAJORITY OF THE DECISIONS IS WE ARE UNABLE TO FIND SUPPORTING DOCUMENTATION FROM THE PROVIDER OR THE MEMBER TO CONFIRM THE REQUEST MEETS APPROPRIATE MEDICAL CRITERIA. THE OTHER NOTEWORTHY MAJOR CATEGORY OF GRIEVANCES IS POTENTIAL INAPPROPRIATE CARE ISSUES. ONCE THESE GRIEVANCES ARE RECEIVED, WE ACKNOWLEDGE RECEIPT TO THE MEMBER AND THEN FORWARD ALL OF THEM TO THE QUALITY DEPARTMENT FOR FURTHER REVIEW, INVESTIGATION AND RESOLUTION - RECEIVED AND FILED
Nilon-Rhoades: 11 Ayes; 5 Absent – Deats, Hoffmann, Jones, Martinez, Patel

14) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Patrick-Melendez: 11 Ayes; 5 Absent – Deats, Hoffmann, Jones, Martinez, Patel

15) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVED AND FILED
Rhoades-Melendez: 11 Ayes; 5 Absent – Deats, Hoffmann, Jones, Martinez, Patel

CA-16) Miscellaneous Documents – RECEIVED AND FILED
Nilon-Patel: 12 Ayes: 4 Absent – Bowers, Hoffmann, Jones, Martinez

A) Minutes for KHS Finance Committee meeting on February 5, 2021

ADJOURNED TO THURSDAY, JUNE 10, 2021 AT 8:00 A.M.
Patrick

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

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Tim McGlew, Chairman

Date: June 10, 2021

Re: Formation of the CEO Search Committee

In accordance with the CEO's employment agreement and upon receipt of his notification to retire as CEO, the Board will follow the process outlined below to locate Doug's replacement. The process begins with forming a Search Committee of KHS Board of Directors.

Steps and Timeframe for hiring a new CEO

1. 12 months before the CEO's retirement date, the Board shall receive notification of the CEO's retirement date from the CEO.

2. Upon receiving notice, the Board shall appoint Board members to serve as a Search Committee who will be responsible for searching for and recommending the finalist(s) for the CEO position to the Board.

3. Within 45 days following its appointment, the Search Committee shall engage a professional executive search firm to assist with recruitment. The Director of Employee Relations shall serve as KHS staff to the Committee to assist with locating and providing background information to qualified search firms experienced with recruiting qualified candidates for the CEO position. An appropriate competitive process shall take place to select the search firm to find qualified candidates for the position.

4. Within 90 days following engagement, the search firm will present its slate of qualified, screened candidates to the Committee for interview consideration.

5. Within 30 days, all selected candidates must be interviewed by the Search Committee.

6. Within 30 days of the conclusion of interviews and evaluation of the candidates, the finalist shall be presented to the Board for recommendation for hire and the candidate will receive an employment offer.

7. If the finalist declines the offer of employment or is otherwise unavailable, the candidate ranked by the Search Committee as the next suitable candidate shall be recommended for hire.

8. Within 30 days, KHS will receive a signed employment agreement leaving just over 4 months for the newly hired CEO to give sufficient notice (if currently employed) to his/her current employer.

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

Search Committee Composition

It's the KHS Board of Director's responsibility for hiring the CEO. To aid in this process, the Board will need to appoint a Search Committee whose function is to identify qualified CEO candidates and present its selection to the Board for consideration and final approval.

To move this process forward, the Chair is requesting the Board consider the following individuals to serve on the Search Committee:

- KHS Board Officers:
    - Chairman McGlew
    - Vice Chairman Judd
    - Secretary Stewart
    - Treasurer Deats
- 4 at large representatives:
    - Larry Rhoades
    - Philip Melendez M.D.
    - Kristen Beall Watson
    - Jeff Flores

The basis for the Search Committee recommendation is:

1. KHS Board Officers will represent the KHS Board leadership
2. 4 At large representatives:
    a. Dr. Melendez will add the physician viewpoint to the process
    b. Larry Rhoades has served as one of our long-standing Board members and for the candidate's benefit, will provide historical knowledge of KHS.
    c. As a current CEO herself, Kristen will bring a CEO's perspective to the discussion.
    d. Jeff Flores, through his work with the county governing board, can bring county perspective to the candidate discussion.

Requested Action

Board approval for the proposed list of Board members to serve as representatives on the CEO Search Committee.

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Jane Daughenbaugh, Director of Quality Improvement

Date: June 10, 2021

Re: Managed Care Accountability Set (MCAS) Update

Background

The Department of Health Care Services (DHCS) of California has established a set of performance measures for Medi-Cal managed care health plans (MCPs) such as KHS. The measures are known as the Managed Care Accountability Set (MCAS). These measures focus on services related to two key areas:

- Preventive health care (e.g. well care visits, mammograms, immunizations, etc.) and
- Chronic condition management (e.g. diabetes, hypertension, asthma, etc.).

Two events radically changed KHS's approach to achieving measure targets since last presented to the Board:

1. DHCS has reset minimum performance levels (MPL) for all measures now requiring achieving the 50th percentile or better for each of these measures instead of the previous level of 25th percentile; essentially doubling the previous goal. Given the magnitude of "lift" associated with this change, DHCS is sensitive to the challenge this represents to health plans and cooperation required from network providers. Although health plans are subject to sanctions from failing to achieve the new minimum, time is being given to allow health plans to modify its strategies for achieving greater member participation and provider cooperation.

2. The introduction of the COVID-19 virus last year significantly impacted the ability of all health plans (including KHS) to meet the MPLs due to access to professional services falling off from public travel restrictions or fear of exposure during a doctor's visit. DHCS is not holding health plan's accountable to the MPLs for measurement year 2019 nor 2020. They have indicated that accountability will resume for measurement year 2021. However, the progress toward resolution of the pandemic may drive a change in that decision.

Discussion

A presentation is included with this memo to provide an overview of the MCAS measures to which KHS is accountable. It offers a brief review of the audit process Kern Health Systems completes as part of our submission of compliance rates for the measures. The audit process is performed by the National Committee for Quality Assurance (NCQA). It provides assurance to DHCS that data collected, and calculation methodologies used for determining our compliance rates meet national standards.

Since COVID-19 eschewed 2020 results, KHS is using its 2020 experience to aid with creating more effective intervention strategy to help improve future results. To this end, KHS has pro-actively undergone a QI Department SWOT analysis. The analysis illustrates internal strengths and weaknesses and identifies opportunities where resources invested could yield favorable results. In addition, the analysis reveals the challenge the QI Department faces leading to less than optimum results. From the analysis, an immediate action plan has been developed along with a 2-year strategy. Both these plans establish our approach for achieving and monitoring MCAS measures. The strategies and interventions provide an overall objective of meeting the minimum performance levels in at least 90% of measures for which the plan is held accountable by reporting year 2022.

The Short-Term Plan and Two-Year Plan for improving MCAS scores was launched earlier this year. Later in 2021, the Board will receive an update on how well we are progressing toward achieving our short term objectives and whether the 2 year strategy is on schedule to meet our long term goal to perform at the new minimum performance level (50%) for measurement year 2022.

Requested Action

Receive and File.

Managed Care Accountability Set (MCAS) – Update & Strategy

Agenda

- Definition of MCAS Measures
- Annual DHCS Audit & Rate Submission (Key Components)
- Strategic Action for Recent Requirement Changes
- KHS Approach to Meet Compliance Benchmark
- KHS Short-Term Strategy
- KHS 2 Year Plan
- Appendix A: MCAS Measures, 2021

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MCAS - Definition

- Managed Care Accountability Sets (MCAS)
  - Performances measures set by the Department of Health Care Services (DHCS)
  - Used by DHCS to evaluate Medi-Cal managed care health plans annually
- MCAS are clinical measures focused on provider delivery of
  - Preventive health services and
  - Chronic condition management services
- MCAS measures uses two collection techniques called Administrative & Hybrid
  - Administrative captures information from data systems only (e.g. claims, lab results)
  - Hybrid captures information through medical record review
- MCAS Measures may be added, deleted or modified from year to year
- 2021 MCAS Measures are depicted on the following two slides

KERN HEALTH SYSTEMS

Annual DHCS Audit & Rate Submission

Key components to the DHCS Audit and Rate Submission Process:

- DHCS validates the methodology health plans use for capturing and measuring performance and compliance
- The National Committee for Quality Assurance (NCQA) reviews and approves KHS's audit techniques to assure submitted data and information are accurate and sufficient to ensure valid performance outcomes.
- Using approved methodology for collecting and displaying data, KHS compiles and transmits its data for evaluation against defined DHCS performance measures
- The process is complete with final submission of our compliance rates (performance) for each measure to DHCS

KERN HEALTH SYSTEMS

Strategic Action Required

DHCS resetting of the minimum performance levels (MPL) from 25% to 50% patient compliance will require:

- Proactive planning and increased collaboration between KHS Staff / Providers / applicable patients,
- Timely monitoring and reporting of outcomes for each strategy to drive decisions to continue existing initiatives or develop new ones, and
- Flexibility by KHS staff to adopt to new approaches should current tactics fail to achieve the desired results.

KERN HEALTH SYSTEMS

KHS' Approach to Achieve MCAS New Compliance Benchmarks

- **Objective:**
  - Meet minimum performance levels in at least 90% of measures the plan is held accountable for measurement year 2022/report year 2023

- **3 Critical Elements** for Achieving Objective

1. Conduct a **SWOT** (Strengths-Weaknesses-Opportunities-Threats) Analysis to:
   - ❖ Identify existing program gaps impeding achieving the objective
   - ❖ Identify areas /opportunities for improving chances for achieving objective
2. Establish Internal, Cross Departmental **MCAS Committee** for input & direction to improve MCAS scores
3. Implement a **Strategic Action Plan** to two Key Features:
   - ❖ 2-year SWOT Strategic Action Plan to develop infrastructure for managing MCAS compliance
   - ❖ Short-term plan for incremental improvements

KERN HEALTH SYSTEMS

KHS' Approach to Achieve MCAS New Compliance Benchmarks

Short-Term Plan

- **Continue Back to Care Promotion**
  - ✓ Inform Members of COVID-19 vaccine through KHS website, on-hold phone messaging, mailed information, social media & robocalls
    - ➢ Eligibility information
    - ➢ Where to get vaccine
    - ➢ Vaccine Facts
  - ✓ Focused robocall & mail campaigns for **child & adolescent well care visits**
  - ✓ Focused robocall, text messaging and mail campaign for **prenatal and post-partum visits**
  - ✓ Offer **Member Incentives for Preventive Health Services** ($1.2 million budgeted)
    - ➢ Infant, child & adolescent well care visits
    - ➢ Pre-natal & post-partum visits
    - ➢ Initial health assessments
- Establish **MCAS Committee** to
  - ✓ Oversee compliance with MCAS measures
  - ✓ Evaluate outcomes of MCAS initiatives
  - ✓ Provide direction on new and continued MCAS compliance efforts
- Establish meetings with **Kern Medical** to focus on improving MCAS measures (already initiated)
  - ✓ Educate on MCAS, evaluate current compliance & identify focused interventions
  - ✓ Utilize residents to provide HPV vaccine
  - ✓ Use of standing orders for preventive health services
  - ✓ Use of mobile preventive health services
- Establish meetings with **Clinica Sierra Vista and Omni** to focus on improving MCAS measures (planned)
  - ✓ Educate on MCAS, evaluate current compliance & identify focused interventions

KERN HEALTH SYSTEMS

KHS' Approach to Achieve MCAS New Compliance Benchmarks

Short-Term Plan, Continued

- Establish **trending reports and outcome measures** to evaluate effectiveness of initiatives
  - ✓ Member Engagement & Rewards Program Dashboard
  - ✓ MCAS Measures
- Promote use of **telehealth services** for preventive health services
  - ✓ Inform providers on telehealth services tips
  - ✓ Advise what services are appropriate for telehealth
  - ✓ Support members in acceptance of telehealth
- Implement **KHS departments' visibility to Gaps in Care** to inform & support members with preventive health services
- Implement **member visibility to Gaps in Care** for increased awareness and follow up
- Educate & support providers with correct **coding for MCAS measures**
  - ✓ Focus on increased use of CPT Type II codes
- Improve efficiency & accuracy of measuring MCAS rates by **increasing KHS access to provider EMR systems**

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KHS' Approach to Achieve MCAS New Compliance Benchmarks

2 Year Plan

- Solidify MCAS Committee Evaluation of Outcomes to Drive Decisions for New MCAS Initiatives
- Improve Provider Rewards for Outcomes-Based Performance
- Leverage Mobile Delivery of Preventive Health Services
- Increase Electronic Data Measurement of MCAS Measurement Compliance
- Establish Population Health Management Program in Support of Preventive Health Care Compliance

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Appendix A:
MCAS Measures, 2021

Measure	Acronym	Measure Type
Breast Cancer Screening	BCS	Administrative
Cervical Cancer Screening	CCS	Hybrid
Child and Adolescent Well-Care Visits	WCV	Administrative
Childhood Immunization Status: Combination 10	CIS-10	Hybrid
Chlamydia Screening in Women	CHL	Administrative
Comprehensive Diabetes Care: HbA1c Poor Control (>9.0%)	CDC-H9	Hybrid
Controlling High Blood Pressure	CBP	Hybrid
Immunizations for Adolescents: Combination 2	IMA-2	Hybrid
Prenatal and Postpartum Care: Postpartum Care	PPC-Pst	Hybrid
Prenatal and Postpartum Care: Timeliness of Prenatal Care	PPC-Pre	Hybrid

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MCAS Measures, 2021, continued

Measure	Acronym	Measure Type
Weight Assessment & Counseling for Nutrition and Physical Activity for Children/Adolescents: BMI Assessment	WCC-BMI	Hybrid
Weight Assessment & Counseling for Nutrition and Physical Activity for Children/Adolescents: Nutrition	WCC-N	Hybrid
Weight Assessment & Counseling for Nutrition and Physical Activity for Children/Adolescents: Physical Activity	WCC-PA	Hybrid
Well-Child Visits in 1st 30 Months of Life - 1st 15 Months	W30	Administrative
Well-Child Visits in the 1st 30 Month of Life - Ages 15 Months - 30 Months	W30	Administrative

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To: KHS Board of Directors

From: Emily Duran, Chief Network Administration Officer

Date: June 10, 2021

Re: Provider Network Capacity Study

Background

On an annual basis, Kern Health Systems undergoes an extensive review of the provider network capacity to ensure the appropriate levels of clinicians are contracted. The Department of Managed Health Care (DMHC) continues to closely monitor Primary Care Provider (PCP) to Member Ratios to determine provider network adequacy methodology. A few items to note:

Analysis

KHS monitors the Primary Care Provider (PCP) ratio as well as time and distance standards on a regular basis. Slide 6 demonstrates KHS PCP capacity in compliance with the 1:2,000 ratio except for one geographic area: Cal City, Mojave and Ridgecrest. However, for 2020 this will change as Adventist Health recently expanded in this area with the provider grant funds awarded by KHS.

As a part of Annual Provider Network Reporting, the DMHC reviews the Plan's ratio of enrollee to providers of certain specialty types. Plans are reviewed against other health plans, and if identified as an outlier, issued a finding. As you can see the DMHC specialist findings seem to increase year over year however there is a key factor that is not considered by DMHC which have direct impact to access to care. DMHC does not include in their calculation members assigned to Nurse Practitioners and Physician Assistants (Mid-level Practitioners**)** nor Telehealth Specialist as qualified providers in their PCP and Specialty Care provider count.

Slides 9 and 11 show the Specialty Care Provider growth in our network yet, Kern County remains under a health care provider shortage. For KHS, with enrollment growth of over 50,000 new members in the past 3.5 years, this presents a significant challenge just trying to keep up. Nevertheless, it is an area of focus for KHS.

Plan for Improving Provider / Member Ratios

As a result of the access deficiencies identified, KHS will continue to work toward recruiting and growing provider access for our members with the following strategies:

- Continue to fund Provider Grants to encourage Provider recruitment and New Specialty care locations
- Continuous Provider Network and Telehealth Expansion
- Promote Medical & Mental Health Integration
- Continue to Expand Health Home Program to increase medical care for the high-risk population and alleviate small provider practices with this population; and
- Create Diagnosis Specific Clinics to also alleviate provider practices that struggle with managing medically complex members/patients.

The presentation included details the 2020 provider network capacity study, areas of deficiency and the plan to address the needs in our network.

Requested Action

Receive and File.

KERN HEALTH SYSTEMS

2020 Provider Network Capacity Report

Board of Directors

June 10th, 2021

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Background/Scope

On an annual basis, Kern Health Systems (KHS) reviews network adequacy to ensure members have access to a quality group of providers and specialist that can meet the need in a timely manner.

The following were taken into consideration:

- Analysis of provider to member ratio, per state regulation
- PCP Medical Service Study Area Capacity report.
- Specialty Provider Network
- Mental Health Provider Network

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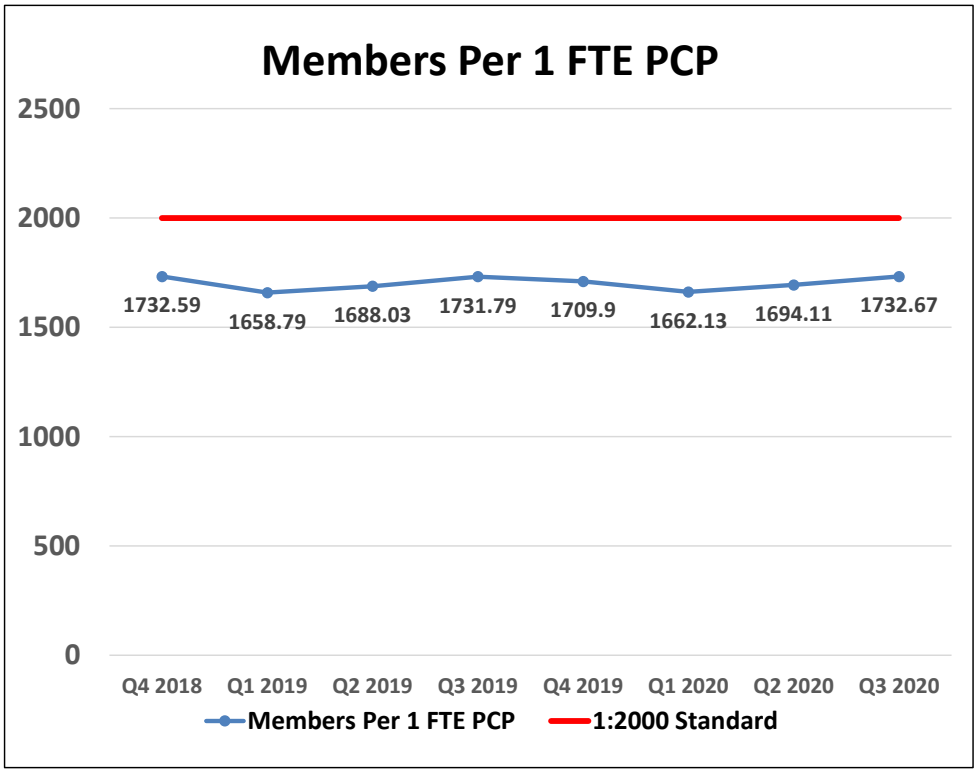
PCP to Enrollee Ratios



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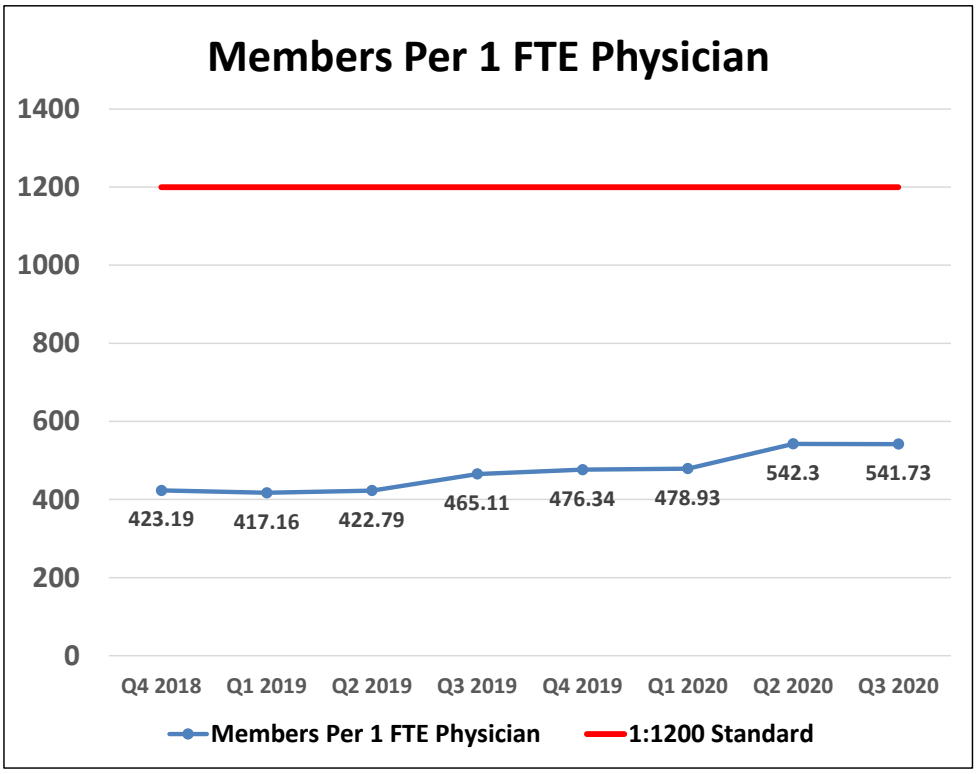
Physician to Enrollee Ratios



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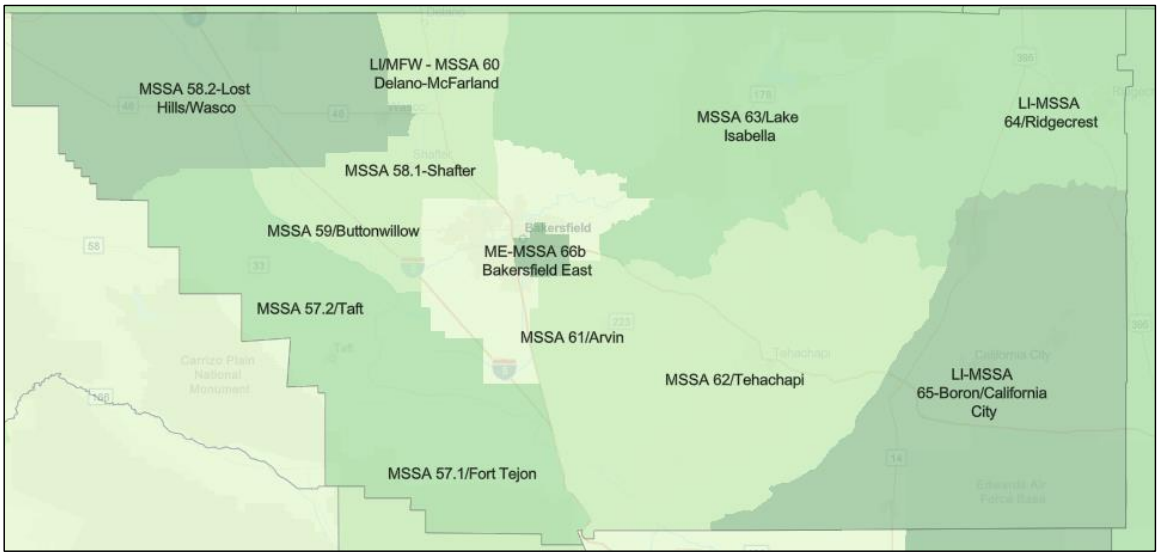
Primary Care - HPSA Map

Kern County – Primary Care Health Professional Shortage Areas (HPSA)



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PCP Capacity, Per MSSA

MSSA	Major Cities	Number of Primary Care Physicians	Number of Primary Care Mid-levels	Total FTE PCP	Membership Q3 2020	Percent of KFHC Members per MSSA	Number of FTE PCPs to Serve Membership	FTE PCP Gap
57.1	Frazier Park, Lebec	1	1	0.74	871	0.32%	0.44	No Gap
57.2	Taft, Maricopa	9	10	6.86	6,991	2.60%	3.50	No Gap
58.1	Shafter	11	24	11.27	8,281	3.08%	4.14	No Gap
58.2	Lost Hills, Wasco	11	19	10.05	10,408	3.87%	5.20	No Gap
59	Buttonwillow	1	2	0.98	805	0.30%	0.40	No Gap
60	Delano, McFarland	32	19	20.34	26,291	9.77%	13.15	No Gap
61	Arvin, Lamont	13	20	11.27	18,484	6.87%	9.24	No Gap
62	Tehachapi	7	10	5.88	4,326	1.61%	2.16	No Gap
63	Lake Isabella, Wofford Heights, Kernville	4	4	2.94	3,417	1.27%	1.71	No Gap
64	Ridgecrest	23	14	14.70	232	0.09%	0.12	No Gap
65	California City, Mojave, Rosamond	2	3	1.72	6,539	2.43%	3.27	-1.55
66a, 66b, 66c, 66d	Metropolitan Bakersfield	140	101	93.35	181,866	67.60%	90.93	No Gap

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Specialist Capacity

- KHS is required to maintain a ratio of specialists to “reasonably assure” services are accessible to enrollees on an appropriate basis. Currently, there is no numerically defined ration requirements for specialty providers.
- As a part of Annual Provider Network Reporting, the DMHC reviews the Plan’s ratio of enrollee to providers of certain specialty types. Plans are reviewed against other health plans, and if identified as an outlier, issued a finding.
- The DMCH calculation for specialist ratio’s does not take into account mid-level providers; for MY 2018, the DMHC calculation did not take into account providers offering services via telehealth
- Measurement Year (MY) 2019 Annual Network Reporting, submitted Q2 2020, is currently under review with the DMHC .

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DMHC Specialist Findings

Specialty	MY 2015	MY 2016	MY 2017	MY 2018*	MY2019*
Cardiology	✖	✖	✖	N/A	N/A
Dermatology	O	✖	✖	✖	✖
Endocrinology	✖	O	O	✖	O
Neurology	N/A	N/A	N/A	✖	✖
OB/GYN	O	O	O	N/A	N/A
Oncology	N/A	✖	✖	✖	✖
Ophthalmology	O	O	✖	✖	✖
Orthopedic Surgery	✖	✖	✖	✖	✖
Psychiatry	O	O	O	N/A	N/A
Pulmonology	✖	✖	✖	N/A	N/A
Urology	N/A	N/A	N/A	✖	✖

DMHC Finding - ✖ No Finding - O Not Reviewed – N/A

*DMHC calculation did not take into account providers offering services via telehealth

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MY2019 DMHC Deficiencies

Provider Counts

- DMHC calculation did not take into account mid-level providers or providers offering services via telehealth

Specialty	DMHC Count	Midlevel Count	Telehealth Count
		Providers Not Included in DMHC Ratio Calculation	
Dermatology	6	8	17
Neurology	21	2	1
Ophthalmology	31	0	0
Orthopedic Surgery	18	3	0
Urology	8	5	0
Oncology	3	Plan reported an additional 13 "Hematology/Oncology" providers (not midlevel or telehealth) that were not included in the DMHC calculation.	

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Quarterly Access Review

Grievance

- Quarterly, the Plan reviews all access grievances found in favor of the enrollee to identify any potential access issue trends. The Plan did not identify any specialist appointment availability issues during 2020.

Grievance Category	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Specialist Appointment Availability Grievances	6	2	1	0

Appointment Availability Survey

- Quarterly, a random sample of 15 specialty providers are surveyed to review the Plan's compliance with the 15 day appointment availability standard.

Specialist Results	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Average wait time for appointment (in days)	3.1	5.4	8.5	5.7

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Specialist Growth

Specialty	2016	2017	2018	2019	2020	5YR %
Cardiology	32	36	39	40	42	31%
Dermatology	30	32	31	35	35	17%
Endocrinology	9	12	17	19	20	122%
ENT/Otolaryngology	6	12	14	12	10	67%
Gastroenterology	16	15	16	20	22	38%
General Surgery	34	36	42	59	68	100%
Hematology	8	15	18	18	19	138%
Infectious Diseases	10	11	11	10	10	0%
Nephrology	25	20	23	25	25	0%
Neurology	23	19	24	25	25	9%
Oncology	11	13	20	23	24	118%
Ophthalmology	30	25	28	32	30	0%
Orthopedic Surgery	14	17	17	20	21	50%
Physical Med & Rehab	22	16	21	27	24	9%
Psychiatry	23	29	45	54	54	135%
Pulmonology	20	23	22	21	20	0%
Urology	5	8	9	13	17	240%

≥5% Increase **≥5% Decrease**

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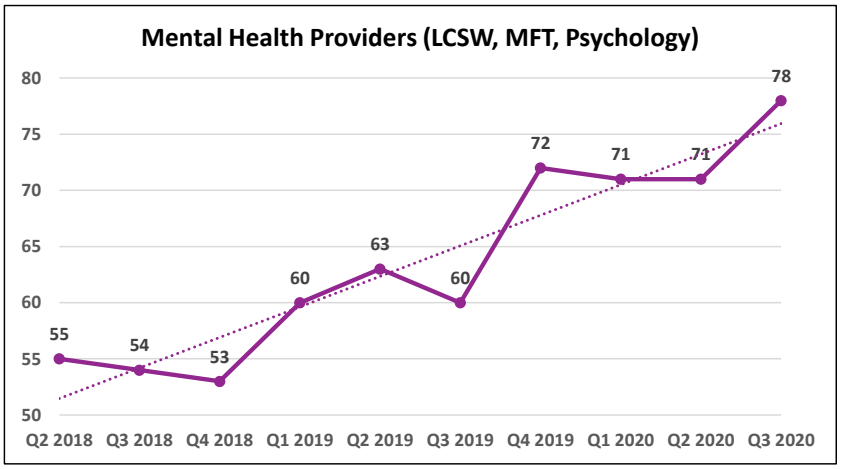
Mental Health Network

- **DMHC Annual Network Report Findings**

Specialty	MY 2015	MY 2016	MY 2017	MY 2018	MY 2019
Mental Health	✖	✖	✖	O	O

DMHC Finding - ✖ No Finding - O

- **Continued Growth**



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Planning For Increased Demand

- 2020-21 Provider Grants
  - Provider recruitment
  - New Specialty care locations
- Continuous Provider Network Expansion
- Telehealth Expansion
- Promote Medical & Mental Health Integration
- Continue to Expand Health Home Program
- Diagnosis Specific Clinics
  - Transition of Care Clinic
  - Respite Care Clinic
  - Inpatient Program for Pulmonary Rehab
  - Expanded Diabetic clinics

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Questions

For additional information, please contact:

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

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Douglas Hayward, Chief Executive Officer

Date: June 10, 2021

Re: Update on 2021 Corporate Goals

Background

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

The attachment includes a description of each Corporate Goal along with the associated deliverables. For items that were due in Q1 you will find a corresponding status update. Overall, KHS is on track with items that were due to complete in the first quarter. The exception being the Pharmacy Carve-Out which has been delayed indefinitely by the Department of Health Care Services.

Requested Action

Receive and File.

KERN HEALTH SYSTEMS

Corporate Performance Goals for 2021

Background

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

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

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

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

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

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2. **New Projects, Programs or Activities:** As a leader of your department, you're truly the experts in your field. You will need to guide the organization on programs *that are nice-to-haves but not essential*. Department heads are expected to discuss with their Executive leader their recommendations for programs, projects or activities that could potentially be placed on-hold for 2021. As with staffing, new projects, programs and activities not mandated by government regulation or policy will need to show a return on investment through savings or efficiency.

3. **Provider Payment:** Year over year, the State pays Medi-Cal health plans based on historical cost information they receive from us. The goal is to assure the reimbursement rates health plans receive will cover the anticipated health services cost adjusted for trends in utilization or unanticipated medical cost expenses health plans incur from time to time. When benefits are added, or omitted rates will be adjusted accordingly as well. For the health plan's benefit, this practice should yield "actuarily sound" rates and enough reimbursement to cover medical cost for the insured Medi-Cal population for year in which the rate applies. On the rare occasion (such as the one occurring now) the State will make arbitrary decisions that negatively impacts reimbursement. The retro rate reduction of 1.5% and anticipated 2021 rate reduction of another 3% are two examples of this and will likely result in the amount of money we pay providers in 2021 to be more than what we get reimbursed from the State during that same period. Cash reserves become incredibly important because it allows us to continue to pay Hospitals and Providers even when we're underpaid or delays occur in receiving reimbursement from the State.

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

Goal 1– Behavioral Health Integration Program

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

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

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

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

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

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Deliverables

- ***Determine BHI readiness for each grantee by 1st Quarter, 2021*** *– Readiness review for each grantee was completed per their individual program design. Regular contact between organizations occurred beginning late 2020 to ensure successful implementation.*

- ***Create BHI grant agreement for each grantee by 1st Quarter, 2021*** *– Grant agreements and MOUs were developed and approved by DHCS as required. This included specific program readiness and project milestones for achievement tied to the grant funding.*

- ***Contract with each grantee by 1st Quarter, 2021*** *- Grant agreements have been executed for Good Sam Hospital (2 programs), Premier Valley Medical Group, and Adventist Health Tehachapi Valley (2 programs).*

- ***Execute start date of each BHI program initiatives by 1st Quarter, 2021*** *– All programs are currently operational as of April 2021. Below is a summary of the programs:*

  Premier *- Medication Management for Beneficiaries with Co-occurring Chronic Medical and Behavioral Diagnoses. Program started 1/1/2021. Data for Q1: Universal Urgent Care Patient Screening – 691, Patients Served YTD - 227.*

  Good Sam Hospital *- Improving Follow-up after Hospitalization for Mental Illness. Program started 1/1/2021. Data for Q1: Total Patients Screened: 35 (**73%** of total patients discharged), Opted into the program – 28 (80% of screened patients)*

  Good Sam Hospital *- Basic Behavioral Health Integration – Wasco Rural Health Center. Program started 4/1/2021.*

  Adventist Health Tehachapi Valley *- Diabetes Screening and Treatment for People with Serious Mental Illness. Program started 4/1/2021.*

  Adventist Health Tehachapi Valley *- Improving Follow-up after Emergency Department Visit for Behavioral Health Diagnosis. Program started 4/1/2021.*

- ***Continue to monitor grantees performance against predetermined objectives throughout the 2-year grant cycle starting following initiation of each grantee's program by 2nd Quarter, 2021.***

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

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

Deliverables:

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

- ***For selected providers, initiate provider contract revisions to change or enhance compensation arrangements by 2nd Quarter, 2021***

- ***Determine impact to KHS internal operations by beginning of 3rd Quarter, 2021***

- ***Design data tracking and reporting of specialty care to determine achievement of the desired outcome and / or ROI by the 3rd Quarter, 2021***

- ***Following implementation, begin monitoring to determine if targeted outcomes are achieved by 4th Quarter, 2021***

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

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

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

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

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

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

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

Deliverable:

- ***Select remaining interested PCPs with a significant number of HHP qualified members by 1st Quarter. 2021.*** – *Staff conducted analytics and identified two additional providers who would qualify for the distributive model: Westside Taft Clinic and Dr. William Bichai.*

- ***Modify new PCP participants contract to include role, function and responsibilities as a PCP under the DHHP concept by 2nd Quarter, 2021.***

- ***Modify new PCP participants practice setting to meet DHHP requirements beginning 2nd Quarter, 2021.***

- ***Conduct new PCP participants and staff training program under the DHHP beginning 3rd Quarter, 2021.***

- ***Launch expanded DHHP with new participants beginning by end of 3rd Quarter, 2021.***

- ***Launch CSV's HHP site by 2nd Quarter, 2021.*** – *CSV's Greenfield location began seeing Health Homes Program members in early March.*

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

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

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

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

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

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

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

Deliverable:

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

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Goal – 5 Interoperability and Patient Access

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

Deliverables:

- ***Establish new technology systems and processes to facilitate data exchanges with members and providers by the end 1st Quarter 2021.*** - *The new technology system has been purchased, installed, and configured, and the team continues to test the system to present the data in a meaningful manner for the Q2 goal.*
- ***Create Provider and Member Portal applications to present data in a meaningful manner to providers and members by the end of 2nd Quarter 2021***
- ***Research and identify 3rd party applications to use data in a manner that will benefit a Medi-Cal population by end of 2nd Quarter 2021.***
- ***Engage and inform members and providers on new methods of data access and tools by end of 3rd Quarter 2021***
- ***Establish audit and reconciliation processes to manage data exchange effectiveness with reporting and analytics by end of 4th Quarter 2021.***
- ***Create Payer to Payer data exchanges to collect external data sources to consolidate and deliver other payor data by end of 1st Quarter 2022.***

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

Beginning 2021, with few exceptions, the MediCal prescription drug benefit will be administered by the State in partnership with Magellan Medicaid Administration. For managed care health plans, this will mean a diminished role in the administration and distribution of the pharmacy benefit. However, under certain circumstances and in specific situations, managed care plans (MCP) will continue to administer the MediCal pharmacy benefit. Transitioning to this new arrangement began in 2020 and will continue to a smaller extent in 2021. The transition to the new arrangement with realignments in place is expected to be finished by the end of 1st quarter,

2021. Though the claims processing/payment and authorization for outpatient drugs will fall to the State, the MCPs are expected to continue their case management, DUR, MTM, and other related activities. Quality measures that involve administrative pharmacy data will also be activities the plans will be required to meet.

Deliverables: *As previously reported to the Board, in late February DHCS delayed implementation of the Medi-Cal Rx transition indefinitely due to potential conflict of interest concerns with their vendor (Magellan). Both DHCS and KHS have taken the necessary steps to notify impacted constituents of the delay. DHCS continues to review the situation and will release more details when available. Much of the transition work has been completed internally and can be resumed when needed.*

- ***Create Data Exchange and integration to current system application beginning in 3rd Quarter, 2020.***
- ***Incorporate Operational readiness for Member Services, Provider Network Management, Health Services, Claims Adjudication, and Business Intelligence by 4th Quarter, 2020.***
- ***Transition Pharmacy Operations for outpatient pharmacy processing only beginning 1st Quarter, 2021***
- ***Complete 120day transition for TAR drugs or grandfathering medications by 2nd Quarter, 2021***
- ***Continue to perform run out activities for outpatient pharmacy through 1st Quarter, 2021.***
- ***Complete Member and Provider transition for outpatient pharmacy from KHS to Magellan by beginning of 1st Quarter, 2021***
- ***Transition department to providing ongoing support to members and providers for pharmacy prescription benefits remaining the responsibility of KHS (ongoing)***

Goal 7 - Back to Care for Members

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

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

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

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

Deliverables

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

- ***Prioritize members for intervention beginning 1st Quarter, 2021*** – *The Back to Care Program included a comprehensive approach to reach both the member and provider community. This included different interventions both broad and targeted. The targeted campaigns prioritized the areas of child immunizations, adult screenings, and high risk/special needs members.*

KERN HEALTH SYSTEMS

- ***Develop the Back to Care Communication Program to encourage providers and members to reengage in their health care by 1st Quarter, 2021*** *– There was a comprehensive communication and media campaign completed as part of this effort. Primary Care and Specialty Providers were notified about the opportunity to participate in provider incentive payments. Also, the "We're Here For You" member marketing campaign ran from February to May and included television, billboards, radio, print, and digital advertisements.*

- ***Under appropriate circumstances create a provider incentive program to aid in achieving desired outcomes by 2nd Quarter, 2021***

- ***Under appropriate circumstances create a patient incentive program to aid in achieving desired outcomes by 2nd Quarter, 2021***

- ***Determine ways to use technology to improve member and /or provider communication and with KHS staff by 2nd Quarter, 2021***

- ***Incorporate Telehealth Services (where appropriate) to expand access to care by 2nd Quarter, 2021***

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

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Douglas A. Hayward, Chief Executive Officer

Date: June 10, 2021

Re: 2022 Corporate Goals

Background

Annually, Kern Health Systems establishes Corporate Goals which contribute to a variety of activities undertaken each year by the company. Included among these activities are:

- establishment of the annual Department Goals and Objectives
- planning for new Corporate Projects and
- preparation of the Capital and Operating Budgets for the year the Corporate Goals apply.

To qualify as a Corporate Goal means that its accomplishment is necessary for the Company to:

- achieve critical performance milestones
- implement State mandated programs or
- improve business operations or results

Ordinarily, our three-year strategic plan would be the driver behind KHS's annual goals. Due to the our nearly year and a half preoccupation with the pandemic and its associated uncertainty, we made a conscious choice to delay creating a new three-year plan until things stabilized.

Now that we've seen a steady reduction in COVID -19 cases and broader availability of vaccine, KHS will turn its attention again to long term planning. Included in the attached list of 2022 Corporate Goals is the creation of a new Three – Year Strategic Plan.

Also enclosed is a power point presentation which will be given at the Board meeting.

Requested Action

Board approval of KHS 2022 Corporate Goals.

2022 Corporate Goals

Kern Health Systems 2022 Corporate Goals

Doug Hayward
Chief Executive Officer

Purpose:

1. Inform the Board on next year's priorities
2. Provide Executive Leadership cohesion
3. Educate employees on important matters to the Company
4. Show Department's where they need to focus their attention to contribute to accomplishing the goal
5. Include "Deliverables" and "Completion Dates" to measure progress toward accomplishing each goal throughout the year

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Qualification for Corporate Goal Designation:

- Contributes to KHS's Mission
- Critical to the Company's Success
- Material impact to KHS Growth and Development
- State Legislative or Regulatory Mandated Changes

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Contributes to KHS's mission… *to improve the health status of our members through an integrated managed health care delivery system.*

- **CalAIM (Enhanced Care Mgmt. and In Lieu Of Services Initiatives)**
  - **ECM** is a comprehensive approach to address the clinical and non-clinical needs of high-need, high-cost members through care coordination
  - **ILOS** are services provided as a substitute for, or used to avoid, other more costly covered services, such as a hospital

Meeting this 2022 Goal will ensure:

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

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Contributes to KHS's mission… *to improve the health status of our members through an integrated managed health care delivery system.*

- **Major Organ Transplant Program**
  - DHCS proposes to standardize managed care plan benefits, so that all Medi-Cal managed care plans provide the same benefit package by 2023.
  - Besides Kidney transplant, KHS will also become responsible for heart, liver, lung and pancreas transplants.

Meeting this 2022 Goal will ensure:

- Contracting with a network of major organ transplant centers
- Establishing a successful Major Organ Transplant Program comprised of:
  1. Transplant coordination team to follow qualified transplant patients through their pre-transplant care, transplant surgery and post discharge therapy and rehabilitation
  2. Tracking and reporting system to ensure the performance and clinical outcomes meets KHS quality care standards and DHCS expectations

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Matters of importance to the Company

- **Selection of new Chief Executive Officer**
  - The transition of key employees, particularly the Chief Executive Officer (CEO) is one of the most formidable challenges an organization will face.
  - This can be somewhat mitigated with a well thought out and effectively executed succession plan.

Meeting this 2022 Goal will ensure:

- Formation of Board level Search Committee
- Hiring Prominent Recruiter with Health Plan CEO Executive Recruiting Experience
- Allowing adequate time to identify, hire and transition to new leadership

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Planning for KHS growth and development

- **Medi-Cal Eligibility Expansion**
  - In 2022, Medi-Cal will shift several new and currently covered population categories to health plans:
    - Undocumented Adults over 50 (pending approval of legislation
    - Enrollees from Medi-Cal Fee-For-Service eligible population:
    - Accelerated Enrollment (AE)
    - Pregnancy Related (Title XIX)
    - American Indian
    - Beneficiaries in Rural Zip Codes
    - Beneficiaries with Other Healthcare Coverage
  - **60,000 potential members** among the seven groups in Kern County

Meeting this 2022 Goal will ensure:

- local and state organizations assisting eligible enrollees will receive KFHC information so newly eligible can make an informed choice of health plans
- Achievement of KHS enrollment target of 80% of potential the eligible population

KERN HEALTH SYSTEMS

Planning for KHS growth and development (cont.)

- **Three Year Strategic Plan will:**
  - Guide management with planning for CalAIM projects schedule to launch between 2023 to 2025
  - Include other initiatives the Board would like to see accomplished between 2023 and 2025

Meeting this 2022 Goal will ensure:

- a “road map” for accomplishing critical initiatives over the next 3 years
- Identification of strategies and tasks undertaken for completing each initiative
- Establishment of timelines and deliverables showing progress toward achieving the desired outcome(s)
- Assignment of responsibility for successful completion of each initiative

KERN HEALTH SYSTEMS

California State Mandated Programs and Services

- **Rx Pharmacy Carve Out**
  - Medi-Cal prescription drug benefit will be administered by the State in partnership with Magellan Medicaid Administration.
  - For managed care health plans like KHS, this will mean a diminished role in the administration and distribution of the pharmacy benefit.
  - KHS is expected to continue case management, Drug Utilization Review, Medication Therapy Management, and other related activities. Quality measures that involve administrative pharmacy data will also be activities the plans will be required to meet.

Meeting this 2022 Goal will ensure:

- KHS successfully performed its role and met it responsibility to the State, network providers and members to see that the transition occurs on the designated program "cut over" date determined by the State.

KERN HEALTH SYSTEMS

California State Mandated Programs and Services (cont.)

CalAIM Incentive Payment Program For ECM and ILOS Initiatives

- CalAIM's Enhanced Care Management (ECM) and In Lieu Of Services (ILOS) programs will launch in January 2022, requiring significant new investments in care management capabilities, ILOS infrastructure, information technology (IT), data exchange, and workforce capacity for both health plans and providers.
- DHCS has designed the proposed incentive payment approach with the goal of issuing initial payments to health plans beginning in January 2022 for the achievement of defined milestones

Meeting this 2022 Goal will ensure:

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

KERN HEALTH SYSTEMS

California State Mandated Programs and Services (cont.)

Instituting Telehealth as New (Permanent) Medi-Cal Benefit

- A significant segment of Kern County is designated as a medically underserved geographical area
- KHS is challenged with meeting access standards based on the size of our enrolled population and provider availability.
- The Governor's Budget proposes to make permanent and expand certain telehealth flexibilities currently in place due to COVID-19

Meeting this 2022 Goal will ensure:

- improved access to physician services
- Improved health care to home-bound patients who will benefit from remote monitoring
- Improved provider access scores for both PCP and Specialists

KERN HEALTH SYSTEMS

Summary

Requested Action:

- Board Approval of KHS's 2022 Corp Goals

KERN HEALTH SYSTEMS

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Corporate Performance Goals for 2022

Background

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

Specifically, CalAIM has three primary goals:

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

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

Major CalAIM initiatives scheduled for implementation in 2022 include:

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

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

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

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

1. A new **Three-Year Strategic Plan** will be adopted in early 2022 focused mostly around CalAIM initiatives scheduled for launch between January 1, 2023 and December 31, 2025. CalAIM will continue to preoccupy KHSs time and resources for the foreseeable future with its many initiatives scheduled for implementation as far out as 2026.

2. KHS will expand its **Major Organ Transplant** responsibilities with the addition of Heart, Lung, Liver and Pancreas**.** Historically, other than for kidneys, members needing organ transplants would disenroll with KHS and reenroll in the State's Medi-Cal Fee For Service Coverage Plan. To avoid fragmenting members care and shifting between two Medi-Cal enrollment programs, beginning 1/1/2022, members may remain in their current health plan where patients will be followed from pre-transplant to recovery.

3. The **Chief Executive Officer** will be retiring in 2022. Recruitment of his replacement will commence in 2021. It is anticipated it will take several months to locate and hire a suitable candidate including allowing for time to transition from current employment to the KHS leadership role.

4. **Pharmacy Benefits Management (PBM)** currently administered through health plans will be carved out and centrally administered through a statewide PBM. Originally scheduled to launch in 2021, it appears it will be delayed a year and likely to be implemented in early 2022.

5. **Medi-Cal Eligibility Expansion** will occur over 2022, adding six new Managed Care Medi-Cal eligibility population categories to Managed Care Plans like KHS.

6. An **Incentive Program** to promote health plan and provider participation in ECM and ILOS will be created. The Governor's budget allocated $300 million for plan incentives from January to June 2022, $600 million from July 2022 to June 2023, and $600 million from July 2023 to June 2024.

7. **Telehealth Services** has shown to be an effective method for maintaining the physician / patient relationship during the pandemic. DHCS modified its benefits to include telehealth as an alternative to office visits during the stay at home order. DHCS will make telehealth (audio services) a permanent benefit effective 2022.

Goal 1 – CalAIM 2022 Initiatives (Implementation and Monitoring)

Effective 1/12022 health plans are expected to launch two major CalAIM initiatives:

- **Enhanced Care Management** is comprehensive approach to address the clinical and non-clinical needs of high-need, high-cost members through coordination of services and comprehensive care management. Kern Health Systems Health Home Program and Kern Medical's Whole Person Care Program will be incorporated under Enhanced Care Management. Over the years, more Medi-Cal members will qualify for Enhanced Care Management through expansion among existing qualified enrollees or adding of new member eligibility categories.

- **In Lieu of Services** are services provided as a substitute for, or used to avoid, other more costly covered services, such as a hospital or skilled nursing facility admission or a discharge delay. Such service may or may not be medically related but by their proper use should reduce medical cost.

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

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

Deliverables:

- ***By 1st Quarter, 2022, establish methodology for monitoring program performance including identifying staff responsibilities for tracking and reporting on each program's performance against predetermine targets and DHCS performance measures.***

- ***By 2nd Quarter, 2022, establish a data collection and reporting framework to track and monitor each initiative's performance to determine if its meeting its intended purpose:***

    - ***Data will be developed for all critical components of each initiative.***
    - ***Analytics will track each critical component's performance***
    - ***Reports will be generated timely to measure outcomes***

- ***By 2nd Quarter, 2022, design and format reports and schedules in accordance with DHCS reporting requirements and submission timelines.***

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

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

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

- Development of a statewide population health management strategy and require health plans to submit local population health management plans.
- Implement a new statewide enhanced care management benefit.
- Implement in lieu of services (e.g., housing navigation/supporting services, recuperative care, respite, sobering center, etc.).

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

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

2023

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

2024

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

2025

- D-SNP Medicare health plan initial enrollment begins 01/01/2025

- Continue full integration implementation readiness and planning activities for the remaining outstanding CalAIM initiatives

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

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

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

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

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

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

Deliverables:

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

Goal 3 - Major Organ Transplants

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

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

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

Deliverables

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

Goal 4 - Selection of New Chief Executive Officer

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

KERN HEALTH SYSTEMS

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

1. 12 months before the CEO's retirement date, the Board shall receive notification of the CEO's retirement date from the CEO.

2. Upon receiving notice, the Board shall appoint 5 Board members to serve as a Search Committee who will be responsible for searching for and recommending the finalist(s) for the CEO position to the Board.

3. Within 45 days following its appointment, the Search Committee shall engage a professional executive search firm to assist with recruitment. The Director of Employee Relations shall serve as KHS staff to the Committee to assist with locating and providing background information to qualified search firms experienced with recruiting qualified candidates for the CEO position. An appropriate competitive process shall take place to select the search firm to find qualified candidates for the position.

4. Within 90 days following engagement, the search firm will present its slate of qualified, screened candidates to the Committee for interview consideration.

5. Within 30 days, all selected candidates must be interviewed by the Search Committee.

6. Within 30 days of the conclusion of interviews and evaluation of the candidates, the finalist shall be presented to the Board for recommendation for hire and the candidate will receive an employment offer.

7. If the finalist declines the offer of employment or is otherwise unavailable, the candidate ranked next in order by the search firm shall be recommended for hire.

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

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

Deliverable

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

Goal 5 – Medi-Cal Eligibility Expansion for 2022

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

- Undocumented Adults over 50 (pending approval of legislation)

- Enrollees from Medi-Cal Fee-For-Service eligible population:
  - Accelerated Enrollment (AE)
  - Pregnancy Related (Title XIX)
  - American Indian
  - Beneficiaries in Rural Zip Codes
  - Beneficiaries with Other Healthcare Coverage

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

For Kern County, beneficiaries will choose between Kern Health Systems (Kern Family Health Care) and HealthNet. Typically, when newly eligible members are given a choice 80 -85% select Kern Family Health Care (KFHC). Each newly eligible enrollee will receive an enrollment packet 90 days in advance of their effective date of coverage (January 1st, 2022). Eligible members failing to select a health plan, will be automatically assigned to either HealthNet or KFHC. It is estimated approximately 20% will fail to select and will automatically be enrolled with one of the two available heath plans. When this happens, members may change the States default selection anytime. For those who change, it's been KHS's experience we gain four members for each member lost to HealthNet.

Deliverables:

- ***Provide information and support to community-based organizations enrolling newly eligible members into full scope Medi-Cal by 1st Quarter, 2022.***

- ***Initiate enrollment of newly eligible Medi-Cal members starting in 2nd Quarter, 2022.***

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

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

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

Therefore, beginning 2022, with few exceptions, the Medi-Cal prescription drug benefit will be administered by the State in partnership with Magellan Medicaid Administration. For managed care health plans like KHS, this will mean a diminished role in the administration and distribution of the pharmacy benefit. However, under certain circumstances and in specific situations, managed care plans (MCP) will continue to administer the Medi-Cal pharmacy benefit. Transitioning to this new arrangement will again start sometime during the last quarter of this year and continue to a smaller extent in 2022. The transition to the new arrangement with realignments in place is expected to be finished by the end of 1st quarter, 2022.

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

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

Deliverables:

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

Goal 7 - CalAIM Incentive Payment Program

CalAIM's Enhanced Care Management (ECM) and In Lieu Of Services (ILOS) programs will launch in January 2022, requiring significant new investments in care management capabilities, ILOS infrastructure, information technology (IT), data exchange, and workforce capacity for

both health plans and providers. Incentives will be available over the next three years to help pay for these investments. DHCS has designed the proposed incentive payment approach with the goal of issuing initial payments to health plans beginning in January 2022 for the achievement of defined milestones such as:

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

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

1. Develop a clear incentive payment allocation methodology where all plans have an opportunity to participate equitably

2. Set ambitious, yet achievable measure targets

3. Ensure efficient and effective use of all performance incentive dollars

4. Drive significant investments in core priority areas up front

5. Minimize administrative complexity

6. Address variation in existing infrastructure and capacity between Whole Person Care and Health Home Programs

7. Ensure use of incentive dollars does not overlap with other DHCS incentive programs or with services funded through the rates

8. Measure and report on the impact of incentive funds

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

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

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

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

Deliverables

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

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

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

Specifically, DHCS proposes:

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

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

Deliverables

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

- ***Inform participating providers telehealth will become a permanent benefit effective 2022 under Medi-Cal by 4th Quarter, 2021***

- ***Convey logistical information about the benefit and procedures providers will need to follow when using telehealth services and receiving payment for telehealth services by 1st Quarter, 2022***

- ***Inform members that telehealth will be added to their Medi-Cal benefits explaining what it is, why it is beneficial and how this service will be provided and used for the member's benefit by 1st Quarter, 2022***

- ***Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2022)***

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

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 10, 2021

Re: Quarterly Review of Kern Health Systems Investment Portfolio

---

Background

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

- Preservation of principal
- Liquidity
- Yield

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

Short-Term Portfolio (Under 1 year)

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

Long-Term Portfolio (1-5 years)

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

Requested Action

Receive and File.

Kern Health Systems
Investment Portfolio
March 31, 2021

Short Term Portfolio (under 1 year)

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

Description			Dollar Amount	% of Portfolio	Maximum Allowed Per Policy	Approximate Current Yield	Liquidity	Principal Fluctuation
Wells Fargo - Cash		(1)	$ 4,400,000	1.72%	100%		1 Day	None
Money Market Accounts	(A)	(1)	$ 86,600,000	33.91%	40%	0.03%	1 Day	None
Local Agency Investment Fund (LAIF)	(B)	(2)	$ 73,800,000	28.90%	50%	0.41%	2 Days	None
US T-Bills at Wells Fargo		(1)	$ 15,000,000	5.87%	100%	0.07%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	(1)	$ 21,500,000	8.42%		0.14%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total			$ 201,300,000	78.82%		0.18%		

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)		$ 51,300,000	20.09%		0.36%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)		$ 2,800,000	1.10%		0.21%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total			$ 54,100,000	21.18%		0.35%		
Total Portfolio			$ 255,400,000	100.00%		0.22%		

Yield Curve	Treasuries	Yield Curve AA Corporate Bonds	A Corporate Bonds	CD's
1 year	0.05%	0.20%	0.22%	0.05%
2 year	0.15%	0.35%	0.40%	0.15%
3 year	0.31%	0.57%	0.65%	0.25%
5 year	0.84%	1.25%	1.35%	0.70%

(A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
(B) LAIF is part of a $127 Billion Pooled Money Investment Account managed by the State Treasurer of CA. Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.
(C) High quality diversified portfolio comprising commercial paper, corporate bonds and notes.
(D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.

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

UBS

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

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

UBS Client Review

as of March 31, 2021

Prepared for

Kern Health Systems

Accounts included in this review

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

What's inside

UBS

Portfolio review

as of March 31, 2021

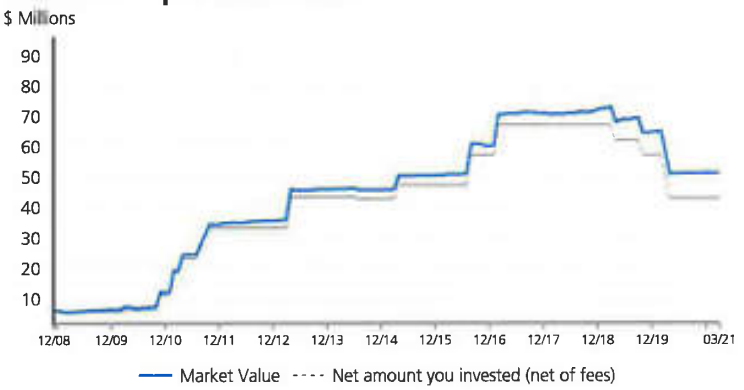
EX XX120 • BOND PORTFOLIO • Portfolio Management Program
Prepared for **Kern Health Systems**
Risk profile: Conservative
Return Objective: Current Income

Asset allocation review

		Value on 03/31/2021 ($)	% of Portfolio
A	**Cash**	**64,899.46**	**0.13**
	Cash	64,899.46	0.13
	US	64,899.46	0.13
B	**Fixed Income**	**51,225,389.92**	**99.87**
	US	51,225,389.92	99.87
	Government	11,213,834.61	21.86
	Municipals	2,494,210.59	4.86
	Corporate IG Credit	37,517,344.72	73.15
C	**Equity**	**0.00**	**0.00**
D	**Commodities**	**0.00**	**0.00**
E	**Non-Traditional**	**0.00**	**0.00**
F	**Other**	**0.00**	**0.00**
	Total Portfolio	**$51,290,289.38**	**100%**

Balanced mutual funds are allocated in the 'Other' category

Sources of portfolio value



Portfolio value and investment results

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

Net deposits and withdrawals include program and account fees.

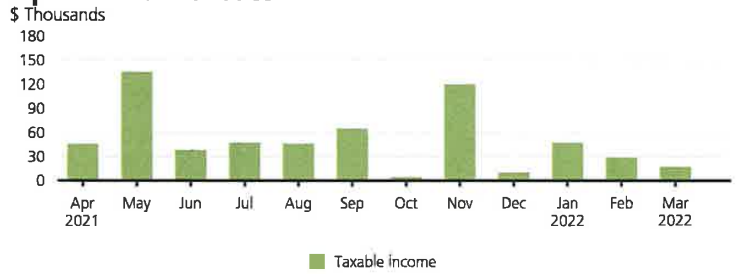
Summary of gains and losses

	Short term ($)	Long term ($)	Total ($)
2020 Realized gains and losses	**23,642.27**	**224,416.40**	**248,058.67**
Taxable	23,642.27	224,416.40	248,058.67
Tax-deferred	0.00	0.00	0.00
2021 Year to date	**496.34**	**-3,893.84**	**-3,397.50**
Taxable	496.34	-3,893.84	-3,397.50
Tax-deferred	0.00	0.00	0.00

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

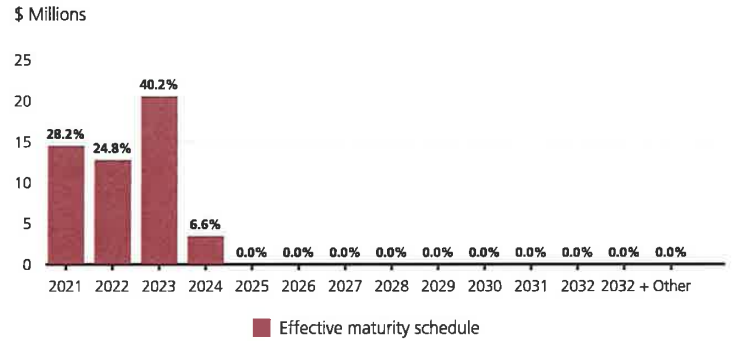
Portfolio review - as of March 31, 2021 (continued)

Expected cash flow



Total taxable income: $626,401.43
Total expected cash flow: $626,401.43
Cash flows displayed account for known events such as maturities and mandatory puts.

Bond maturity schedule



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

Equity sector analysis

Compared to S&P 500 index

	Value on 03/31/2021 ($)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	11.50	-11.50
Consumer Discretionary	0.00	0.00	11.74	-11.74
Consumer Staples	0.00	0.00	6.78	-6.78
Energy	0.00	0.00	2.79	-2.79
Financials	0.00	0.00	11.40	-11.40
Health Care	0.00	0.00	12.62	-12.62
Industrials	0.00	0.00	8.08	-8.08
Information Technology	0.00	0.00	26.44	-26.44
Materials	0.00	0.00	2.77	-2.77
Real Estate	0.00	0.00	2.55	-2.55
Utilities	0.00	0.00	2.61	-2.61
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.

UBS

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

Portfolio review - as of March 31, 2021 (continued)

Summary of performance by account

		Performance start date	Value on 03/31/2021 ($)	% of portfolio		Performance returns (annualized > 1 year) For the period of 12/31/2020 to 03/31/2021	For the period of 12/31/2020 to 03/31/2021	2019 12/31/2018 to 12/31/2019	2020 12/31/2019 to 12/31/2020
EX XX120	BOND PORTFOLIO•PMP•The Cohen Group Fixed Income - PIV Risk profile: Conservative Return objective: Current Income	Dec 08, 2008	51,290,289.38	100.00%	Net time-weighted	-0.05%	-0.05%	3.61%	1.78%
Total Portfolio		**Dec 08, 2008**	**$51,290,289.38**	**100%**	**Net time-weighted**	**-0.05%**	**-0.05%**	**3.61%**	**1.78%**

Benchmarks - Annualized time-weighted returns	For the period of 12/31/2020 to 03/31/2021	For the period of 12/31/2020 to 03/31/2021	2019 12/31/2018 to 12/31/2019	2020 12/31/2019 to 12/31/2020
Blended Index	-0.03%	-0.03%	8.87%	3.56%
Blended Index 2	0.01%	0.01%	3.53%	2.30%
US Treasury Bill - 3 Mos	0.02%	0.02%	2.21%	0.54%
Barclays US Agg 1-3Y	-0.07%	-0.07%	4.04%	3.08%
S&P 500	6.17%	6.17%	31.49%	18.40%

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

Asset allocation by account

as of March 31, 2021

		Equities ($/%)			Fixed Income ($/%)						
	Cash ($/%)	U.S.	Global	International	U.S.	Global	International	Non-Traditional ($/%)	Commodities ($/%)	Other ($/%)	**Total**
	64,899.46	**0.00**	**0.00**	**0.00**	**51,225,389.92**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**$51,290,289.38**
Total Portfolio	**0.13**	**0.00**	**0.00**	**0.00**	**99.87**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**100%**
	64,899.46	0.00	0.00	0.00	51,225,389.92	0.00	0.00	0.00	0.00	0.00	**$51,290,289.38**
	0.13	0.00	0.00	0.00	99.87	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 ($/%)			Fixed Income ($/%)						
	Cash ($/%)	U.S.	Global	International	U.S.	Global	International	Non-Traditional ($/%)	Commodities ($/%)	Other ($/%)	**Total**
	64,899.46	**0.00**	**0.00**	**0.00**	**51,225,389.92**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**$51,290,289.38**
Total Portfolio	**0.13**	**0.00**	**0.00**	**0.00**	**99.87**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**100%**

Balanced mutual funds are allocated in the 'Other' category

UBS

Asset allocation review

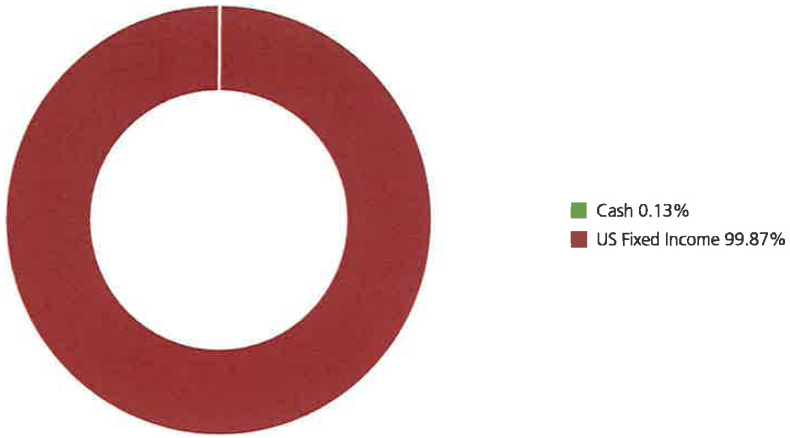
as of March 31, 2021

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

Summary of asset allocation

	Market value ($)	% of Portfolio
Cash	**64,899.46**	**0.13**
Cash	**64,899.46**	**0.13**
US	64,899.46	0.13
Fixed Income	**51,225,389.92**	**99.87**
US	**51,225,389.92**	**99.87**
Government	11,213,834.61	21.86
Municipals	2,494,210.59	4.86
Corporate IG Credit	37,517,344.72	73.15
Equity	**0.00**	**0.00**
Commodities	**0.00**	**0.00**
Non-Traditional	**0.00**	**0.00**
Other	**0.00**	**0.00**
Total Portfolio	**$51,290,289.38**	**100%**

Balanced mutual funds are allocated in the 'Other' category



UBS

Bond summary

as of March 31, 2021

Bond overview

Total quantity	50,442,000
Total market value	$51,009,111.33
Total accrued interest	$216,278.59
Total market value plus accrued interest	$51,225,389.92
Total estimated annual bond interest	$775,490.80
Average coupon	1.55%
Average current yield	1.52%
Average yield to maturity	0.49%
Average yield to worst	0.36%
Average modified duration	1.16
Average effective maturity	1.58

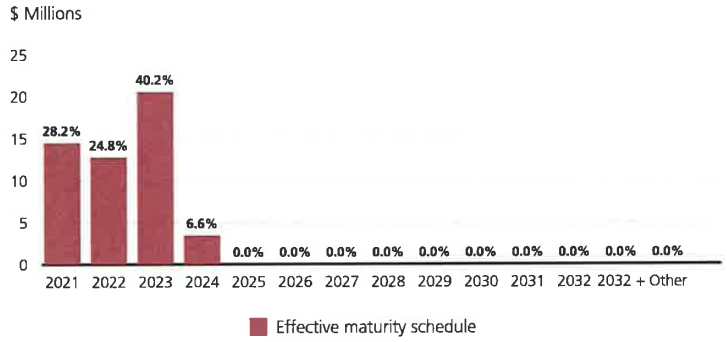
Investment type allocation

Investment type	Taxable ($)	Tax-exempt / deferred ($)	Total ($)	% of bond port.
Municipals	2,494,210.58	0.00	2,494,210.58	4.87
U.S. corporates	37,517,344.72	0.00	37,517,344.72	73.24
U.S. federal agencies	11,213,834.61	0.00	11,213,834.61	21.89
Total	**$51,225,389.91**	**$0.00**	**$51,225,389.91**	**100%**

Credit quality of bond holdings

Effective credit rating		Issues	Value on 03/31/2021 ($)	% of port.
A	Aaa/AAA/AAA	7	11,749,280.79	23.00
B	Aa/AA/AA	5	6,971,163.20	13.61
C	A/A/A	21	29,992,487.65	58.49
D	Baa/BBB/BBB	2	2,512,458.28	4.90
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		**35**	**$51,225,389.92**	**100%**

Bond maturity schedule



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

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

UBS

Bond holdings

as of March 31, 2021

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

Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income ($)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis ($)	Unrealized gain/loss ($)	Mkt. value ($)	% of bond portfolio maturing
2021	9	14,318,000	333,993.75	2.32%	0.61 %	0.40 %	0.27	14,282,154.07	109,672.42	14,481,694.71	28.21%
2022	9	12,474,000	227,069.05	1.79%	0.37 %	0.29 %	0.94	12,591,131.25	103,124.09	12,759,230.84	24.89%
2023	12	20,450,000	124,028.00	0.60%	0.43 %	0.31 %	1.62	20,528,445.97	-7,702.47	20,558,662.74	40.23%
2024	5	3,200,000	90,400.00	2.66%	0.84 %	0.76 %	3.00	3,423,715.93	-21,429.93	3,425,801.62	6.67%
2025	0	0			NA	NA	NA				
2026	0	0			NA	NA	NA				
2027	0	0			NA	NA	NA				
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2049	0	0			NA	NA	NA				
2050	0	0			NA	NA	NA				
2050 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
Total	**35**	**50,442,000**	**$775,490.80**	**1.52%**	**0.49 %**	**0.36 %**	**1.16**	**$50,825,447.22**	**$183,664.11**	**$51,225,389.92**	

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

Report created on: May 04, 2021

Bond holdings - as of March 31, 2021 (continued)

Details of bond holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price ($)	Est. annual income ($)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis ($)/ Unreal. g/l ($)	Market price ($)	Mkt. value ($)/ Accr. interest ($)	% of bond port.
Total Bond Portfolio		**50,442,000**	**1.55%**	**10/30/2022**	**NA**	**$775,490.80** **1.52%**	**0.49%** **0.36%**	**1.16**	**$50,825,447.2** **$183,664.11**	**NA**	**$51,009,111.33** **$216,278.59** **$51,225,389.92**	**100%**
Maturing 2021												
BANK OF AMER CORP 02.625% 041921 DTD041916 FC101916 CALL@MW+25BP	A2/A+/A- NR/NR/NR	3,143,000	2.63%	04/19/2021		82,503.75 2.62%	0.76% 0.76%	0.04	3,146,015.77 -92.78	100.093	3,145,922.99 37,126.69	6.17%
GENL DYNAMICS CORP NTS 03.000% 051121 DTD051118 FC111118 CALL@MW+10BP	A2/WD/A NR/NR/NR	1,000,000	3.00%	05/11/2021		30,000.00 2.99%	0.50% 0.50%	0.11	994,790.00 7,980.00	100.277	1,002,770.00 11,666.67	1.97%
LAM RESEARCH CORP NTS 2.800% 061521 DTD060716 FC121516 CALL@MW+25BP	A3/NR/A- NR/NR/NR	2,000,000	2.80%	06/15/2021	05/15/2021 100.00	56,000.00 2.79%	1.45% 0.54%	0.12	2,007,429.14 -1,929.14	100.275	2,005,500.00 16,488.89	3.93%
CATERPILLAR FINANCIAL SE 01.700% 080921 DTD080916 FC020917 NTS B/E	A3/A/A NR/NR/NR	2,000,000	1.70%	08/09/2021		34,000.00 1.69%	0.17% 0.17%	0.35	1,984,080.00 26,800.00	100.544	2,010,880.00 4,911.11	3.94%
LOS ANG CAL TAX SR A BE/R/ 2.150 090121 DTD 122116 /CA	Aa2/NR/NR Aa2/NR/NR	1,000,000	2.15%	09/01/2021		21,500.00 2.13%	0.31% 0.31%	0.41	994,250.00 13,410.00	100.766	1,007,660.00 1,791.67	1.98%
ORACLE CORP NTS B/E 01.900% 091521 DTD070716 FC031517 CALL@MW+15BP	Baa2/BBB+/A NR/NR/NR	1,425,000	1.90%	09/15/2021	08/15/2021 100.00	27,075.00 1.89%	0.61% 0.32%	0.37	1,399,934.25 33,416.25	100.586	1,433,350.50 1,203.33	2.81%
NVIDIA CORP NTS B/E 2.200% 091621 DTD091616 FC031617 CALL@MW+15BP	A2/WD/A- NR/NR/NR	1,300,000	2.20%	09/16/2021	08/16/2021 100.00	28,600.00 2.18%	0.60% 0.25%	0.37	1,309,404.38 72.62	100.729	1,309,477.00 1,191.67	2.57%
CISCO SYSTEMS INC B/E 01.850% 092021 DTD092016 FC032017 CALL@MW+10BP	A1/NR/AA- NR/NR/NR	1,000,000	1.85%	09/20/2021	08/20/2021 100.00	18,500.00 1.84%	0.48% 0.18%	0.38	993,660.00 12,770.00	100.643	1,006,430.00 565.28	1.97%
MISSISSIPPI ST TAX SR G BE/R/ 2.470 110121 DTD 120815 /MS	Aa2/AA/AA Aa2/AA/NR	1,450,000	2.47%	11/01/2021		35,815.00 2.44%	0.12% 0.12%	0.57	1,452,590.53 17,245.47	101.368	1,469,836.00 14,922.92	2.88%
Total 2021		**14,318,000**	**2.33%**	**07/22/2021**		**$333,993.75** **2.32%**	**0.61%** **0.40%**	**0.27**	**$14,282,154.0** **$109,672.42**		**$14,391,826.49** **$89,868.22**	**28.21%**

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

Bond holdings - as of March 31, 2021 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price ($)	Est. annual income ($)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis ($)/ Unreal. g/l ($)	Market price ($)	Mkt. value ($)/ Accr. interest ($)	% of bond port.
Maturing 2022												
PEPSICO INC NTS B/E 02.250% 050222 DTD050217 FC110217 CALL@MW+10BP	A1/WD/A+ NR/NR/NR	1,089,000	2.25%	05/02/2022	04/02/2022 100.00	24,502.50 2.21%	0.39% 0.24%	0.98	1,087,301.16 23,598.63	102.011	1,110,899.79 10,141.31	2.18%
CATERPILLAR FINL SERVICE 00.950% 051322 DTD051520 FC111320 CALL@MW+15BP	A3/A/A NR/NR/NR	1,500,000	0.95%	05/13/2022		14,250.00 0.94%	0.24% 0.24%	1.10	1,504,242.64 7,697.36	100.796	1,511,940.00 5,462.50	2.96%
IBM CORP NTS B/E 02.850% 051322 DTD051519 FC111519 CALL@MW+10BP	A2/WD/A NR/NR/NR	1,500,000	2.85%	05/13/2022		42,750.00 2.77%	0.29% 0.29%	1.09	1,543,771.84 -1,051.84	102.848	1,542,720.00 16,150.00	3.02%
QUALCOMM INC NTS B/E 03.000% 052022 DTD052015 FC112015 CALL@MW+15BP	A2/NR/A- NR/NR/NR	1,000,000	3.00%	05/20/2022		30,000.00 2.91%	0.29% 0.29%	1.11	1,007,019.47 23,710.53	103.073	1,030,730.00 10,916.67	2.02%
UNITEDHEALTH GROUP INC 03.350% 071522 DTD072315 FC011516 CALL@MW+20BP	A3/A/A+ NR/NR/NR	1,700,000	3.35%	07/15/2022		56,950.00 3.23%	0.37% 0.37%	1.26	1,765,987.24 -1,013.24	103.822	1,764,974.00 12,022.78	3.46%
FHLMC MED TERM NTS 00.310 % DUE 081922 DTD 051920 FC 11192020	Aaa/AAA/NR NR/NR/NR	2,000,000	0.31%	08/19/2022	05/19/2021 100.00	6,200.00 0.31%	0.30% 0.19%	0.13	1,999,500.00 820.00	100.016	2,000,320.00 2,273.33	3.92%
HONEYWELL INTL INC NTS 00.483% 081922 DTD081920 FC021921 CALL@MW+5BP	A2/A/A NR/NR/NR	1,000,000	0.48%	08/19/2022	08/19/2021 100.00	4,830.00 0.48%	0.42% 0.24%	0.38	1,001,331.32 -411.32	100.092	1,000,920.00 563.50	1.96%
WALT DISNEY CO NTS B/E 01.650% 090122 DTD090619 FC030120	A2/A-/BBB+ NR/NR/NR	2,300,000	1.65%	09/01/2022		37,950.00 1.62%	0.35% 0.35%	1.40	2,290,501.00 51,773.00	101.838	2,342,274.00 3,162.50	4.59%
BANK OF AMER CORP 02.503% 102122 DTD102116 FC042117 CALL@MW+20BP	A2/A+/A- NR/NR/NR	385,000	2.50%	10/21/2022	10/21/2021 100.00	9,636.55 2.47%	1.74% 0.40%	0.54	391,476.58 -1,999.03	101.163	389,477.55 4,282.91	0.76%
Total 2022		**12,474,000**	**1.83%**	**07/09/2022**		**$227,069.05 1.79%**	**0.37% 0.29%**	**0.94**	**$12,591,131.2 $103,124.09**		**$12,694,255.34 $64,975.50**	**24.89%**

	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 2023												
JPMORGAN CHASE & CO NTS 02.972% 011523 DTD120816 FC071517 CALL@MW+20BP	A2/AA-/A- NR/NR/NR	1,150,000	2.97%	01/15/2023	01/15/2022 100.00	34,178.00 2.91%	1.82% 0.41%	0.78	1,177,929.32 -4,779.82	102.013	1,173,149.50 7,215.36	2.30%
PEPSICO INC NTS B/E 00.750% 050123 DTD050120 FC110120 CALL@MW+10BP	A1/WD/A+ NR/NR/NR	1,500,000	0.75%	05/01/2023		11,250.00 0.74%	0.29% 0.29%	2.06	1,513,606.82 763.18	100.958	1,514,370.00 4,687.50	2.97%
APPLE INC NTS B/E 00.750% 051123 DTD051120 FC111120 CALL@MW+10BP	Aa1/NR/AA+ NR/NR/NR	3,000,000	0.75%	05/11/2023		22,500.00 0.74%	0.27% 0.27%	2.08	3,027,174.29 2,975.71	101.005	3,030,150.00 8,750.00	5.94%

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

Bond holdings - as of March 31, 2021 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price ($)	Est. annual income ($)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis ($)/ Unreal. g/l ($)	Market price ($)	Mkt. value ($)/ Accr. interest ($)	% of bond port.
Maturing 2023												
FNMA NTS 00.475 % DUE 061623 DTD 061620 FC 12162020	Aaa/AAA/AA+ NR/NR/NR	2,000,000	0.47%	06/16/2023	06/16/2021 100.00	9,500.00 0.47%	0.45% 0.21%	0.20	2,000,000.00 1,120.00	100.056	2,001,120.00 2,770.83	3.92%
JOHN DEERE CPTL CORP 00.700% 070523 DTD060420 FC010521 MED TERM NTS	A2/A/A NR/NR/NR	1,000,000	0.70%	07/05/2023		7,000.00 0.69%	0.36% 0.36%	2.23	1,007,778.20 -78.20	100.770	1,007,700.00 1,672.22	1.98%
PACCAR FINANCIAL CORP 00.350% 081123 DTD081120 FC021121 MED TERM NTS	A1/NR/A+ NR/NR/NR	2,000,000	0.35%	08/11/2023		7,000.00 0.35%	0.40% 0.40%	2.34	2,000,000.00 -2,460.00	99.877	1,997,540.00 972.22	3.92%
PEPSICO INC NTS B/E 00.400% 100723 DTD100720 FC040721	A1/NR/A+ NR/NR/NR	600,000	0.40%	10/07/2023		2,400.00 0.40%	0.27% 0.27%	2.49	602,558.97 -560.97	100.333	601,998.00 1,160.00	1.18%
FFCB BOND 00.290 % DUE 110223 DTD 110220 FC 05022021	NR/AAA/AA+ NR/NR/NR	2,000,000	0.29%	11/02/2023	11/02/2021 100.00	5,800.00 0.29%	0.34% 0.34%	2.57	1,998,818.00 -1,478.00	99.867	1,997,340.00 2,400.56	3.92%
FHLMC MED TERM NTS 00.350 % DUE 111323 DTD 081320 FC 11132020	Aaa/AAA/NR NR/NR/NR	1,200,000	0.35%	11/13/2023	05/13/2021 100.00	4,200.00 0.35%	0.34% 0.24%	0.11	1,199,580.00 576.00	100.013	1,200,156.00 1,610.00	2.35%
FANNIE MAE NTS 00.310 % DUE 111623 DTD 111620 FC 05162021	Aaa/AAA/AA+ NR/NR/NR	2,000,000	0.31%	11/16/2023	11/16/2022 100.00	6,200.00 0.31%	0.29% 0.28%	1.61	1,999,800.00 1,280.00	100.054	2,001,080.00 2,325.00	3.92%
BANK OF NY MELLON CORP 00.350% 120723 DTD120720 FC060721 NTS B/E	A1/AA-/A NR/NR/NR	2,000,000	0.35%	12/07/2023	11/07/2023 100.00	7,000.00 0.35%	0.43% 0.43%	2.66	2,001,200.37 -5,360.37	99.792	1,995,840.00 2,216.67	3.91%
FHLMC NTS 00.350 % DUE 121123 DTD 121120 FC 06112021	Aaa/AAA/NR NR/NR/NR	2,000,000	0.35%	12/11/2023	06/11/2021 100.00	7,000.00 0.35%	0.34% 0.27%	0.19	2,000,000.00 300.00	100.015	2,000,300.00 2,138.89	3.92%
Total 2023		**20,450,000**	**0.61%**	**08/19/2023**		**$124,028.00 0.60%**	**0.43% 0.31%**	**1.62**	**$20,528,445.9 $-7,702.47**		**$20,520,743.50 $37,919.24**	**40.23%**

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price ($)	Est. annual income ($)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis ($)/ Unreal. g/l ($)	Market price ($)	Mkt. value ($)/ Accr. interest ($)	% of bond port.
Maturing 2024												
US BANCORP MED TERM NTS 03.375% 020524 DTD020419 FACTOR 1.000000000000	A1/A+/A+ NR/NR/NR	300,000	3.38%	02/05/2024	01/05/2024 100.00	10,125.00 3.14%	0.66% 0.58%	2.63	324,228.29 -1,326.29	107.634	322,902.00 1,575.00	0.63%
MICROSOFT CORP NTS B/E 02.875% 020624 DTD020617 FC080617 CALL@MW+12.5BP	Aaa/AA+/AAA NR/NR/NR	500,000	2.88%	02/06/2024	12/06/2023 100.00	14,375.00 2.70%	0.52% 0.38%	2.57	534,023.39 -773.39	106.650	533,250.00 2,196.18	1.05%
APPLE INC NTS B/E 2.850% 051124 DTD051117 FC111117 CALL@MW+12.5BP	Aa1/NR/AA+ NR/NR/NR	400,000	2.85%	05/11/2024	03/11/2024 100.00	11,400.00 2.67%	0.68% 0.57%	2.83	429,548.72 -2,924.72	106.656	426,624.00 4,433.33	0.84%
BB&T CORP NTS B/E 02.500% 080124 DTD072919 FC020120	A3/A/A- NR/NR/NR	1,000,000	2.50%	08/01/2024	07/01/2024 100.00	25,000.00 2.37%	0.89% 0.85%	3.11	1,064,166.85 -11,416.85	105.275	1,052,750.00 4,166.67	2.06%

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

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

Bond holdings - as of March 31, 2021 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price ($)	Est. annual income ($)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis ($)/ Unreal. g/l ($)	Market price ($)	Mkt. value ($)/ Accr. interest ($)	% of bond port.
Maturing 2024												
ORACLE CORP NTS B/E 02.950% 111524 DTD110917 FC051518 CALL@MW+15BP	Baa2/BBB+/A NR/NR/NR	1,000,000	2.95%	11/15/2024	09/15/2024 100.00	29,500.00 2.77%	1.07% 0.98%	3.29	1,071,748.68 -4,988.68	106.676	1,066,760.00 11,144.44	2.09%
Total 2024		**3,200,000**	**2.83%**	**07/11/2024**		**$90,400.00 2.66%**	**0.84% 0.76%**	**3.00**	**$3,423,715.93 $-21,429.93**		**$3,402,286.00 $23,515.62**	**6.67%**

	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.
		50,442,000	**1.55%**	**10/30/2022**	**NA**	**$775,490.80 1.52%**	**0.49% 0.36%**	**1.16**	**$50,825,447.2 $183,664.11**	**NA**	**$51,009,111.33 $216,278.59 $51,225,389.92**	**100%**
Total Bond Portfolio												

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

Additional information about your portfolio

as of March 31, 2021

Benchmark composition

Account EX XX120

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

Blended Index 2
Start - Current: 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos

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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 portfolio holdings and performance may vary substantially from the index. Each index reflects an unmanaged universe of securities without any deduction for advisory fees or other expenses that would reduce actual returns, as well as the reinvestment of all income and dividends. An actual investment in the securities included in the index would require an investor to incur transaction costs, which would lower the performance results. Indices are not actively managed and investors cannot invest directly in the indices. Market index data maybe subject to review and revision. 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 it's holdings.

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

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

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

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

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

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

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

Change in Value: Represents the change in value of the portfolio during the reporting period, excluding 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

This information is supplied by Morningstar, Inc. on a

UBS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received 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.Â 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.

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 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.

UBS

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

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

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

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:
1) Have there been any changes to your financial situation or investment objectives?
2) Would you like to implement or modify any restrictions regarding the management of your account?
If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

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

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

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

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

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

UBS

Your Financial Advisor:
THE COHEN GROUP
Phone: 661-663-8200/800-628-6022

Kern Health Systems

Account Number: EBXXX20

Filtered by: Entry Date 01/01/2021-03/31/2021, Call/Redemption

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
03/01/21	03/01/21	CALL REDEMPTION	BURLINGTON NTHN SANTA FE 4.100% 060121 DTD051911	629KN1	1,000,000.00	REDEMPTION	1,000,000.00
02/18/21	02/18/21	CALL REDEMPTION	JPMORGAN CHASE & CO NTS 2.550% 030121 DTD030116	731H11	1,000,000.00	REDEMPTION	1,000,000.00
01/13/21	01/13/21	CALL REDEMPTION	WELLS FARGO NATL B NV US RT 01.6500% MAT 01/13/21	N400Q1	200,000.00	REDEMPTION	200,000.00
01/13/21	01/13/21	CALL REDEMPTION	FFCB BOND 01.580 % DUE 011322	FE4EJ5	1,100,000.00	REDEMPTION	1,100,000.00

Filtered by: Entry Date 01/01/2021-03/31/2021, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
03/08/21	03/10/21	BOUGHT	ORACLE CORP NTS B/E 02.950% 111524 DTD110917	813DK7	1,000,000.00	$107.294	-1,082,363.61
02/22/21	02/24/21	BOUGHT	BB&T CORP NTS B/E 02.500% 080124 DTD072919	686MT3	1,000,000.00	$106.618	-1,067,777.22
01/15/21	01/20/21	BOUGHT	MICROSOFT CORP NTS B/E 02.875% 020624 DTD020617	773EL1	500,000.00	$107.299	-543,043.61
01/15/21	01/20/21	BOUGHT	APPLE INC NTS B/E 2.850% 051124 DTD051117	855588	400,000.00	$107.878	-433,697.00
01/15/21	01/20/21	BOUGHT	US BANCORP MED TERM NTS 03.375% 020524 DTD020419	821HH8	300,000.00	$108.663	-330,629.63

WELLS FARGO SECURITIES

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

JONATHAN CHUANG
1-213-253-6202

Bank Account Statement
Wells Fargo Bank, N.A.

Statement Period
03/01/2021 - 03/31/2021

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 reflecte at par value.

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	$ 0.00	**$ 0.00**	0%
Money Market Mutual Funds	30,049,776.36	**86,541,860.19**	69%
Bonds	110,015,090.36	**39,394,661.53**	31%
Stocks	0.00	**0.00**	0%
Total Account Value	**$ 140,064,866.72**	**$ 125,936,521.72**	**100%**

Value Change Since Last Statement Period	**$ (14,128,345.00)**
Percent Decrease Since Last Statement Period	**10%**
Value Last Year-End	**$ 119,017,553.90**
Percent Increase Since Last Year-End	**6%**

Income Summary *USD*

	This Period	Year-To-Date
Interest	$ 18,304.16	$ 65,705.58
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	1,333.25	2,178.38
Other	0.00	0.00
Income Total	**$ 19,637.41**	**$ 67,883.96**

Interest Charged *USD*

Description	This Period
Debit Interest For March 2021	0.00
Total Interest Charged	**$ 0.00**

Money Market Mutual Funds Summary *USD*

Description	Amount
Opening Balance	**$ 30,049,776.36**
Deposits and Other Additions	264,018,416.66
Distributions and Other Subtractions	(207,527,666.08)
Dividends Reinvested	1,333.25
Change in Value	0.00
Closing Balance	**$ 86,541,860.19**

Important Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Statements: WFS financial statements are available upon request.

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

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

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

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

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

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

Statement Ending: **March 31, 2021**

KERN HEALTH SYSTEMS
Account Number: [redacted]

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

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds *USD*								
13063DGA0	CALIFORNIA ST TXBL	04/01/21	2.800%	5,000,000.000	100.0000	5,000,000.00		N
9127964X4	UNITED STATES TREASURY BILL	04/08/21	0.000%	15,000,000.000	99.9999	14,999,985.00		
91411SRC6	UNIVERSITY OF CALIFORNIA	04/12/21	0.000%	2,325,000.000	99.9963	2,324,914.67		
50000DRD0	KOCH INDUSTRIES INC DISCOUNTED COMMERCIAL PAPER	04/13/21	0.000%	3,000,000.000	99.9976	2,999,927.43		
149123BV2	CATERPILLAR INC	05/27/21	3.900%	1,000,000.000	100.5314	1,005,313.98		N
91324PDG4	UNITEDHEALTH GROUP INC	06/15/21	0.444%	3,150,000.000	100.0355	3,151,118.12		N
24422ERE1	JOHN DEERE CAPITAL CORP	07/12/21	3.900%	1,000,000.000	100.9642	1,009,642.04		N
542433VG9	LONG BEACH CA UNIF SCH DIST ELECTION OF 2008-SER F	08/01/21	5.000%	2,000,000.000	101.5847	2,031,694.00		N
89236TGS8	TOYOTA MOTOR CREDIT CORP	08/13/21	0.319%	3,000,000.000	100.0388	3,001,163.73		N
13063DQA9	CALIFORNIA ST REF	10/01/21	5.000%	1,065,000.000	102.4044	1,090,606.54		N
747525AE3	QUALCOMM INC	05/20/22	3.000%	500,000.000	103.0730	515,365.12		N
94988J5W3	WELLS FARGO BANK NA	05/27/22	0.810%	1,750,000.000	100.0901	1,751,576.75		Y
74460DAB5	PUBLIC STORAGE	09/15/22	2.370%	500,000.000	102.6708	513,354.15		Y
				39,290,000.000		39,394,661.53	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*									
03/10/21	03/12/21	Security Receipt	13063DGA0	CALIFORNIA ST TXBL	5,000,000.00	100.1420000	(5,007,100.00)	(62,611.11)	(5,069,711.11)
03/16/21	03/16/21	Security Receipt	91411SRC6	UNIVERSITY OF CALIFORNIA	2,325,000.00	99.9910000	(2,324,790.75)	0.00	(2,324,790.75)
03/17/21	03/17/21	Security Receipt	22546QAR8	CREDIT SUISSE NEW YORK	2,000,000.00	101.7220000	(2,034,440.00)	(23,000.00)	(2,057,440.00)
03/16/21	03/17/21	Security Receipt	50000DRD0	KOCH INDUSTRIES INC DISCOUNTED	3,000,000.00	99.9962500	(2,999,887.50)	0.00	(2,999,887.50)
03/18/21	03/22/21	Security Receipt	74460DAB5	PUBLIC STORAGE	500,000.00	102.9370000	(514,685.00)	(230.42)	(514,915.42)
03/18/21	03/22/21	Security Receipt	747525AE3	QUALCOMM INC	500,000.00	103.1460000	(515,730.00)	(5,083.33)	(520,813.33)
03/18/21	03/22/21	Security Receipt	94988J5W3	WELLS FARGO BANK NA	1,750,000.00	100.1220000	(1,752,135.00)	(944.71)	(1,753,079.71)
03/23/21	03/25/21	Security Receipt	149123BV2	CATERPILLAR INC	1,000,000.00	100.6400000	(1,006,400.00)	(12,783.33)	(1,019,183.33)

KERN HEALTH SYSTEMS
Account Number: [redacted]

Statement Ending: **March 31, 2021**

Daily Account Activity (Continued)

Your investment transactions during this statement period.

Transaction Activity *USD*

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
03/23/21	03/25/21	Security Receipt	91324PDG4	UNITEDHEALTH GROUP INC	3,150,000.00	100.0660000	(3,152,079.00)	(388.39)	(3,152,467.39)
03/25/21	03/29/21	Security Receipt	13063DQA9	CALIFORNIA ST REF	1,065,000.00	102.4860000	(1,091,475.90)	(26,329.17)	(1,117,805.07)
03/25/21	03/29/21	Security Receipt	542433VG9	LONG BEACH CA UNIF SCH DIST	2,000,000.00	101.6660000	(2,033,320.00)	(16,111.11)	(2,049,431.11)
03/29/21	03/31/21	Security Delivery	22546QAR8	CREDIT SUISSE NEW YORK	(2,000,000.00)	101.4820000	2,029,640.00	25,333.33	2,054,973.33
03/29/21	03/31/21	Security Receipt	89236TGS8	TOYOTA MOTOR CREDIT CORP	3,000,000.00	100.0620000	(3,001,860.00)	(1,142.19)	(3,003,002.19)
03/30/21	04/01/21	Security Receipt	369550BE7	GENERAL DYNAMICS CORP	1,500,000.00	100.3150000	(1,504,725.00)	(17,500.00)	(1,522,225.00)
03/31/21	04/05/21	Security Receipt	0258M0EG0	AMERICAN EXPRESS CREDIT	3,000,000.00	102.0670000	(3,062,010.00)	(7,200.00)	(3,069,210.00)

Income / Payment Activity *USD*

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
03/09/21	03/09/21	Matured	313385CV6	FED HOME LN DISCOUNT NT			20,000,000.00		20,000,000.00
03/10/21	03/10/21	Matured	91412GF59	UNIV OF CALIFORNIA CA REVENUES			3,000,000.00		3,000,000.00
03/10/21	03/10/21	Interest	91412GF59	UNIV OF CALIFORNIA CA REVENUES				18,304.16	18,304.16
03/15/21	03/15/21	Matured	29101AQF4	EMERSON ELECTRIC CO 4(2)			3,000,000.00		3,000,000.00
03/17/21	03/17/21	Matured	50000DQH2	KOCH INDUSTRIES INC DISCOUNTED			3,000,000.00		3,000,000.00
03/18/21	03/18/21	Matured	9127964N6	UNITED STATES TREASURY BILL			20,000,000.00		20,000,000.00
03/23/21	03/23/21	Matured	313385DK9	FED HOME LN DISCOUNT NT			20,000,000.00		20,000,000.00
03/30/21	03/30/21	Matured	313385DS2	FED HOME LN DISCOUNT NT			20,000,000.00		20,000,000.00
03/30/21	03/30/21	Matured	30229AQW2	EXXON MOBIL CORP DISCOUNTED			5,000,000.00		5,000,000.00

Cash Activity *USD*

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
03/02/21	03/02/21	ACH/DDA Transaction	DESIGNATED DDA	30,000,000.00	
03/09/21	03/09/21	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
03/10/21	03/10/21	ACH/DDA Transaction	DESIGNATED DDA		65,000,000.00
03/10/21	03/10/21	ACH/DDA Transaction	DESIGNATED DDA		65,000,000.00
03/16/21	03/16/21	ACH/DDA Transaction	DESIGNATED DDA	25,000,000.00	
03/17/21	03/17/21	ACH/DDA Transaction	DESIGNATED DDA	3,000,000.00	
03/22/21	03/22/21	ACH/DDA Transaction	DESIGNATED DDA	3,000,000.00	
03/23/21	03/23/21	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
03/24/21	03/24/21	ACH/DDA Transaction	DESIGNATED DDA	23,000,000.00	
03/30/21	03/30/21	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	

KERN HEALTH SYSTEMS
Account Number: [redacted]

Statement Ending: **March 31, 2021**

Money Market Fund Activity

Morgan Stan TreasSvc 8314			**Dividend paid this period**	**7 day* simple yield**	**30 day* simple yield**	
*As of March 31, 2021						
USD			0.00	0.010%	0.010%	
Transaction Date	Activity	Shares	Price	Market Value ($)	Dividend Amount	Share Balance
	Beginning Balance		**1.0000**	**12.50**		**12.50000**
	Ending Balance		**1.0000**	**12.50**		**12.50000**

Goldman FS Tr Ob Ins 468			**Dividend paid this period**	**7 day* simple yield**	**30 day* simple yield**	
*As of March 31, 2021						
USD			452.49	0.030%	0.030%	
Transaction Date	Activity	Shares	Price	Market Value ($)	Dividend Amount	Share Balance
	Beginning Balance		**1.0000**	**49,607.71**		**49,607.71000**
03/01/21	Reinvest	452.49000			452.49	50,060.20000
03/09/21	Purchase	20,000,000.00000		20,000,000.00		20,050,060.20000
03/09/21	Redemption	(20,000,000.00000)		(20,000,000.00)		50,060.20000
03/10/21	Purchase	3,018,304.16000		3,018,304.16		3,068,364.36000
03/10/21	Purchase	65,000,000.00000		65,000,000.00		68,068,364.36000
03/12/21	Redemption	(5,069,711.11000)		(5,069,711.11)		62,998,653.25000
03/15/21	Purchase	3,000,000.00000		3,000,000.00		65,998,653.25000
03/16/21	Redemption	(2,324,790.75000)		(2,324,790.75)		63,673,862.50000
03/17/21	Purchase	112.50000		112.50		63,673,975.00000
03/17/21	Redemption	(2,057,440.00000)		(2,057,440.00)		61,616,535.00000
03/17/21	Redemption	(3,000,000.00000)		(3,000,000.00)		58,616,535.00000
03/18/21	Purchase	20,000,000.00000		20,000,000.00		78,616,535.00000
03/22/21	Redemption	(2,788,808.46000)		(2,788,808.46)		75,827,726.54000
03/22/21	Redemption	(3,000,000.00000)		(3,000,000.00)		72,827,726.54000
03/23/21	Purchase	20,000,000.00000		20,000,000.00		92,827,726.54000
03/23/21	Redemption	(20,000,000.00000)		(20,000,000.00)		72,827,726.54000
03/24/21	Purchase	23,000,000.00000		23,000,000.00		95,827,726.54000
03/24/21	Redemption	(23,000,000.00000)		(23,000,000.00)		72,827,726.54000
03/24/21	Redemption	(23,000,000.00000)		(23,000,000.00)		49,827,726.54000
03/25/21	Redemption	(4,171,650.72000)		(4,171,650.72)		45,656,075.82000
03/29/21	Redemption	(3,167,236.18000)		(3,167,236.18)		42,488,839.64000
03/29/21	Purchase	20,000,000.00000		20,000,000.00		62,488,839.64000
03/29/21	Redemption	(20,000,000.00000)		(20,000,000.00)		42,488,839.64000
03/30/21	Purchase	25,000,000.00000		25,000,000.00		67,488,839.64000

KERN HEALTH SYSTEMS
Account Number: [redacted]

Statement Ending: March 31, 2021

Money Market Fund Activity (Continued)

Transaction Date	Activity	Shares	Price	Market Value ($)	Dividend Amount	Share Balance
03/30/21	Redemption	(20,000,000.00000)		(20,000,000.00)		47,488,839.64000
03/31/21	Redemption	(948,028.86000)		(948,028.86)		46,540,810.78000
	Ending Balance		**1.0000**	**46,540,810.78**		**46,540,810.78000**

JPMorgan UST Plus Inst 3918	**Dividend paid this period**	**7 day* simple yield**	**30 day* simple yield**
*As of March 31, 2021			
USD	880.76	0.020%	0.020%

Transaction Date	Activity	Shares	Price	Market Value ($)	Dividend Amount	Share Balance
	Beginning Balance		**1.0000**	**30,000,156.15**		**30,000,156.15000**
03/01/21	Reinvest	880.76000			880.76	30,001,036.91000
03/02/21	Redemption	(30,000,000.00000)		(30,000,000.00)		1,036.91000
03/10/21	Purchase	65,000,000.00000		65,000,000.00		65,001,036.91000
03/16/21	Redemption	(25,000,000.00000)		(25,000,000.00)		40,001,036.91000
	Ending Balance		**1.0000**	**40,001,036.91**		**40,001,036.91000**

PMIA/LAIF Performance Report as of 04/15/21

PMIA Average Monthly Effective Yields[1]

Mar	**0.357**
Feb	0.407
Jan	0.458

Quarterly Performance Quarter Ended 03/31/21

LAIF Apportionment Rate[2]:	0.44
LAIF Earnings Ratio[2]:	0.00001214175683392
LAIF Fair Value Factor[1]:	1.001269853
PMIA Daily[1]:	0.35%
PMIA Quarter to Date[1]:	0.41%
PMIA Average Life[1]:	220

Pooled Money Investment Account Monthly Portfolio Composition [1] 03/31/21 $126.7 billion

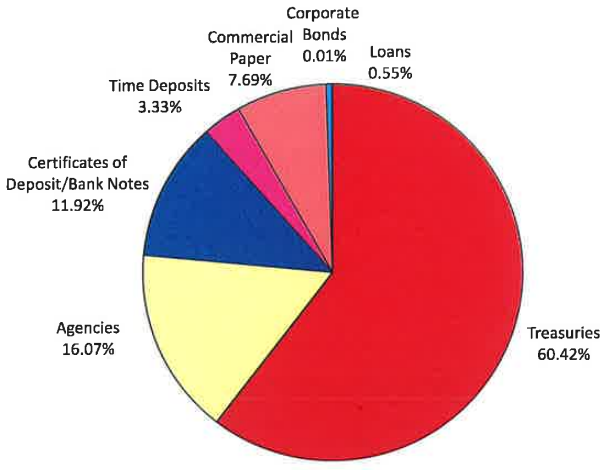


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

Daily rates are now available here. **View PMIA Daily Rates**

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

Source:
[1] State of California, Office of the Treasurer
[2] State of Calfiornia, Office of the Controller

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 10, 2021

Re: Analysis of Insurance Renewals

Background

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

- Crime
- Excess Crime
- Property
- Liability
- Excess Liability
- Sexual Abuse Coverage
- Pollution Liability Coverage
- Workers' Compensation
- Fiduciary Liability
- Cyber Liability
- Managed Care Errors and Omissions Liability Insurance
- Earthquake Insurance
- Flood Insurance
- Alliant Deadly Weapon Response Program

KHS utilizes Alliant Insurance Services ("Alliant") as its insurance agent to access the insurance carrier market and perform the day to day servicing of the account. Alliant has provided early indications for the expiring coverage. It is recommended that Kern Health Systems renew coverages as outlined below.

- **Crime Insurance**
  Crime insures against employee theft of money and other property along with faithful performance of duty, forgery, robbery and safe burglary, computer fraud, funds transfer fraud and other social engineering. KHS Employee benefits plans are also covered for theft of funds. This coverage meets the DMHC requirement. Management recommends a renewal of the crime insurance policy.

  - National Union Fire Insurance Company of Pittsburgh, PA (AIG)
  - Rating: Carrier has an A XV rating from AM Best
  - Term: July 1, 2021 through June 30, 2022
  - Limits: $10,000,000
  - Deductible: $2,500
  - Annual Premium: $10,314.
  - Prior year's premium was $9,823.

  No claims were filed last year.

- **Excess Crime Insurance**
  KHS has additional Crime coverage limits of $5,000,000 in excess over the above crime insurance. Management recommends renewing coverage with Zurich (incumbent).
    - Zurich American Insurance Company
    - Rating: Carrier has an A+ XV rating from AM Best
    - Term: July 1, 2021 through June 30, 2022
    - Deductible: Excess of National Union Ins. Co. of Pittsburgh, PA (AIG)
    - Annual Premium: $6,509.
    - Prior year's premium was $7,260.

  No claims were filed last year.

- **Property and Liability Insurance**
  The incumbent carrier SDRMA indicated $929,567 (Property: $168,622 and Liability: $760,945) renewal premium, which is a 95% increase over expiring coverage of $476,097. Alliant has extensively marketed our coverage and is presenting a change for both property and liability. Management recommends withdrawal from the SDRMA property liability program and renewing coverage under the following presented options.

- **Property Insurance**
  The Property Coverage insures against first party losses to KHS owned property including buildings, contents, loss of income and auto physical damage. KHS has approximately $60 million in property values ($34M Building and $26M Contents) which is approximately and $2 million property value increase from expiring coverage.

    - **Property Coverage**
      - Special Property Insurance Program (SPIP)
      - Rating: There are 25 carriers participating on the program and each have a separate Am Best Rating. The AM Best rating range from A+ XV to A- VII.
      - Term: July 1, 2021 through June 30, 2022
      - Limit per Occurrence - $100,000,000 repair or replacement cost
        - Business Income - $100,000,000
        - Boiler and Machinery - $100,000,000
      - All Risk Deductible: $25,000 – Autos (Physical Damage $5,000)
        - Annual Premium: $154,575. ($179,115 premium when including comparable coverage i.e. Pollution and Excess Flood Coverage). Prior year's premium was $127,115. SDRMA Current Renewal Premium is $168,622

    No claims were filed last year.

    - **Liability Coverage**
      The Liability Coverage insures against third party losses for general liability, auto liability, public officials errors and omissions, employment related practices liability.
      - Special Liability Insurance Program (SLIP) – Great American E&S Insurance Company
      - Rating: Carrier has a rating of A+ superior XV from AM Best
      - Term: July 1, 2021 through September 29, 2021. Program common anniversary date is September 29th and coverage will renew for annual term in September.
      - General Liability - $5,000,000
      - Auto Liability - $5,000,000
      - Uninsured Motorist - $1,000,000
      - Public Officials' and Employees' Errors and Omissions - $5,000,000 each wrongful act/$5,000,000 Aggregate

- Employment Practices Liability - $5,000,000 each wrongful act/$5,000,000 Aggregate
- Employee Benefits Liability - $5,000,000
- Sexual Abuse – Excluded (See separate quote)
- Deductibles: $10,000 except $25,000 for Employment Practices Liability
- Annual Premium: $238,818 ($531,635 premium when including comparable coverage i.e. Sexual Abuse and 1st Excess Liability layer).
- Prior year's premium was $348,982.
- SDRMA Current Renewal Premium is $760,945.

No claims were filed last year.

- **Excess Liability Insurance**
  The excess liability provides additional limits over the Liability Coverage offered above the $5,000,000 offered with SLIP. This policy insures against losses from General Liability, Auto Liability, Public Officials Errors and Omissions and Employment Related Practices Liability. Management recommends renewing just the 1st Layer of Excess Liability with Hallmark Specialty Insurance Company for $5,000,000.

  1st Layer
  - Hallmark Specialty Insurance Company
  - Rating: Carrier has an A- IX rating from AM Best
  - Per Occurrence or Wrongful Act Limit: $5,000,000 excess of $5,000,000 (SLIP)
  - Term: July 1, 2021 through June 30, 2022
  - Annual Premium: $189,567. Prior year's premium was included with SDRMA Package.

  2nd Layer
  - Great American Assurance Company
  - Rating: Carrier has an A+ XV rating from AM Best
  - Per Occurrence or Wrongful Act Limit: $5,000,000 excess of $10,000,000 (Hallmark)
  - Term: July 1, 2021 through June 30, 2022
  - Annual Premium: $144,000. Prior year's premium was $51,625 (Hallmark).

  Additional Excess Layers
  - $10,000,000 in excess of the $15,000,000 layers are not available domestically.

  This year's total Liability Coverage $10 million; Last year's total Liability Coverage $25 million
  No claims were filed last year.

- **Sexual Abuse Coverage**
  The Sexual Abuse Coverage insures against third party losses for sexual abuse or molestation acts in your care, custody and control.
  - Lloyds of London - Beazley
  - Rating: Carrier has a rating of A excellent XV from AM Best
  - Term: July 1, 2021 through June 30, 2022
  - Limit per claim and aggregate $5,000,000
  - Retention: $100,000
  - Annual Premium: $103,250. Prior year's premium was included in SDRMA Package.

  No claims were filed last year.

- **Pollution Liability Coverage:**
  The Pollution Liability Coverage insures against claims from third parties against bodily injury and property damage caused by pollution release during your company's operations. First party coverage including remediation, loss of income, including mold and legionella.
  - Carrier- Ascot Specialty Insurance Company
  - Rating: Carrier has a rating of A excellent XIV from AM Best
  - Term: July 1, 2021 through June 30, 2022
  - Limit: $2,000,000 per incident/$2,000,000 Aggregate
  - Retention: $25,000
  - Annual Premium: $9,040. Prior year's premium was included in SDRMA Property premium.
    - 1 Claim filed in 2018/2019 term and is now closed for Damage by Employee/Equipment for $11,621.70 total incurred.

  No claims were filed last year.

- **Workers' Compensation Insurance**
  Workers' Compensation coverage insures against losses from work related injuries and $1,000,000 employers' liability. Coverage is mandated by the state. Alliant has extensively marketed the coverage and we are presenting two options including the incumbent carrier, Berkshire Hathaway Homestate Insurance Company at $182,417 and American Zurich Insurance Company at approximately $102,790. Management recommends renewing coverage with American Zurich Insurance Company.
  - American Zurich Insurance Company
  - Rating: Carrier has an A++ XV rating from AM Best
  - Term: July 1, 2021 through June 30, 2022
  - Limit per Occurrence: Statutory for Workers' Compensation and $1,000,000 for Employer's Liability
  - Deductible: N/A
  - The annual premium is a function of KHS' annual estimated payroll of $37,119,552 which is a 1% increase over the prior period. The insured has employees in 12 states, California, Arizona, Florida, Georgia, Idaho, Michigan, Oklahoma, Oregon, Utah, Tennessee, Texas, and Wyoming,
  - Since 2010, KHS has filed 68 workers' compensation claims with estimated losses of $705,933.60.
  - Annual Premium Estimate: $102,790. Prior year's estimated premium was $202,480.
    - Premium decrease of 49% is represented as follows:
    - Payroll increase 1%
    - Rate decrease of 48%
    - 2021 Published Experience Modification Factor is 84%. Last year was 85%.
    - $328.31 in claims filed last year

- **Fiduciary Liability Insurance**
  Fiduciary coverage insures against claims for administrative errors and omissions claims, breach of duty claims and defense for employee benefit claims, such as failure to timely distribute assets, failure to choose/offer prudent investments, failure to monitor investments, breach of responsibilities and negligence in the administration of a plan.
  - Hudson Insurance Company
  - Rating: Carrier has an A XV rating from AM Best
  - Term: August 1, 2021 through August 1, 2022
  - Limit per occurrence: $5,000,000
  - Aggregate: $5,000,000
  - Self-Insured Retention: $0 Non-indemnifiable losses, $100,000 Class Action Claims, $25,000 All other losses
  - Annual Premium: $13,002. Prior year's premium was $11,443.

  No claims were filed last year.

- **Cyber Liability Insurance**
  We have Cyber Coverage insures against the damages that can occur related to computer system breaches and other breaches of sensitive information.
  Last year, included in the SDRMA placement is the limit of $2,000,000 per incident and in the aggregate and excess coverage provided KHS with an additional $8,000,000 for total of $10,000,000.
  Alliant has extensively marketed your Cyber placement and is presenting two options. The 1st option will provide $5,000,000 only in limits with no capacity for excess. The 2nd option is for and additional $5,000,000. Management recommends renewing coverage for Cyber Liability under the 1st Option that includes $5,000,000 for Breach Response coverage and $5,000,000 for non-Breach Response coverage.

  1st Option
  - Carriers Coalition Insurance Solutions, Inc. (North American Capacity Insurance Company 51% and Certain Underwriters at Lloyd's, London 49%)
  - Rating: Carriers have a B++ VIII rating from AM Best / A XV rating from AM Best
  - Term: July 1, 2021 through June 30, 2022
  - Per Claim Limit/Aggregate: $5,000,000
  - Self-Insured Retention: $250,000
  - Term: July 1, 2021 through June 30, 2022
  - Annual Premium: $136,678.
  - Option to add Breach Response Costs $5,000,000 and Non-Breach Response $5,000,000 coverage for an additional $14,264 for total premium of $150,942.

  2nd Option
  - Carrier Indian Harbor Insurance Company
  - Rating: Carrier has an A+ XV rating from AM Best
  - Term: July 1, 2021 through June 30, 2022
  - Per Claim Limit/Aggregate: $5,000,000
  - Self-Insured Retention: $500,000
  - Annual Premium: $216,821.
  - Annual Premium for $5,000,000 excess of $5,000,000 layer is $149,713 for total premium of $366,533 for $10 Million limits

  Prior year's premium was $17,784 for $10 Million limits.

  No claims were filed last year.

- **Managed Care Errors and Omissions Liability Insurance**
  Managed Care E&O insures against losses for KHS operations for an act, error or omission in the performance of any health care or managed care financial, management or insurance services performed; the design, development and marketing of such service; vicarious liability for the conduct of others performing any such service on our behalf. Alliant marketed the coverage this renewal and has presented the only competitive option for consideration– TDC National Assurance Company (incumbent) quoted $62,966, which is a 18% premium increase over last year's premium. Management recommends renewing the coverage for the Managed Care E&O with TDC.
    - TDC National Assurance Company
    - Rating: Carrier has an A XV rating from AM Best
    - Term: July 1, 2021 through June 30, 2022
    - Limit per occurrence: $1,000,000
    - Aggregate: $3,000,000
    - Self-Insured Retention: $100,000 each claim
    - Annual Premium: $62,966. Prior year's premium was $53,609.

  1 claim was filed last year (Transportation Claim) $0 Paid

- **Earthquake Insurance**
  Earthquake insures against the peril of earthquake for KHS owned property. Management recommends renewing the Earthquake coverage.
    - Princeton Excess & Surplus Lines Insurance Company
    - Rating: Carrier has excellent A+ XV rating from AM Best
    - Term: October 15, 2021 through October 15, 2022
    - Earthquake Limit per occurrence: $25,000,000
    - Earthquake Aggregate: $25,000,000
    - Earthquake Deductible 3% Per unit (unit is defined as replacement cost of the covered Property – Building, Contents and Business Income separately), subject to a minimum of $50,000
    - All Other Perils $25,000 Deductible
    - Earthquake Annual Premium Not to Exceed: $50,000. Prior year's premium was $40,205.

  No claims were filed last year.

- **Flood Insurance**
  Flood insurers against the peril of flood for KHS owned property. Management recommends renewing the Flood Insurance coverage.
    - Hartford Ins. Company of the Midwest
    - Rating: Carrier has a superior A+ XV rating from AM Best
    - Term: November 18, 2021 through November 18, 2022
    - 2900 Buck Owens Blvd – Building and Contents
    - $500,000 Building (maximum limit available)
    - $500,000 Contents (maximum limit available)
    - $1,250.00 Deductible on both Building & Contents
    - Annual Premium Not to Exceed: $5,100. Prior year's premium was $3,806.

  No claims were filed last year.

- **Alliant Deadly Weapon Response Program (ADWRP)**
  The Alliant Deadly Weapon Response Program provides coverage for locations per our Property schedule on file where a weapon used by an Active Shooter for 1st Party Property Damage/Business Interruption, Crisis Management, Funeral Expense, Counseling Services and Demolition/Clearance and Memorialization. Management recommends renewing the coverage offering.
    - Underwriters at Lloyd's of London
    - Rating: Carrier has an Excellent A XV rating from AM Best
    - Term: July 1, 2021 to July 1, 2022
    - $1,000,000 Per Occurrence and Annual Aggregate
    - $10,000 Deductible Each Event including Claims Expenses
    - Annual Premium: $9,713. Prior year's premium was $9,287.

  No claims were filed last year.

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

Requested Action

Approve.

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robert Landis, Chief Financial Officer

Date: June 10, 2021

Re: Capital Reserves

Background

As a provider of Medi-Cal health insurance and a licensed Knox Keene HMO, Kern Health Systems ("KHS") is required to meet financial standards in the form of a Tangible Net Equity ("TNE") multiple. TNE is based on a calculation of non-capitated claims and is intended to ensure the financial viability of the Health Plan. KHS' contract is with the Department of Health Care Services (DHCS) to provide services to the Medical-Cal eligible population enrolled in KHS. DHCS and the Department of Managed Health Care ("DMHC") are the two oversight agencies that review KHS' finances. KHS' current reserve policy is based on an analysis done in 2013 which recommended a capital reserve surplus of 25%-35% of annual revenue.

Discussion

KHS retained the actuary firm Milliman to give a presentation to the KHS Finance Committee and Board of Directors regarding KHS' reserves. Please see the attached power-point presentation which will be presented by Craig Keizur, Principal and Consulting Actuary with Milliman. Mr. Keizur's bio is included at the end of the presentation.

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

Requested Action

Receive and File.

Kern Health Systems

Discussion on Capital Reserve Strategy

Kern Health System Finance Committee

Craig B. Keizur, FSA, MAAA

JUNE 10 2021

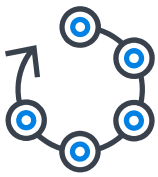
Milliman

Agenda

- Executive Summary
- What are Capital Reserves?
- Why Hold Capital Reserves?
- Current Capital Reserve Level
- Capital Reserve Strategy Discussion
- Capital Reserve Strategy Recommendation

Executive Summary

- KHS capital reserves are adequate for current business profile
- KHS capital reserves are **just sufficient** assuming business growth of >$450 million in annual revenue due to the launch of the CalAim “Duals” program
  - Duals are members who qualify for both Medicare and Medi-Cal, which includes a Long-Term Care (LTC) benefit where KHS will be responsible for members in nursing homes
  - KHS to operate a Dual Medicare special needs plan (D-SNP) by January 2025.
- This presentation is intended to support discussion on tangible net equity in the Medi-Cal Program and is not complete without oral comment



What are Capital Reserves?

- Capital reserves are funds or other assets that are held to provide **financial stability**
  - Assets = Liabilities + Capital; capital reserves are the excess of Assets over Liabilities
  - Private sector calls them "**equity**"
  - They are separate and distinct from "**claims reserves**"
    - Claims reserves are estimated funds held for incurred liabilities
- Assets that contribute to capital reserves:
  - Cash
  - Investments
  - Receivables
  - Real Property

Why Hold Capital Reserves?

- Holding a minimum level of capital reserves is a **legal requirement**
- **Absorb volatility** due to unpredictability and uncertainty of healthcare cost levels
  - KHS is largely a fee-for-service (FFS) network; more volatile claims nature versus capitation
  - New Categories of Aid
    - Past: Senior and Persons with Disabilities (SPD), Adult Expansion
    - Upcoming: Dual Eligibles
  - New Benefit & Program Changes
    - Past: Hepatitis C, Behavioral Health
    - Upcoming: Major Organ Transplants, new programs DHCS doesn't compensate plan for, such as In Lieu of Services (ILOS)

Why Hold Capital Reserves?

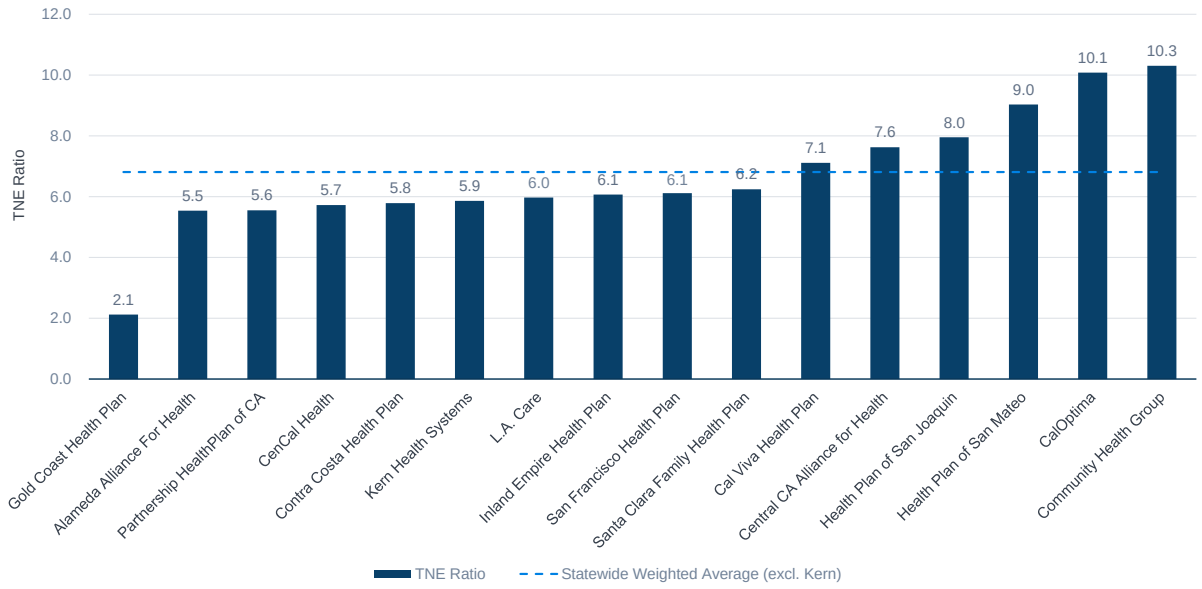
- **Stability** during periods of insufficient or delayed revenue
  - DHCS efficiency factors resulting in rate reductions
    - Maximum Allowable Cost (MAC) – reduction for pharmacy generic pricing
    - Potentially Preventable Admissions (PPA) – reduction for unnecessary hospital admits
    - Outpatient pharmacy at Medicare Part B pricing
    - Low Acuity Non-Emergent Adjustment (LANE) – reduction for unnecessary emergency room cases
  - Future rate actions that do not cover claims trend
  - State's current underwriting and pricing process takes 3 years for experience to be reflected in premium rates
  - New Programs (e.g. Duals, LTC) increase the baseline cost level, and therefore increase required reserve levels in dollar terms, even if keeping reserves as a % of claims the same
  - Delays, ranging from 30-60 days, in state payments due to budget issues
- Maintain ability to **make investments** in new programs and technology
  - Examples: QNXT for claims processing and JIVA for medical management

Why Hold Capital Reserves? Legal Requirement

- Tangible Net Equity (TNE)
  - Requirement to hold minimum TNE, or DMHC can take control of health plan
  - TNE requirement based upon % of non-capitated claims
    - 8% of the first $150 million in claims, and 4% of claims in excess of $150 million
  - Below 200% of TNE, the plan is placed on DMHC's "watch list" and can require monthly reporting and increased scrutiny (ex: Gold Coast Health Plan)

- Below 130% of TNE, the plan is considered to be in financial jeopardy and DMHC can take control of plan (ex: Alameda Health Plan)

TNE Ratio Comparison - 12/31/2020



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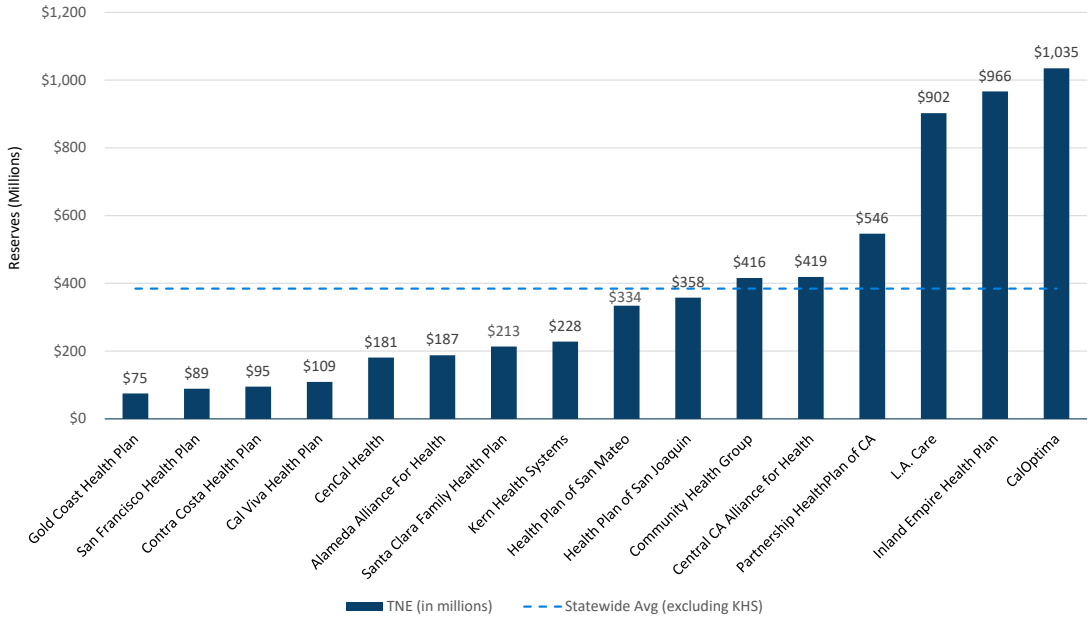
Fund Balance Comparison - 12/31/2020



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Items to Consider

- As of 12/31/2020 with annualized financials, 100% TNE was $39M and KHS had $227M in capital (587% TNE)
  - $98M in assets are in the form of Accounts Receivable, mostly due to the state's late payment of premium (which is perpetual). These assets are not cash and should not be depended on in a time of required liquidity
- In its pricing of new programs, the state does not build in extra premium to reflect increased capital requirements
  - If KHS today managed the future-state Duals + LTC program, the minimum TNE would increase by $18M
    - Without new funds, current capital drops to 413% of TNE
    - Assumes 18K enrollees, 75% of market's 24,000 eligibles, with an average monthly premium of $2,150 PMPM). This assumes full risk on Duals (not delegated to Kaiser)

Reserve Strategy: Discussion

- Should capital reserve targets be set based upon current business levels or future business levels?
- Minimum TNE increases by approx. 4% of revenue
  - e.g. business growth of $100M requires approximately $4M in new min. capital.
  - If targeting (illustrative) 500% of TNE, then $100M in revenue growth requires $20M in new capital
- The state currently prices for expected profit of 2.0%, so it would take several years for any new business to “self-fund” its optimal capital level with normal profit levels
- Assuming a 500% starting TNE, how much of a claims spike can a company absorb while maintaining a minimum 200% TNE requirement?

	Year End TNE %			
Excess Annual Trend	0	1	2	3
5%	500%	397%	293%	190%
10%	500%	293%	87%	< 0%

  - These scenarios assume no additional required capital from new business

Future-State Capital Reserve Illustration

Simplified Pro Forma impact of new CalAim D-SNP program. The estimate ignores normal plan trends.

		CalAim (1/1/2025)						
	Current State (12/31/2020)	Medicare - Medical (Part C)	Medicare - Rx (Part D)	LTC Medi-Cal	Subtotal	Future State [2]	Total Additional Capital	3 Year Annual Increase
Membership	277,452				18,000	295,452		
Revenue	$1,112.9	$293.4	$92.6	$102.8	$488.8	$1,601.7		
Minimum TNE [1]	$38.9	$11.2	$3.5	$3.9	$18.6	$57.5		
Capital Reserve	$227.9							
TNE Ratio	586% = $227.9M / $38.9M					397% = $227.9M / $57.5M if no increase to current reserve amount		
Capital Reserve at 500% TNE						$287	$59	$20
Capital Reserve at 600% TNE						$345	$117	$39

[1] Additional TNE estimated at 4% of expected claims (95% of revenue change).

[2] Increased costs and reserve levels do not account for the material infrastructure investment in order to operate a Medicare Advantage and LTC plan.

Reserve Strategy: Recommendation

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

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Thank you

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

Milliman Bio

Craig B. Keizur
FSA, MAAA
Principal, Consulting Actuary

Milliman

CURRENT RESPONSIBILITY

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

EXPERIENCE

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

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

His consulting assignments have included:

- Actuarial modeling of healthcare variables to test their impact of proposed changes to current and projected healthcare costs
- Feasibility studies for entering new markets, such as Medicare or Medicaid
- Research and data mining of large public and proprietary databases to estimate prevailing usage and unit cost for a variety of needs.
- Medicare Part C and Part D bid support
- Medicaid rate setting
- Expert testimony support
- Review and implementation of risk-adjustment algorithms
- Projecting liabilities for claims incurred but not paid
- Developing and analyzing changes to provider reimbursement contracts
- Pricing and experience analysis for collective bargaining negotiations, supporting both sides of the negotiating table (employers and unions)
- Developing regulatory rate filings for individual and group business
- Review and development of group and individual underwriting and rating models
- Projecting financial liabilities and capital needs for the Native American population
- Assessing the financial value of new healthcare technologies and practices
- Actuarial support for other nonmedical benefit types, including Rx, dental, vision, disability, and other welfare benefits

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

PROFESSIONAL DESIGNATIONS

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

EDUCATION

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

PUBLICATIONS

- Coauthored Risk-Based Capital Requirements for Managed Care Organizations

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KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Alan Avery, Chief Operating Officer

Date: June 10, 2021

Re: Renewal of Stria, LLC Agreement

Background

In 2013, KHS entered into a five-year agreement with Stria, LLC a local company to replace the in-house outdated Optical Character Recognition (OCR) solution to scan and process paper claims. Stria used their OCR solution to convert KHS paper forms into an electronic format. Electronically converted claims eliminate the need for manual data entry into KHS' claims processing and payment system. After thorough analysis, efficiencies were found to exist by outsourcing KHS' internal scanning and OCR solution. At the conclusion of the five-year agreement with Stria, KHS performed an RFP process in 2017/2018 to continue to outsource claims scanning along with adding on-site mailroom and on-site scanning of disputes and six-month storage of hard copy disputes. KHS received two responses: Stria and Smartdata Solutions. After reviewing both proposals, the decision was made to continue services with Stria for another three years.

Discussion

During the term of the current agreement, KHS requested additional services from Stria. In addition to their current services, scanning of member appeals & grievances along with storage of open grievance files was added. KHS also added the management and storage of the KHS Human Resource payroll documentation. Most recently, Stria worked with KHS to develop a disaster recovery site and processes whereby they can effectively process all of KHS administrative processes (mailroom, printing letters, assembling packets) in the event of an office temporary shutdown due to COVID or disaster. No other local vendor is able to perform the services KHS receives from Stria. All other vendors require documents be sent to a centralized processing center outside California which would significantly reduce timeliness, eliminate the local on-site mailroom, claims scanning, timely file storage transfers and backup disaster recovery site. I recommend the renewal of the Stria Agreement for an additional three years.

Financial Impact
Not to exceed $1,221,000.00 per three years.

Requested Action
Approve; Authorize Chief Executive Officer to Sign.

Stria Agreement Renewal

Claims Mailroom & Administrative Support Services

Board of Directors
June 10, 2021

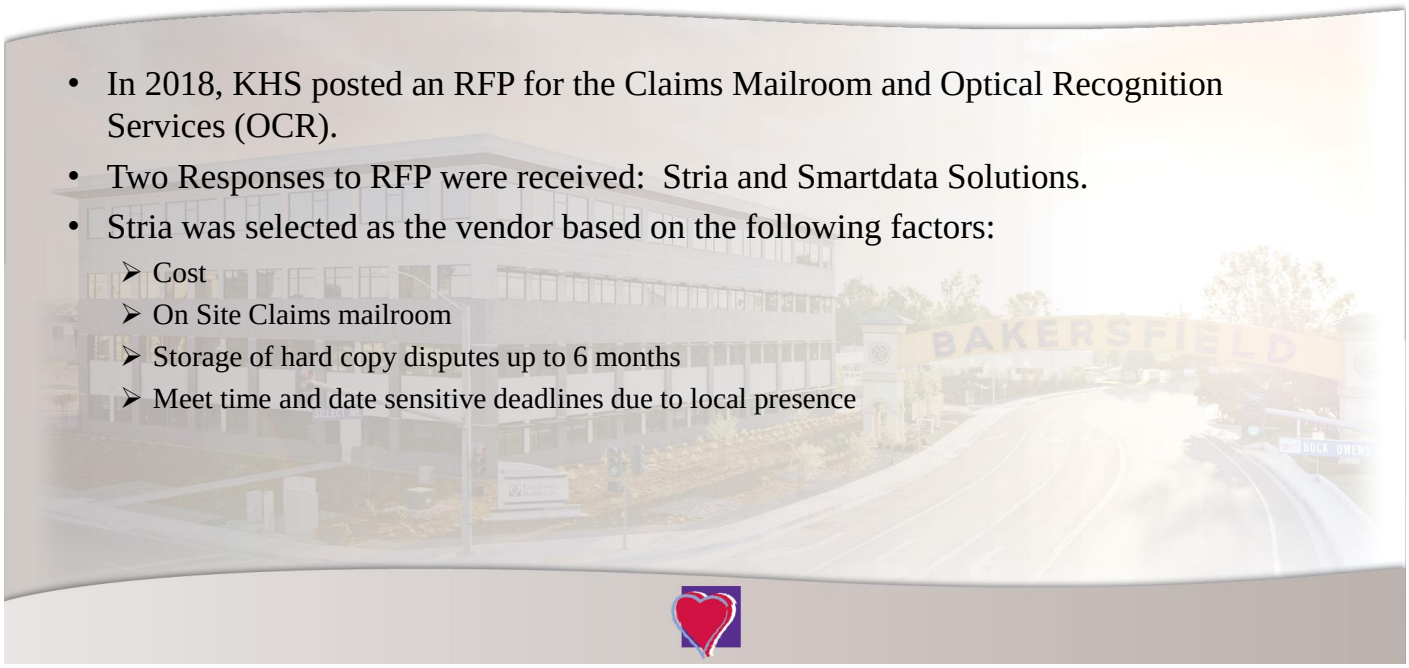
Alan Avery
Chief Operating Officer

Agenda

- Background
- Continuation of agreement
- Current Costs & Projected Expense
- Benefits to KHS
- Recommendation
- Questions

Background

- In 2018, KHS posted an RFP for the Claims Mailroom and Optical Recognition Services (OCR).
- Two Responses to RFP were received: Stria and Smartdata Solutions.
- Stria was selected as the vendor based on the following factors:
  - Cost
  - On Site Claims mailroom
  - Storage of hard copy disputes up to 6 months
  - Meet time and date sensitive deadlines due to local presence



Continuation of agreement

- Original services provided by Stria were:
  - On-Site Mailroom services
  - Claims Scanning and OCR activities
  - Image and Data file return
  - Onsite Scanning of Disputes & 6-month storage of hard copy disputes
- Additional Services added mid contract
  - Grievance and Appeal Scanning. Storage and retrieval for 2 years.
  - Human Resource payroll storage
- 2020 New Service: Partnered with KHS to implement local Disaster Recover site during the COVID-19 Pandemic to handle all administrative processes (mailroom, printing letters, assembling packets) in case of office shutdown.

Current Costs & Projected Expense

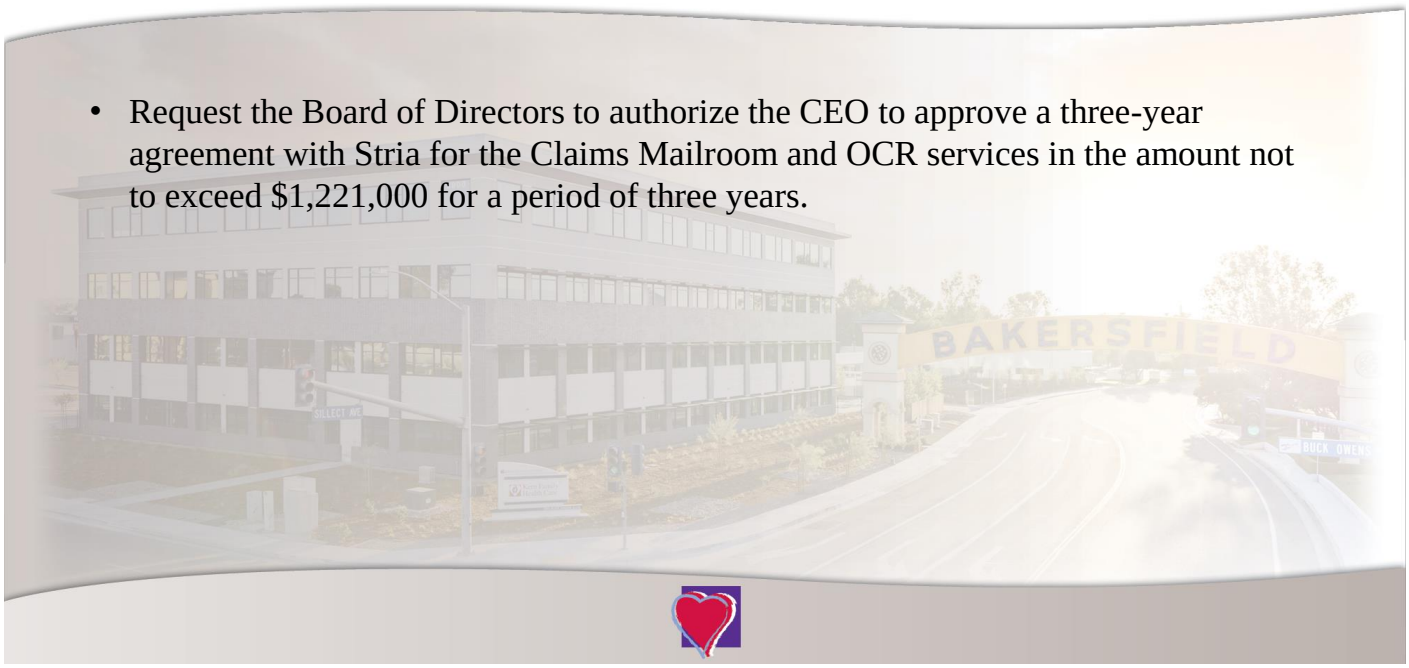
Types of Services	2020 Spend	Projected Annual Expense	Projected 3 Year Expense
Claims processing, transportation, EDI programming, exception handling, PM 160 Processing	$193,000	$203,000	$609,000
On-Site Mailroom services-opening, sorting, and digitizing mail. Off-Site mailroom facility-printing, mailing. Includes digital mailroom service setup.	$131,000	$151,000	$453,000
Records Storage and Mgt-Grievance & Claims Files	$14,000	$15,000	$45,000
Human Resources Records-Scanning & DocuSign	$59,000	$38,000	$114,000
Special Projects-HRA Surveys & digital services	$29,000	TBD	TBD
Total	$426,000	$407,000	$1,221,000

Benefits for Kern Health Systems

- Local Claims On-Site Mailroom Functions. Stria staff replaced KHS staff who were repurposed within Claims Department:
- Eliminated outdated KHS scanning equipment and software. Replaced with Stria local state of the art equipment and staff. Scanning completed locally by Stria. Avoided significant investments & ongoing staffing and maintenance costs.
- Stria continually meets KHS quality results-97% on volumes of 11,000 monthly claims.
- Local storage and timely retrieval of open member appeals & grievance and provider appeals to ensure KHS compliance. Digitized once closed.
- Local disaster recovery site for KHS administrative services (letter generation, authorization printing, packet assembly and mail)to respond to office closures in the event of COVID-19 incident or other disaster disruptions.

Recommendation

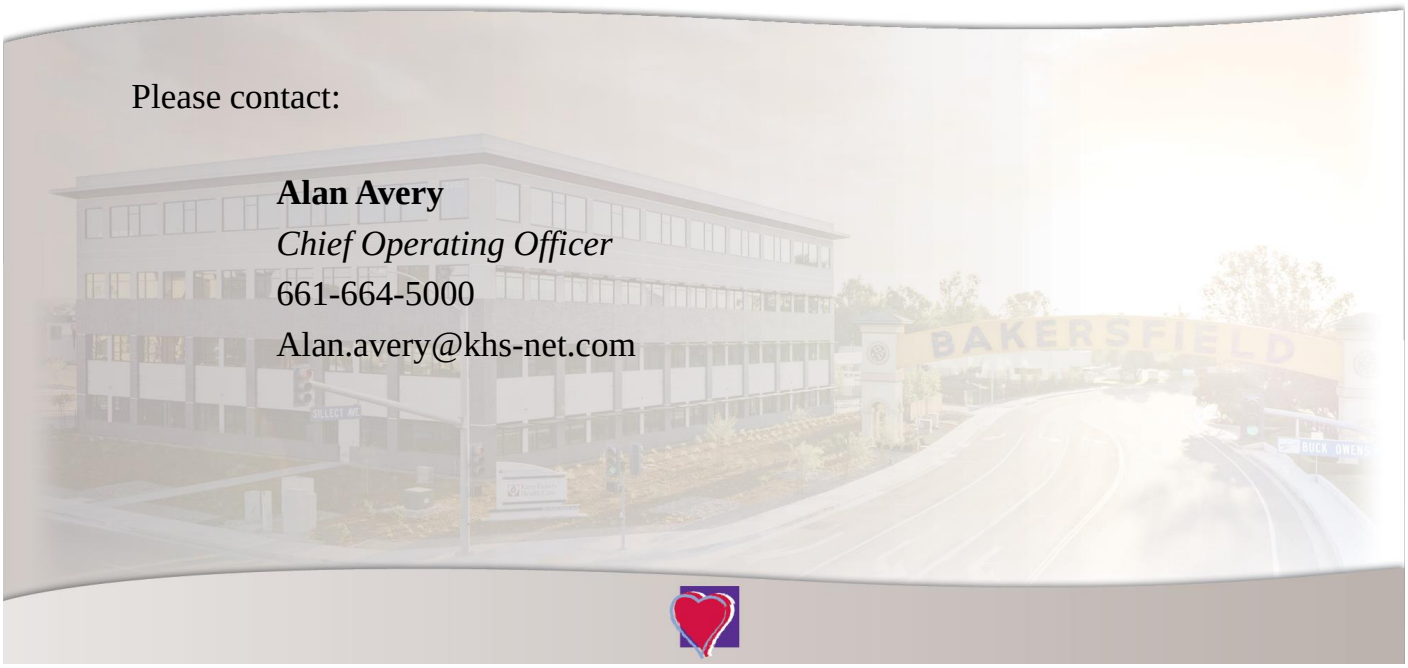
- Request the Board of Directors to authorize the CEO to approve a three-year agreement with Stria for the Claims Mailroom and OCR services in the amount not to exceed $1,221,000 for a period of three years.



Questions

Please contact:

Alan Avery
Chief Operating Officer
661-664-5000
Alan.avery@khs-net.com



Proposed Administrative Contract over $100,000, June 10, 2021

1. Operational Agreement with Stria, LLC.
   a. Recommended Action

      Approve; Authorize Chief Executive Officer to Sign
   b. Contact

      Alan Avery, Chief Operating Officer
   c. Background

      In 2013 KHS entered into a five-year agreement with Stria LLC, a local company to replace our outdated in-house Optical Character Recognition (OCR) solution to scan and process paper claims. Stria used their OCR solution to convert KHS paper forms into an electronic format. Electronically converted claims eliminate the need for manual data entry into KHS claims processing and payment systems. At the conclusion of the five-year agreement with Stria, KHS performed an RFP process in 2017/2018 to continue to outsource claims scanning along with adding on-site mailroom and on-site scanning of disputes and six-month storage of hard copy claims disputes. KHS received two responses: Stria and Smartdata Solutions. After reviewing both proposals, the decision was made to continue services with Stria for another three years.

   d. Discussion

      During the term of the current three-year agreement with Stria, KHS requested additional services from Stria. In addition to the current services, scanning of member appears & grievances along

with storage of open grievance files was added. We also added the management and storage of the KHS Human Resource payroll documentation. Most recently, Stria worked with KHS to develop a disaster recovery site and processes whereby they can effectively process all of our administrative processes (mailroom, printing letters and assembling packets) in the event of an temporary office shutdown due to COVID or another disaster.

e. Fiscal Impact

Not to exceed $1,221,000.00 per three years.

f. Risk Assessment

All other vendors who provide similar services as Stria require documents be sent to a centralized processing center, thus risking missing key deadlines and misplaced paper documents. In addition, no other vendor could provide the local on-site mailroom and processing and the critical backup disaster recovery site.

g. Attachments

An Agreement at a Glance form is attached.

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

This contract has been approved by KHS legal counsel.

KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: EXEC Department Head: Alan Avery

Vendor Name: Stria, LLC Contact name & e-mail: Scott Garrison, sgarrison@stria.com

What services will this vendor provide to KHS? Claims Mailroom functions onsite, OCR services, dispute scanning, data storage and transfer, grievance and appeal scanning, storage and retrieval.

Description of Contract	
Type of Agreement: Professional Services ☒ Contract ☐ Purchase ☒ New agreement ☐ Continuation of Agreement ☐ Addendum ☐ Amendment No. ____ ☐ Retroactive Agreement	Background: In 2007, KHS acquired an Optical Character Recognition (OCR) solution to scan and process paper claims. KHS receives approximately 12% of its total claim volume (360,000 claims per year resulting in 1.1M images) on paper and utilized the OCR process to convert the paper forms into an electronic format. Electronically converted claims eliminate the need for manual data entry into KHS' claims processing and payment system. After thorough analysis, efficiencies were found to exist by outsourcing KHS' internal scanning and OCR solution. In 2013, KHS performed and RFP process and selected Stria, LLC as the preferred organization to provide an outsourced OCR solution. Brief Explanation: Claims Mailroom functions onsite, OCR services, dispute scanning, data storage and transfer, grievance and appeal scanning, storage and retrieval.

☒ Summary of Quotes and/or Bids attached. *Pursuant to KHS Policy #8.11-I, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted ($50,000.00) and One Hundred Thousand Dollars or more if budgeted ($100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted ($50,000.00) and One Hundred Thousand Dollars or more if budgeted ($100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars ($50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.)*

Brief vendor selection justification: ____

☐ Sole source – no competitive process can be performed.

Brief reason for sole source: ____

☐ Conflict of Interest Form is required for this Contract

☒ HIPAA Business Associate Agreement is required for this Contract

Fiscal Impact

KHS Governing Board previously approved this expense in KHS' FY 2021 Administrative Budget	☐ NO	☒ YES
Will this require additional funds?	☒ NO	☐ YES
Capital project	☒ NO	☐ YES

Project type: ____

Form updated 11/21/19

Budgeted Cost Center 230 GL# 5490

Maximum cost of this agreement not to exceed: $1,219,241.76 per three years

Notes: ____

Contract Terms and Conditions

Effective date: 6/14/2021 Termination date: 6/14/2024

Explain extension provisions, termination conditions and required notice: ____

Approvals

Compliance DMHC/DHCS Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Approved by Legal per PSA

Legal Counsel

Date

Contract Owner:

Department Head

5/14/21

Date

Purchasing:

Approved by Alonso Hurtado

Director of Procurement and Facilities

per Contracts meeting 5/11/21

Date

Reviewed as to Budget:

Chief Financial Officer or Controller

5/17/21

Date

Recommended by the Executive Committee:

Chief Operating Officer

5/14/21

Date

IT Approval:

Approved by Richard Pruitt

Chief Information Officer or IT Director

per Contracts meeting 5/11/21

Date

Chief Executive Officer Approval:

Chief Executive Officer

Date

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

KHS Board Chairman

Date

Form updated 11/21/19

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Veronica Barker, Controller

Date: June 10, 2021

Re: Agreement with PaySpan, Inc.

Background

In January 2021, KHS released an RFP for the outsourcing of Provider Claims Payments from vendors offering payment solutions along with print and mail fulfillment that improves efficiencies, reduces administrative costs, and increases provider satisfaction. This outsourcing process has become standard industry practice. KHS been utilizing PaySpan for the last six years to provide this service.

Discussion

KHS produces approximately 80,000 provider payments annually. Along with each provider payment is a Remittance Advice ("RA") which describes that payment. Prior to PaySpan, RAs were printed on paper and required significant KHS Accounting Staff involvement to print the checks and RAs, match the check to the RA and then prepare for mailing.

KHS received four proposals for consideration. The attached matrix outlines the scoring structure KHS stakeholders used to evaluate each system. KHS selected the incumbent PaySpan due to their costs and for being the least disruptive solution to the provider community as well as to the organization.

PaySpan provides an electronic settlement network delivering comprehensive capabilities for a variety of payment methods, while delivering savings and efficiencies to both KHS and providers. PaySpan's application is a web-based solution designed to provide a technology-based approach to the claim's settlement process between healthcare payers and providers.

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

PaySpan has more than 25 years of payments expertise and provides services to more than 600 Health Plans, 100 million Members and 1.3 million Providers.

Financial Impact

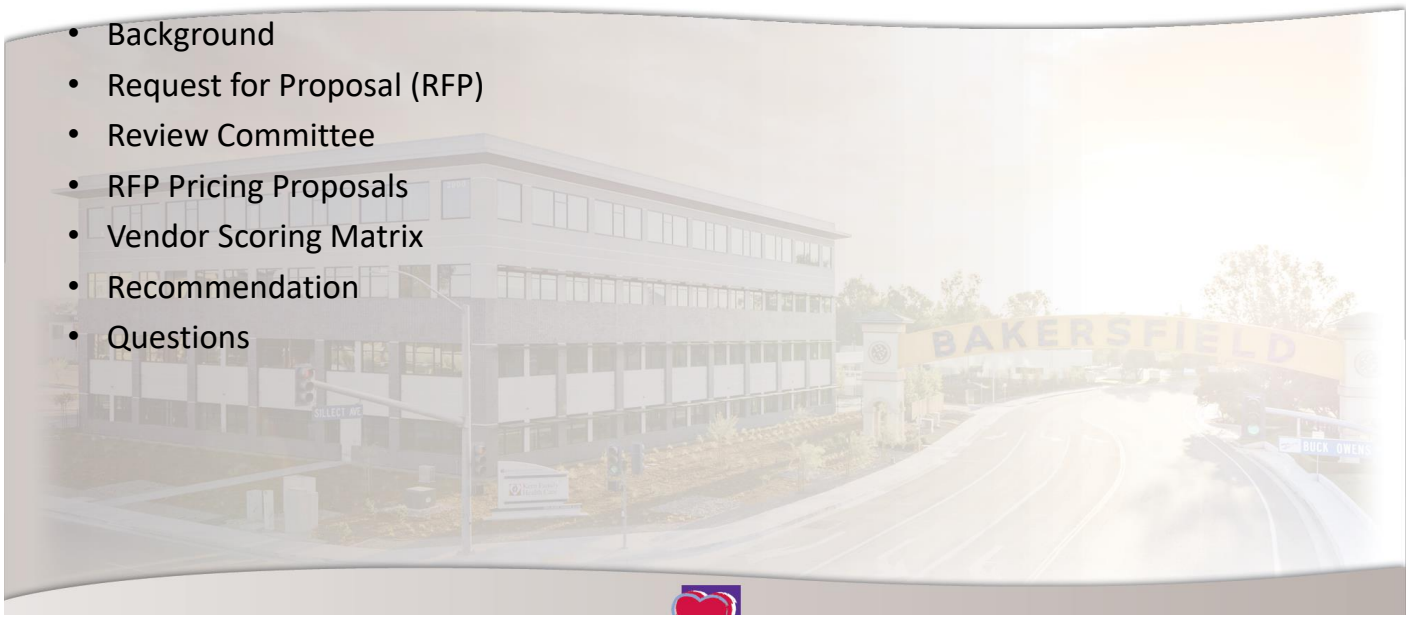
This agreement will not exceed $160,000.00 per year for 3 years with option to extend for 2 years.

Requested Action

Approve; Authorize Chief Executive Officer to Sign.


Healthcare Payer Services
Board of Directors
June 10, 2021
Veronica Barker
Controller

Agenda



- Background
- Request for Proposal (RFP)
- Review Committee
- RFP Pricing Proposals
- Vendor Scoring Matrix
- Recommendation
- Questions

Background

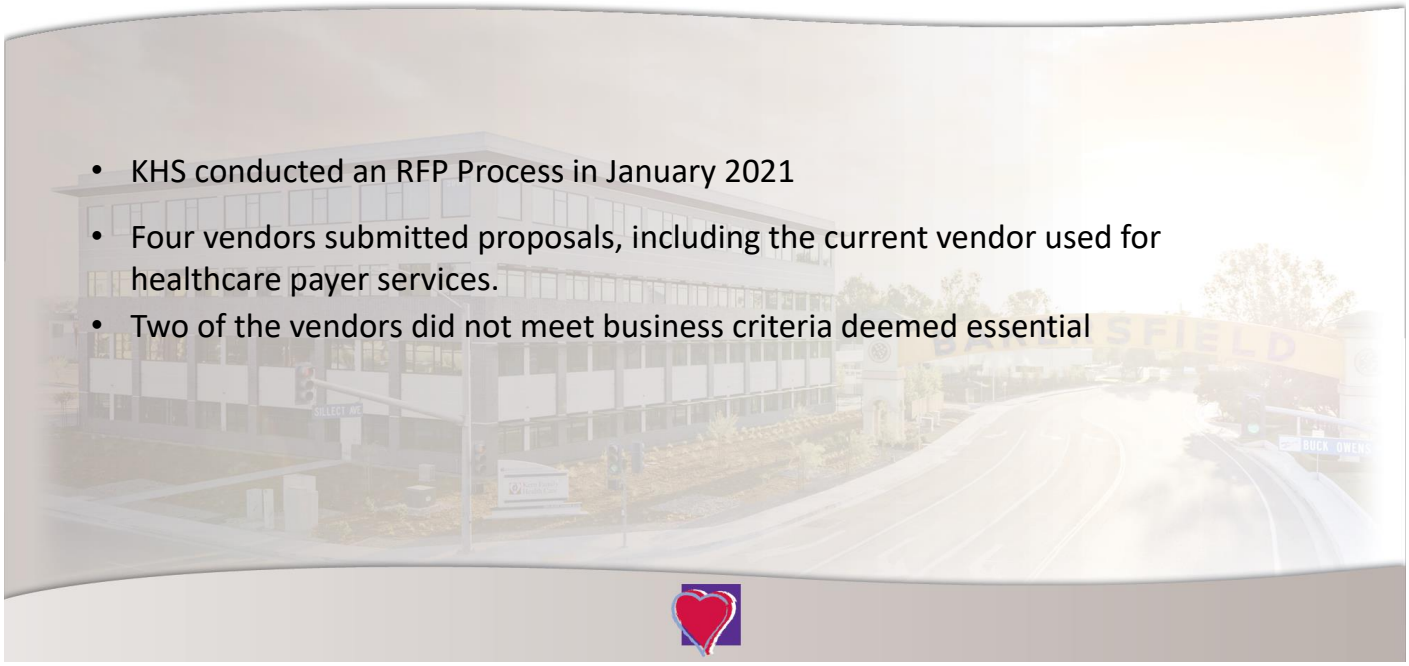
KHS produces approximately 80,000 provider payments annually along with each provider payment is a Remittance Advice (RA) which describes each payment.

Since 2015, KHS has outsourced the provider payment process. This in turn reduced administrative cost for both KHS and providers.

Subcontractor provides a web-based solution designed to provide a technology-based approach to the claims settlement process between payers and providers.

This services is at no cost to Providers.

Request for Proposal



- KHS conducted an RFP Process in January 2021
- Four vendors submitted proposals, including the current vendor used for healthcare payer services.
- Two of the vendors did not meet business criteria deemed essential

KHS Review Committee

KHS internal review team consisted of 1 representative from each stakeholders/departments:

- Information Technology
- Accounting
- Provider Network Management

RFP Pricing Proposals

Vendor	Annual Cost	Estimated Internal Implementation Cost	Estimated Customization Cost	Estimated Provider/Training Cost	Year 1	Year 2	Year 3	Total Cost
PaySpan	$160,000.00	$ -	$ -	$ -	$160,000.00	$160,000.00	$160,000.00	$480,000.00
Vendor 2	$82,800.00	$180,000.00	$100,000.00	$50,000.00	$412,800.00	$82,800.00	$82,800.00	$578,400.00

Vendor Scoring Matrix

	Category and Description						
	Company: Onboarding, Training, Network Capacity	**System:** Cloud, Security, Platform to Deliver services	**References:** Provided References	**Market:** Medi-Cal plan and health care experience	**Essential Functions:** Ability to provide customer service during business hours, maintain operational metrics, allow EOP customization, proper handling of funds	**Price:** Overall cost to KHS for annual cost and implementation	**Overall Ranking**
PaySpan	4.33	4.00	3.00	4.67	4.00	4.00	4.00
Vendor 2	3.00	3.00	3.00	2.33	2.67	3.00	2.83

Scoring Metric
1= Does not Meet Requirement of RFP
2= Meets Some Requirement of RFP
3=Meets RFP Minimum Requirement
4= Meets more than Minimum Requirements
5= Exceeds Minimum Requirements

Recommendation

- Request the Board of Directors to authorize the CEO to approve a three-year agreement with PaySpan for the Healthcare Payer Services in the amount not to exceed $480,000.
- PaySpan is KHS' incumbent contractor for these services.
- PaySpan provides services to Centene Corporation, WellCare, and Beacon Health
- New proposal includes a 20% overall cost discount from current prices.

Questions

Please contact:

Veronica Barker
Controller
661-664-5000
Veronica.Barker@khs-net.com

Proposed Administrative Contract over $100,000, June 10, 2021

1. Operational Agreement with PaySpan
   a. Recommended Action

      Approve; Authorize Chief Executive Officer to Sign

   b. Contact

      Veronica Barker, Controller

   c. Background

      KHS produces approximately 80,000 provider payments annually along with each provider check is a Remittance Advice ("RA") which describes that payment. RAs are printed on paper and require significant KHS Accounting Staff involvement to print checks and RAs, match the check to the RA and then prepare for mailing. This is a very manual, cumbersome, and time-consuming weekly process.

   d. Discussion

      KHS is proposing to amend/extend the current contract with PaySpan for the provider check payment process. Continuing to outsource the provider payment process to PaySpan, a specialized vendor offering payment solution along with print and mail fulfillment, improved efficiencies, reduced administrative costs and increased provider satisfaction has become standard industry practice. PaySpan's application is a web-based solution designed to provide a technology-based approach to the claims settlement process between healthcare payers and providers with print and mail services along with EFT payments for a three (3) year period.

e. Fiscal Impact

Not to exceed $480,000.00 per three years

f. Risk Assessment

KHS has been provided with an AICPA Service Organization Control Report (Formerly a SAS 70 Report). PaySpan has more than 30 years of payments expertise and provides services to more than 600 health plans, 100 million members, 1.3 million provider payees and 15,000 financial institutions. PaySpan currently provides services to Centene Corporation, WellCare and Beacon Health.

g. Attachments

An Agreement at a Glance form is attached.

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

This contract is pending approval from KHS legal counsel.

KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: ACCT Department Head: Veronica Barker

Vendor Name: PaySpan, Inc. Contact name & e-mail: Claire Campbell, Claire.campbell@payspan.com

What services will this vendor provide to KHS? PaySpan will provide KHS with a web-based application designed to provide a technology-based approach to the claims settlement process between healthcare payers and providers with print and mail services along with EFT payments for a three (3) year period.

Description of Contract	
Type of Agreement: Software ☒ Contract ☐ Purchase ☒ New agreement ☐ Continuation of Agreement ☐ Addendum ☐ Amendment No. ____ ☐ Retroactive Agreement	Background: KHS produces approximately 40,000 provider payments annually along with each provider check is a Remittance Advices ("RA") which describes that payment. RA's are printed on paper and require significant KHS Accounting Staff involvement to print the checks and RA's, match the check to the RA and then prepare for mailing. This is a very manual, cumbersome and time-consuming weekly process. Brief Explanation: PaySpan will provide KHS with a web-based application designed to provide a technology-based approach to the claims settlement process between healthcare payers and providers with print and mail services along with EFT payments for a three (3) year period.

☒ Summary of Quotes and/or Bids attached. *Pursuant to KHS Policy #8.11-I, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted ($50,000.00) and One Hundred Thousand Dollars or more if budgeted ($100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted ($50,000.00) and One Hundred Thousand Dollars or more if budgeted ($100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars ($50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.)*

Brief vendor selection justification: ____

☐ Sole source – no competitive process can be performed.

Brief reason for sole source: ____

☐ Conflict of Interest Form is required for this Contract

☐ HIPAA Business Associate Agreement is required for this Contract

Fiscal Impact		
KHS Governing Board previously approved this expense in KHS' FY 2021 Administrative Budget	☐ NO	☒ YES
Will this require additional funds?	☒ NO	☐ YES
Capital project	☒ NO	☐ YES

Project type: ____

Form updated 11/21/19

Budgeted Cost Center 210 GL# 5495

Maximum cost of this agreement not to exceed: $480,000.00 per three years

Notes: ___

Contract Terms and Conditions

Effective date: 8/21/2021 Termination date: 8/20/2024

Explain extension provisions, termination conditions and required notice: _____

Approvals

Compliance DMHC/DHCS Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Legal Counsel

Date

Contract Owner:

Approved by Veronica Barker
Department Head

Per Contract Meeting 5/25/2021
Date

Purchasing:

Director of Procurement and Facilities

5/25/21
Date

Reviewed as to Budget:

Robert Sandy
Chief Financial Officer or Controller

5/26/21
Date

Recommended by the Executive Committee:

Chief Operating Officer

5-27-21
Date

IT Approval:

Approved by Richard Pruitt
Chief Information Officer or IT Director

Per Contract Meeting 5/25/2021
Date

Chief Executive Officer Approval:

Chief Executive Officer

Date

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

KHS Board Chairman

Date

Form updated 11/21/19

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Angela Ahsan, Director of Project Management

Date: June 10, 2021

Re: Project Management and Portfolio Support

Background

In January of 2021, KHS engaged TeamDynamix for the purchase of their Project Portfolio software solution. In February of 2021, KHS contracted PMO Partners, LLC for their services in providing a Senior PM Consultant that was tasked with driving the implementation of this software. KHS internal Contracts Committee approved a not to exceed contract in the amount of $97,152 (time and materials) to cover the cost of the Senior PM Consultant. KHS has identified additional work required for the completion of this project in the amount of $50,000 (time and materials), bringing the aggregate cost to $147,152 (approved within PMO 2021 operating budget).

Discussion

KHS currently holds an ongoing contract with PMO Partners. KHS is asking for additional funds to complete the implementation of the Project Portfolio Management System. If not completed, key automations and efficiencies will not get implemented to support 2022 portfolio planning processes and portfolio shifts associated with the CalAIM efforts.

Financial Impact

Not to exceed $147,152.00 per project

Requested Action

Approve; Authorize Chief Executive Officer to Sign.

PMO Consulting Services

PMO Partners, LLC

KHS Finance Committee
June 10, 2021

Angela Ahsan, MBA, PMP, SSGB
Director of Project Management

Agenda

- Background
- Benefits
- Recommendation
- Questions

Background

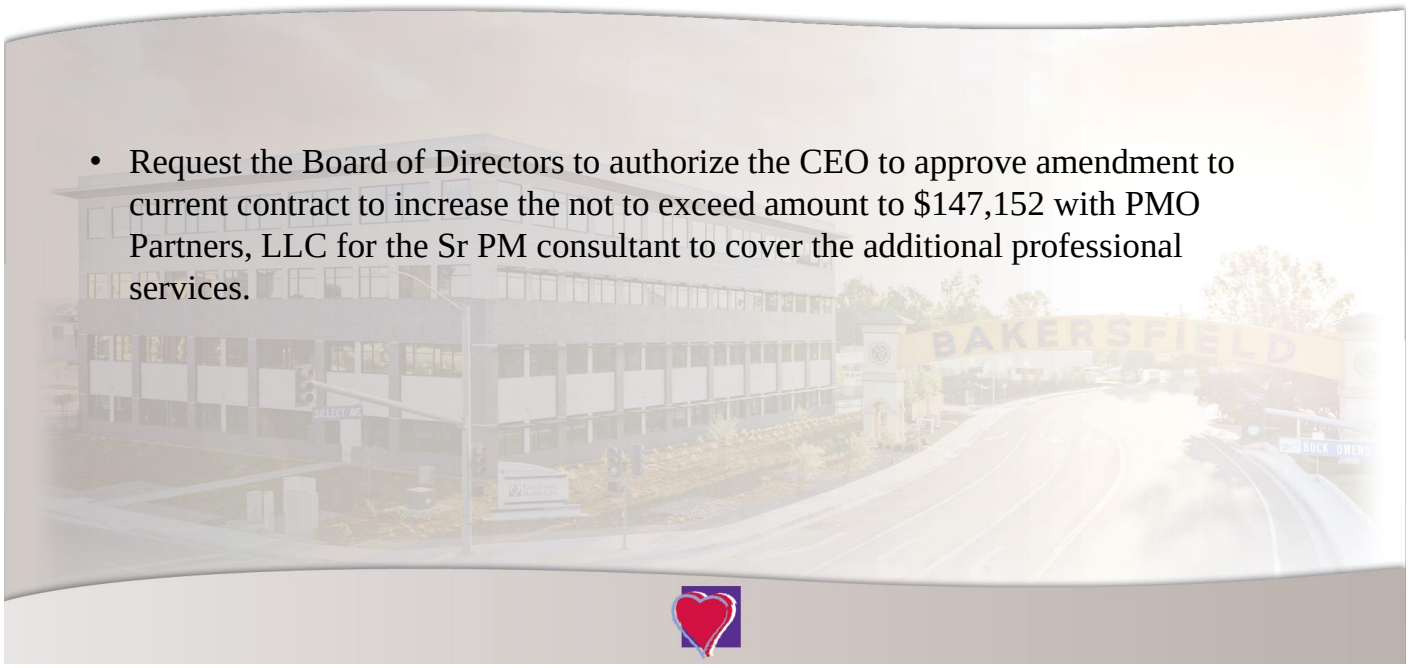
- In January of 2021, KHS engaged TeamDynamix for the purchase of their Project Portfolio software solution.
- In February of 2021, KHS contracted PMO Partners, LLC for their services in providing a Senior PM Consultant that was tasked with driving the implementation of this software.
- KHS internal Contracts Committee approved a not to exceed contract in the amount of $97,152 (time and materials) to cover the cost of the Sr PM Consultant.
- KHS has identified additional work required for the completion of this project in the amount of $50,000 (time and materials), bringing the aggregate cost to $147,152 (approved within PMO 2021 operating budget).

Benefits

- Additional funding will cover key capabilities needed to support 2022 portfolio planning functions and ability to incorporate portfolio changes associated with the CalAIM strategy.
- Project Portfolio Management System project will enable process automations and efficiencies for the portfolio planning and management lifecycle at KHS.
- TeamDynamix (3rd party solution) that has been purchased, will be infused into the portfolio and project processes and significantly reduce manual work processes today.

Recommendation

- Request the Board of Directors to authorize the CEO to approve amendment to current contract to increase the not to exceed amount to $147,152 with PMO Partners, LLC for the Sr PM consultant to cover the additional professional services.



Questions

Please contact:

Angela Ahsan, MBA, PMP, SSGB
Director of Project Management
661-302-5452
angela.ahsan@khs-net.com

Proposed Administrative Contract over $100,000, June 10, 2021

1. Operational Agreement with PMO Partners, LLC
   a. Recommended Action

      Approve; Authorize Chief Executive Officer to Sign

   b. Contact

      Angela Ahsan, Director of Project Management

   c. Background

      In January of 2021, KHS engaged TeamDynamix for the purchase of their Project Portfolio software solution. In February of 2021, KHS contracted PMO Partners, LLC for their services in providing a Senior PM Consultant that was tasked with driving the implementation of this software. KHS internal Contracts Committee approved a not to exceed contract in the amount of $97,152 (time and materials) to cover the cost of the Sr PM Consultant. KHS has identified additional work required for the completion of this project in the amount of $50,000 (time and materials), bringing the aggregate cost to $147,152 (approved within PMO 2021 operating budget).

   d. Discussion

      KHS currently holds an ongoing contract with PMO Partners. KHS is asking for additional funds to complete the implementation of the Project Portfolio Management System.

   e. Fiscal Impact

      Not to exceed $147,152.00 per project

f. Risk Assessment

If not completed, key automations and efficiencies will not get implemented to support 2022 portfolio planning processes and portfolio shifts associated with the CalAIM efforts.

g. Attachments

An Agreement at a Glance form is attached.

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

This contract has been approval by KHS legal counsel.

KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: PM Department Head: Angela Ahsan

Vendor Name: PMO Partners Contact name & e-mail: Trisha Champa, trisha@pmopart.com

What services will this vendor provide to KHS? PMO Partners will provided Project Management and Portfolio Support to support execution of Project Management System.

Description of Contract	
Type of Agreement: Professional Services ☒ Contract ☐ Purchase ☐ New agreement ☒ Continuation of Agreement ☐ Addendum ☐ Amendment No. ____ ☐ Retroactive Agreement	Background: In January of 2021, KHS engaged TeamDynamix for the purchase of their Project Portfolio software solution. In February of 2021, KHS contracted PMO Partners, LLC for their services in providing a Senior PM Consultant that was tasked with driving the implementation of this software. KHS internal Contracts Committee approved a not to exceed contract in the amount of $97,152 (time and materials) to cover the cost of the Sr PM Consultant. KHS has identified additional work required for the completion of this project in the amount of $50,000 (time and materials), bringing the aggregate cost to $147,152 (approved within PMO 2021 operating budget). Brief Explanation: Support execution of Project Management System. Support management in enhancement of portfolio management processes associated with implementation of the Project Portfolio Management System.

☐ Summary of Quotes and/or Bids attached. *Pursuant to KHS Policy #8.11-I, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted ($50,000.00) and One Hundred Thousand Dollars or more if budgeted ($100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted ($50,000.00) and One Hundred Thousand Dollars or more if budgeted ($100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars ($50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.)*

Brief vendor selection justification: ____

☒ Sole source – no competitive process can be performed.

Brief reason for sole source: KHS currently holds an ongoing contract with vendor.

☐ Conflict of Interest Form is required for this Contract

☐ HIPAA Business Associate Agreement is required for this Contract

Fiscal Impact

KHS Governing Board previously approved this expense in KHS' FY 2021 Administrative Budget	☐ NO	☒ YES
Will this require additional funds?	☒ NO	☐ YES
Capital project	☐ NO	☒ YES

Project type: _____

Budgeted Cost Center 240 GL# 1700-20

Form updated 11/21/19

Maximum cost of this agreement not to exceed: $50,000.00 per project

Notes: Total cost of this agreement not to exceed $147,152.00.

Contract Terms and Conditions

Effective date: 6/11/2021 Termination date: 7/30/2021

Explain extension provisions, termination conditions and required notice: _____

Approvals

Compliance DMHC/DHCS Review:

Director of Compliance and Regulatory Affairs

Date

Legal Review:

Legal Counsel

Date

Contract Owner:

Approved by Angela Alisan

Department Head

per contracts meeting 5/11/21

Date

Purchasing:

Director of Procurement and Facilities

5/14/21

Date

Reviewed as to Budget:

Chief Financial Officer or Controller

5/12/21

Date

Recommended by the Executive Committee:

Chief Operating Officer

5/14/21

Date

IT Approval:

Approved by Richard Pruitt

Chief Information Officer or IT Director

per contracts meeting 5/11/21

Date

Chief Executive Officer Approval:

Chief Executive Officer

Date

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

KHS Board Chairman

Date

Form updated 11/21/19

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 10, 2021

Re: Intergovernmental Transfer ("IGT") Funding Agreements

Background

The Department of Health Care Services (DHCS) provided qualified local hospitals with the opportunity to participate in voluntary IGT distributions for the period 7/1/19 - 6/30/20. Besides Kern Medical, the two district hospitals in our service area also qualified for participation. Each hospital is required to contribute funding, which is then matched with federal dollars and returned through KHS to the respective institutions. Hospitals participating with their total payment amounts are listed below:

1. Kern Medical - $42,255,231
2. Kern Valley Healthcare District - $1,878,010
3. Tehachapi Valley Healthcare District - $2,817,015

Agenda items 10, 11 and 12 are amendments to our respective hospital agreements with each institution that will require retro-active approval by the Board to document the transfer of such funds.

Requested Action

Approve.

HEALTH PLAN-PROVIDER AGREEMENT

PHYSICIAN SERVICES AGREEMENT

AMENDMENT NO. 33

This Amendment is made this 18th day of May, 2021, by and between Kern Health Systems, a county health authority, hereinafter referred to as "PLAN," and the Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center, hereinafter referred to as "PROVIDER."

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into a Physician Services Agreement effective January 1, 2001 (the "Agreement");

WHEREAS, section 11.02 of such Agreement provides for amending such Agreement;

WHEREAS, PLAN is a county health authority formed pursuant to Welfare and Institutions Code section 14087.38 and Chapter 2.94 of the Ordinance Code of Kern County;

WHEREAS, PROVIDER is a general acute care hospital licensed by the state of California pursuant to Division 2, Chapter 2, Article 2 of the Health and Safety Code;

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the Kern County Hospital Authority (GOVERNMENTAL FUNDING ENTITY) to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Article X, section 11.16 shall be made part of the Agreement as follows:

2018-19 IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by GOVERNMENTAL FUNDING ENTITY specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, #19-96428 ("Intergovernmental Agreement") effective for the funding periods of July 1, 2019 through June 30, 2020 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRIs"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS that are designated to be paid to PROVIDER, in accordance

with paragraph 1.E below, which specifies the form and timing of Local Medi-Cal Managed Care Rate Range ("LMMCRR") IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Medi-Cal Managed Care Seller's Tax related withholds or payments do not apply to any service months on or after July 1, 2016.

(2) PLAN shall not impose a fee or retention amount, or reduce other payments to a county public hospital health system, that would result in a direct or indirect reduction to the payments authorized under Welfare and Institutions Code section 14301.5.

(3) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;

(2) maintain its current emergency room licensure status and not close its emergency room; and

(3) maintain its current inpatient surgery suites and not close these facilities.

D. Schedule and Notice of Transfer of Non-Federal Funds

(1) PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of GOVERNMENTAL FUNDING ENTITY funds to the State DHCS, referred to in the Intergovernmental Agreement, within 15 days of establishing such schedule with the State DHCS. Additionally, PROVIDER shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule including, but not limited to, changes in the amounts specified therein.

(2) PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after transferring GOVERNMENTAL FUNDING ENTITY funds to the State DHCS for use as the nonfederal share of the LMMCRR IGT Payments.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer). Based on revenue, cost, and other factors, a percentage of the LMMCRR IGT Payments will be allocated between the Hospital and Other Facility Services Agreement (42%) and the Physician Services Agreement (58%).

(2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than 30 calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of subparagraph 1.F (1)(b) above, if the retained LMMCRR IGT Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other GOVERNMENTAL FUNDING ENTITY funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to GOVERNMENTAL FUNDING ENTITY's general fund, the State, or any other intermediary organization. Payments made by PLAN to PROVIDER under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within 30 calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER

complied with the provisions set forth in paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within 30 calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Kern County.

I. Reconciliation

Within 120 calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within 30 calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in section 11.04 of the Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in paragraph J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within 30 calendar days of PLAN's identification of such underpayment. This paragraph 1.I shall survive termination of this Amendment.

J. Indemnification

(1) Anything to the contrary contained in the Agreement or this Amendment notwithstanding, PROVIDER shall indemnify and hold PLAN (including its directors, officers, agents, and employees) harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN arising out of, or in any way related to any payments made by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments, including but not limited to the following circumstances:

(a) In the event that State DHCS, the Department of Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any money from or fails to provide any money to PLAN, or PLAN is denied any money to which it otherwise would have been entitled, for any reason relating to any payments made, or scheduled under this Amendment to be made, by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments, including, but not limited to, (i) State DHCS' use of IGT MMCRRI or LMMCRR IGT Payments to supplant or replace other amounts in violation of the restrictions in section 2.2 of the Intergovernmental Agreement; (ii) the failure of the intergovernmental transfers from the GOVERNMENTAL FUNDING ENTITY, or the IGT MMCRRI or LMMCRR IGT Payments to qualify in whole or part for federal participation pursuant to 42 C.F.R. part 433, subpart B; (iii) overpayment of IGT MMCRRI or LMMCRR IGT Payments to PLAN by State DHCS; or (iv) a

determination that PROVIDER's use of payments made by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments do not meet program requirements, PLAN shall have a right to recoup, offset or withhold immediately any and all such amounts from any other amounts owed to PROVIDER.

(2) Recovery by PLAN pursuant to this paragraph shall include, but not be limited to, reduction in future IGT MMCRRI or LMMCRR IGT Payments paid to PROVIDER in an amount equal to the amount of IGT MMCRRI or LMMCRR IGT Payments recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER;

(3) PLAN may pursue an appeal, a lawsuit, or any other available legal action to challenge any recoupment by State DHCS, the Department of Health and Human Services, or any other federal or state agency, that is not required by law, unless after consultation with PROVIDER and with good cause, PLAN determines that it is not in the best interest of PLAN and/or PROVIDER to do so.

(4) At PLAN's discretion, PROVIDER shall either immediately provide or arrange for legal representation on PLAN's behalf or PLAN shall arrange for its own representation and be entitled to reimbursement, from PROVIDER, of its reasonable attorney's fees and costs incurred for such representation, in addition to any and all other relief to which PLAN may be entitled, including, but not limited to, the following circumstances:

(a) If any action at law, suit in equity, arbitration, or administrative action is brought against PLAN by State DHCS, the Department of Health and Human Services, any other federal or state agency or other individual or organization to: (i) enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments; or (ii) recoup, offset, or otherwise withhold any money from PLAN relating to the IGT MMCRRI or LMMCRR IGT Payments; or

(b) If PLAN brings any appeal, action at law, suit in equity, arbitration or administrative action against State DHCS, the Department of Health and Human Services or any other federal or state agency to: (i) enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments; or (ii) in response to an action described in subparagraph 1.J (1)(a) or subparagraph 1.J (4)(a) above.

(5) If PLAN prevails in any appeal, action at law, suit in equity, arbitration, or administrative action against PROVIDER to enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments or to recoup, offset, or otherwise withhold any money relating to the IGT MMCRRI or LMMCRR IGT Payments, PLAN shall be entitled to reasonable attorney's fees and costs from PROVIDER.

(6) It is the parties' intention that PLAN not be economically harmed as a result of its willingness to enter into this Amendment.

(7) For the avoidance of doubt and purposes of clarity, the parties agree that this paragraph J shall prevail to the extent any provision in this paragraph J is contrary to or conflicts with any other provision, section, paragraph, or part of this Amendment or any provision of the Agreement. This paragraph J shall survive termination of this Amendment.

2. Term

The term of this Amendment shall commence on July 1, 2019 and shall terminate on December 31, 2022.

[Signatures follow on next page]

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN: Kern Health Systems Date: 5/18/21

By: Title: Chief Executive Officer

PROVIDER: Kern County Hospital Authority Date: 5/17/21

By: Title: Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By
Karen S. Barnes, Esq.
Vice President & General Counsel
Kern County Hospital Authority

HEALTH PLAN-PROVIDER AGREEMENT

HOSPITAL AND OTHER FACILITY SERVICES AGREEMENT

AMENDMENT NO. 58

This Amendment is made this 18th day of May, 2021, by and between Kern Health Systems, a county health authority, hereinafter referred to as "PLAN," and the Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center, hereinafter referred to as "PROVIDER."

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into a Hospital and other Facility Services Agreement effective January 1, 2001 (the "Agreement");

WHEREAS, section 10.02 of such Agreement provides for amending such Agreement;

WHEREAS, PLAN is a county health authority formed pursuant to Welfare and Institutions Code section 14087.38 and Chapter 2.94 of the Ordinance Code of Kern County;

WHEREAS, PROVIDER is a general acute care hospital licensed by the state of California pursuant to Division 2, Chapter 2, Article 2 of the Health and Safety Code;

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the Kern County Hospital Authority (GOVERNMENTAL FUNDING ENTITY) to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Article X, section 10.16 shall be made part of the Agreement as follows:

2018-19 IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by GOVERNMENTAL FUNDING ENTITY specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, #19-96428 ("Intergovernmental Agreement") effective for the funding periods of July 1, 2019 through June 30, 2020 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRIs"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS that are designated to be paid to PROVIDER, in accordance

with paragraph 1.E below, which specifies the form and timing of Local Medi-Cal Managed Care Rate Range ("LMMCRR") IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Medi-Cal Managed Care Seller's Tax related withholds or payments do not apply to any service months on or after July 1, 2016.

(2) PLAN shall not impose a fee or retention amount, or reduce other payments to a county public hospital health system, that would result in a direct or indirect reduction to the payments authorized under Welfare and Institutions Code section 14301.5.

(3) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) remain a participating provider in PLAN and not issue a notice of termination of the Agreement;

(2) maintain its current emergency room licensure status and not close its emergency room; and

(3) maintain its current inpatient surgery suites and not close these facilities.

D. Schedule and Notice of Transfer of Non-Federal Funds

(1) PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of GOVERNMENTAL FUNDING ENTITY funds to the State DHCS, referred to in the Intergovernmental Agreement, within 15 days of establishing such schedule with the State DHCS. Additionally, PROVIDER shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule including, but not limited to, changes in the amounts specified therein.

(2) PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after transferring GOVERNMENTAL FUNDING ENTITY funds to the State DHCS for use as the nonfederal share of the LMMCRR IGT Payments.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer). Based on revenue, cost, and other factors, a percentage of the LMMCRR IGT Payments will be allocated between the Hospital and Other Facility Services Agreement (42%) and the Physician Services Agreement (58%).

(2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than 30 calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of subparagraph 1.F (1)(b) above, if the retained LMMCRR IGT Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other GOVERNMENTAL FUNDING ENTITY funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to GOVERNMENTAL FUNDING ENTITY's general fund, the State, or any other intermediary organization. Payments made by PLAN to PROVIDER under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within 30 calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER

complied with the provisions set forth in paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within 30 calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Kern County.

I. Reconciliation

Within 120 calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within 30 calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in section 10.04 of the Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in paragraph J below. PLAN agrees to transmit to PROVIDER any underpayment of LMMCRR IGT Payments within 30 calendar days of PLAN's identification of such underpayment. This paragraph 1.I shall survive termination of this Amendment.

J. Indemnification

(1) Anything to the contrary contained in the Agreement or this Amendment notwithstanding, PROVIDER shall indemnify and hold PLAN (including its directors, officers, agents, and employees) harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN arising out of, or in any way related to any payments made by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments, including but not limited to the following circumstances:

(a) In the event that State DHCS, the Department of Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any money from or fails to provide any money to PLAN, or PLAN is denied any money to which it otherwise would have been entitled, for any reason relating to any payments made, or scheduled under this Amendment to be made, by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments, including, but not limited to, (i) State DHCS' use of IGT MMCRRI or LMMCRR IGT Payments to supplant or replace other amounts in violation of the restrictions in section 2.2 of the Intergovernmental Agreement; (ii) the failure of the intergovernmental transfers from GOVERNMENTAL FUNDING ENTITY, or the IGT MMCRRI or LMMCRR IGT Payments to qualify in whole or part for federal participation pursuant to 42 C.F.R. part 433, subpart B; (iii) overpayment of IGT MMCRRI or LMMCRR IGT Payments to PLAN by State DHCS; or (iv) a

determination that PROVIDER's use of payments made by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments do not meet program requirements, PLAN shall have a right to recoup, offset or withhold immediately any and all such amounts from any other amounts owed to PROVIDER.

(2) Recovery by PLAN pursuant to this paragraph shall include, but not be limited to, reduction in future IGT MMCRRI or LMMCRR IGT Payments paid to PROVIDER in an amount equal to the amount of IGT MMCRRI or LMMCRR IGT Payments recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER.

(3) PLAN may pursue an appeal, a lawsuit, or any other available legal action to challenge any recoupment by State DHCS, the Department of Health and Human Services, or any other federal or state agency, that is not required by law, unless after consultation with PROVIDER and with good cause, PLAN determines that it is not in the best interest of PLAN and/or PROVIDER to do so.

(4) At PLAN's discretion, PROVIDER shall either immediately provide or arrange for legal representation on PLAN's behalf or PLAN shall arrange for its own representation and be entitled to reimbursement, from PROVIDER, of its reasonable attorney's fees and costs incurred for such representation, in addition to any and all other relief to which PLAN may be entitled, including, but not limited to, the following circumstances:

(a) If any action at law, suit in equity, arbitration, or administrative action is brought against PLAN by State DHCS, the Department of Health and Human Services, any other federal or state agency or other individual or organization to: (i) enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments; or (ii) recoup, offset, or otherwise withhold any money from PLAN relating to the IGT MMCRRI or LMMCRR IGT Payments; or

(b) If PLAN brings any appeal, action at law, suit in equity, arbitration or administrative action against State DHCS, the Department of Health and Human Services or any other federal or state agency to: (i) enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments; or (ii) in response to an action described in subparagraph 1.J (1)(a) or subparagraph 1.J (4)(a) above.

(5) If PLAN prevails in any appeal, action at law, suit in equity, arbitration, or administrative action against PROVIDER to enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments or to recoup, offset, or otherwise withhold any money relating to the IGT MMCRRI or LMMCRR IGT Payments, PLAN shall be entitled to reasonable attorney's fees and costs from PROVIDER.

(6) It is the parties' intention that PLAN not be economically harmed as a result of its willingness to enter into this Amendment.

(7) For the avoidance of doubt and purposes of clarity, the parties agree that this paragraph J shall prevail to the extent any provision in this paragraph J is contrary to or conflicts with any other provision, section, paragraph, or part of this Amendment or any provision of the Agreement. This paragraph J shall survive termination of this Amendment.

2. **Term**

The term of this Amendment shall commence on July 1, 2019 and shall terminate on December 31, 2022.

[Signatures follow on next page]

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN: Kern Health Systems Date: 5/18/21

By: Title: Chief Executive Officer _____

PROVIDER: Kern County Hospital Authority Date: 5/17/21

By: Title: Chief Executive Officer _____

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Karen S. Barnes, Esq.
Vice President & General Counsel
Kern County Hospital Authority

HEALTH PLAN-PROVIDER AGREEMENT

HOSPITAL AND OTHER FACILITY SERVICES AGREEMENT

This Amendment is made this 15th day of May, 2021, by and between Kern Health Systems, a county health authority, hereinafter referred to as "PLAN," and the Kern Valley Healthcare District, hereinafter referred to as "PROVIDER."

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into a Hospital and Other Facility Services Agreement, effective January 1, 2004, as amended ("Agreement");

WHEREAS, Section 10.02 of such Agreement provides for amending such Agreement;

WHEREAS, PLAN is a county health authority formed pursuant to Welfare and Institutions Code section 14087.38 and Chapter 2.94 of the Ordinance Code of Kern County;

WHEREAS, PROVIDER is a general acute care hospital licensed by the state of California pursuant to Division 2, Chapter 2, Article 2 of the Health and Safety Code;

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the GOVERNMENTAL FUNDING ENTITY to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:
Article X, section 10.14 shall be made part of the Agreement as follows:

2018-19 IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the GOVERNMENTAL FUNDING ENTITY specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, # 19-96429 ("Intergovernmental Agreement") effective for the periods of July 1, 2019 through December 31, 2019 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRIs"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS that are designated to be paid to PROVIDER, in accordance with Paragraph 1.E below, which specifies the form and timing of Local Medi-Cal Managed Care Rate Range ("LMMCRR") IGT Payments. LMMCRR IGT

Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Medi-Cal Managed Care Seller's Tax related withholds or payments do not apply to any service months on or after July 1, 2016.

(2) The PLAN shall not impose a fee or retention amount, or reduce other payments to a county public hospital health system, that would result in a direct or indirect reduction to the payments authorized under Welfare and Institutions Code Section 14301.5.

(3) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;

(2) maintain its current emergency room licensure status and not close its emergency room;

(3) maintain its current inpatient surgery suites and not close these facilities.

D. Schedule and Notice of Transfer of Non-Federal Funds

(1) PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of GOVERNMENTAL FUNDING ENTITY funds to the State DHCS, referred to in the Intergovernmental Agreement, within 15 days of establishing such schedule with the State DHCS. Additionally, PROVIDER shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule including, but not limited to, changes in the amounts specified therein.

(2) PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after transferring GOVERNMENTAL FUNDING ENTITY funds to the State DHCS for use as the nonfederal share of the LMMCRR IGT Payments.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).

(2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than 30 calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of Subparagraph 1.B above, if the retained LMMCRR IGT Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other GOVERNMENTAL FUNDING ENTITY funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to the GOVERNMENTAL FUNDING ENTITY's general fund, the State, or any other intermediary organization. Payments made by the PLAN to PROVIDER under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this Paragraph. PLAN shall request, within 30 calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within 30 calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Kern County.

I. Reconciliation

Within 120 calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within 30 calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section 10.04 of the Agreement. The reconciliation processes established under this Paragraph are distinct from the indemnification provisions set forth in Paragraph J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within 30 calendar days of PLAN's identification of such underpayment. This Paragraph 1.I shall survive termination of this Amendment.

J. Indemnification

(1) Anything to the contrary contained in the Agreement or this Amendment notwithstanding, PROVIDER shall indemnify and hold PLAN (including its directors, officers, agents, and employees) harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN arising out of, or in any way related to any payments made by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments, including but not limited to the following circumstances:

(a) In the event that State DHCS, the Department of Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any money from or fails to provide any money to PLAN, or PLAN is

denied any money to which it otherwise would have been entitled, for any reason relating to any payments made, or scheduled under this Amendment to be made, by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments, including, but not limited to, (i) State DHCS' use of IGT MMCRRI or LMMCRR IGT Payments to supplant or replace other amounts in violation of the restrictions in section 2.2 of the Intergovernmental Agreement; (ii) the failure of the intergovernmental transfers from the GOVERNMENT FUNDING ENTITY, or the IGT MMCRRI or LMMCRR IGT Payments to qualify in whole or part for federal participation pursuant to 42 C.F.R. part 433, subpart B; (iii) overpayment of IGT MMCRRI or LMMCRR IGT Payments to PLAN by State DHCS; or (iv) a determination that PROVIDER's use of payments made by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments do not meet program requirements, PLAN shall have a right to immediately recoup, offset or withhold any and all such amounts from any other amounts owed to PROVIDER.

(2) Recovery by PLAN pursuant to this Paragraph shall include, but not be limited to, reduction in future IGT MMCRRI or LMMCRR IGT Payments paid to PROVIDER in an amount equal to the amount of IGT MMCRRI or LMMCRR IGT Payments recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER;

(3) PLAN may pursue an appeal, a lawsuit, or any other available legal action to challenge any recoupment by State DHCS, the Department of Health and Human Services, or any other federal or state agency, that is not required by law, unless after consultation with PROVIDER and with good cause, PLAN determines that it is not in the best interest of PLAN and/or PROVIDER to do so.

(4) At PLAN's discretion, PROVIDER shall either immediately provide or arrange for legal representation on PLAN's behalf or PLAN shall arrange for its own representation and be entitled to reimbursement, from PROVIDER, of its reasonable attorney's fees and costs incurred for such representation, in addition to any and all other relief to which PLAN may be entitled, including, but not limited to, the following circumstances:

(a) If any action at law, suit in equity, arbitration, or administrative action is brought against PLAN by State DHCS, the Department of Health and Human Services, any other federal or state agency or other individual or organization to: (i) enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments; or (ii) recoup, offset, or otherwise withhold any money from PLAN relating to the IGT MMCRRI or LMMCRR IGT Payments; or

(b) If PLAN brings any appeal, action at law, suit in equity, arbitration or administrative action against State DHCS, the Department of Health and Human Services or any other federal or state agency to: (i) enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments; or (ii) in response to an action described in Subparagraph 1.J (1)(a) or Subparagraph 1.J (4)(a) above.

(5) If PLAN prevails in any appeal, action at law, suit in equity, arbitration, or administrative action against PROVIDER to enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments or to recoup, offset, or otherwise withhold any money relating to the IGT MMCRRI or LMMCRR IGT Payments, PLAN shall be entitled to reasonable attorney's fees and costs from PROVIDER.

(6) It is the parties' intention that PLAN not be economically harmed as a result of its willingness to enter into this Amendment.

(7) For the avoidance of doubt and purposes of clarity, the parties agree that this Paragraph J shall prevail to the extent any provision in this Paragraph J is contrary to or conflicts with any other provision, section, paragraph, or part of this Amendment or any provision of the Agreement. This Paragraph J shall survive termination of this Amendment.

2. Term

The term of this Amendment shall commence on July 1, 2018 and shall terminate on September 30, 2021.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

KERN HEALTH SYSTEMS

BY: _____

PRINT NAME: Douglas A. Hayward

TITLE: Chief Executive Officer

DATE: 5/17/21

KERN VALLEY HEALTHCARE DISTRICT

BY: Chester N. Beedle

PRINT NAME: Chester N. Beedle

TITLE: Chief Financial Officer

DATE: May 15, 2021

HEALTH PLAN-PROVIDER AGREEMENT

HOSPITAL AND OTHER FACILITY SERVICES AGREEMENT

This Amendment is made this 15th day of May, 2021, by and between Kern Health Systems, a county health authority, hereinafter referred to as "PLAN," and the Tehachapi Valley Healthcare District, hereinafter referred to as "PROVIDER."

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into a Hospital and Other Facility Services Agreement, effective November 1, 2016, as amended ("Agreement");

WHEREAS, Section 10.02 of such Agreement provides for amending such Agreement;

WHEREAS, PLAN is a county health authority formed pursuant to Welfare and Institutions Code section 14087.38 and Chapter 2.94 of the Ordinance Code of Kern County;

WHEREAS, PROVIDER is a general acute care hospital licensed by the state of California pursuant to Division 2, Chapter 2, Article 2 of the Health and Safety Code;

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the GOVERNMENTAL FUNDING ENTITY to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:
Article X, section 10.14 shall be made part of the Agreement as follows:

2018-19 IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the GOVERNMENTAL FUNDING ENTITY specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, #18-95641 ("Intergovernmental Agreement") effective for the periods of July 1, 2019 through June 30, 2020 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRIs"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS that are designated to be paid to PROVIDER, in accordance with Paragraph 1.E below, which specifies the form and timing of Local Medi-Cal Managed Care

Rate Range ("LMMCRR") IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Medi-Cal Managed Care Seller's Tax related withholds or payments do not apply to any service months on or after July 1, 2016.

(2) The PLAN shall not impose a fee or retention amount, or reduce other payments to a county public hospital health system, that would result in a direct or indirect reduction to the payments authorized under Welfare and Institutions Code Section 14301.5.

(3) PLAN will not retain any other portion of the LMMCRR IGT Payments received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;

(2) maintain its current emergency room licensure status and not close its emergency room;

(3) maintain its current inpatient surgery suites and not close these facilities.

D. Schedule and Notice of Transfer of Non-Federal Funds

(1) PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of GOVERNMENTAL FUNDING ENTITY funds to the State DHCS, referred to in the Intergovernmental Agreement, within 15 days of establishing such schedule with the State DHCS. Additionally, PROVIDER shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule including, but not limited to, changes in the amounts specified therein.

(2) PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after transferring GOVERNMENTAL FUNDING ENTITY funds to the State DHCS for use as the nonfederal share of the LMMCRR IGT Payments.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).

(2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than 30 calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of Subparagraph 1.B above, if the retained LMMCRR IGT Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other GOVERNMENTAL FUNDING ENTITY funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to the GOVERNMENTAL FUNDING ENTITY's general fund, the State, or any other intermediary organization. Payments made by the PLAN to PROVIDER under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this Paragraph. PLAN shall request, within 30 calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within 30 calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Kern County.

I. Reconciliation

Within 120 calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within 30 calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section 10.04 of the Agreement. The reconciliation processes established under this Paragraph are distinct from the indemnification provisions set forth in Paragraph J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within 30 calendar days of PLAN's identification of such underpayment. This Paragraph 1.I shall survive termination of this Amendment.

J. Indemnification

(1) Anything to the contrary contained in the Agreement or this Amendment notwithstanding, PROVIDER shall indemnify and hold PLAN (including its directors, officers, agents, and employees) harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN arising out of, or in any way related to any payments made by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments, including but not limited to the following circumstances:

(a) In the event that State DHCS, the Department of Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any money from or fails to provide any money to PLAN, or PLAN is

denied any money to which it otherwise would have been entitled, for any reason relating to any payments made, or scheduled under this Amendment to be made, by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments, including, but not limited to, (i) State DHCS' use of IGT MMCRRI or LMMCRR IGT Payments to supplant or replace other amounts in violation of the restrictions in section 2.2 of the Intergovernmental Agreement; (ii) the failure of the intergovernmental transfers from the GOVERNMENT FUNDING ENTITY, or the IGT MMCRRI or LMMCRR IGT Payments to qualify in whole or part for federal participation pursuant to 42 C.F.R. part 433, subpart B; (iii) overpayment of IGT MMCRRI or LMMCRR IGT Payments to PLAN by State DHCS; or (iv) a determination that PROVIDER's use of payments made by PLAN to PROVIDER related to the IGT MMCRRI or LMMCRR IGT Payments do not meet program requirements, PLAN shall have a right to immediately recoup, offset or withhold any and all such amounts from any other amounts owed to PROVIDER.

(2) Recovery by PLAN pursuant to this Paragraph shall include, but not be limited to, reduction in future IGT MMCRRI or LMMCRR IGT Payments paid to PROVIDER in an amount equal to the amount of IGT MMCRRI or LMMCRR IGT Payments recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER;

(3) PLAN may pursue an appeal, a lawsuit, or any other available legal action to challenge any recoupment by State DHCS, the Department of Health and Human Services, or any other federal or state agency, that is not required by law, unless after consultation with PROVIDER and with good cause, PLAN determines that it is not in the best interest of PLAN and/or PROVIDER to do so.

(4) At PLAN's discretion, PROVIDER shall either immediately provide or arrange for legal representation on PLAN's behalf or PLAN shall arrange for its own representation and be entitled to reimbursement, from PROVIDER, of its reasonable attorney's fees and costs incurred for such representation, in addition to any and all other relief to which PLAN may be entitled, including, but not limited to, the following circumstances:

(a) If any action at law, suit in equity, arbitration, or administrative action is brought against PLAN by State DHCS, the Department of Health and Human Services, any other federal or state agency or other individual or organization to: (i) enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments; or (ii) recoup, offset, or otherwise withhold any money from PLAN relating to the IGT MMCRRI or LMMCRR IGT Payments; or

(b) If PLAN brings any appeal, action at law, suit in equity, arbitration or administrative action against State DHCS, the Department of Health and Human Services or any other federal or state agency to: (i) enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments; or (ii) in response to an action described in Subparagraph 1.J (1)(a) or Subparagraph 1.J (4)(a) above.

(5) If PLAN prevails in any appeal, action at law, suit in equity, arbitration, or administrative action against PROVIDER to enforce or interpret the IGT MMCRRI or LMMCRR IGT Payments or to recoup, offset, or otherwise withhold any money relating to the IGT MMCRRI or LMMCRR IGT Payments, PLAN shall be entitled to reasonable attorney's fees and costs from PROVIDER.

(6) It is the parties' intention that PLAN not be economically harmed as a result of its willingness to enter into this Amendment.

(7) For the avoidance of doubt and purposes of clarity, the parties agree that this Paragraph J shall prevail to the extent any provision in this Paragraph J is contrary to or conflicts with any other provision, section, paragraph, or part of this Amendment or any provision of the Agreement. This Paragraph J shall survive termination of this Amendment.

2. Term

The term of this Amendment shall commence on July 1, 2018 and shall terminate on December 31, 2021.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

KERN HEALTH SYSTEMS

BY: _____

PRINT NAME: Douglas A. Hayward

TITLE: Chief Executive Officer

DATE: 5/17/21

ADVENTIST HEALTH MEDICAL CENTER TEHACHAPI

BY: Chester N. Beedle

PRINT NAME: Chester N. Beedle

TITLE: Chief Financial Officer

DATE: May 15, 2021

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 10, 2021

Re: 2021 Budget Changes

Background

Due to several items that occurred after the Board of Directors ("Board") approved the 2021 Budget, management is seeking approval to adjust the following 2021 Budget items:

1) Pharmacy (Net Position Budget Neutral)
2) Hospital Directed Payments (Net Position Budget Neutral)
3) Grants (Net Position $7 million negative impact to the Budget-Part of a $10 million grant approved by the Board at the February 11, 2021 Board Meeting)
4) Capital Budget and Corporate Projects ($414.00 net increase)

Discussion

Pharmacy

KHS currently manages the pharmacy benefit for its members by contracting with a Pharmacy Benefit Manger ("PBM") to assist with claims processing and pharmacy rebate services. KHS had been notified by DHCS that they intended to transition all Medi-Cal pharmacy benefits from managed care plans like KHS to fee-for-service ("FFS"). DHCS believes that this is required to combat rising prices for prescription drugs by increasing the State's bargaining power in negotiating prescription drug prices with pharmaceutical companies. At the time of developing the 2021 Budget the date of the transition was expected to occur April 1, 2021. Accordingly, our budget only included 3 months of managing the pharmacy benefit. The date of the transition has been pushed back from April 1, 2021 to an undetermined future date. Management believes that KHS will continue managing the pharmacy benefit for the remainder of 2021 and has updated the 2021 Budget to reflect an additional 9 months of Pharmacy Revenue and Expenses.

Fiscal Impact

There will not be an increase or decrease in the net position to the 2021 Budget for Pharmacy as the additional $88.5 million of revenue and $88.5 million of net expense are assumed to be budget neutral. (Please see Footnote A in Attachment 1)

Hospital Directed Payments

At the time of developing the 2021 Budget for Hospital Directed Payments ("HDP") management was utilizing the most current HDP rates known to KHS. After finalizing the 2021 Budget, KHS received rates from DHCS for the 19/20 HDP rate year.

Fiscal Impact

There will not be an increase or decrease in the net position to the 2021 Budget for Hospital Directed Payments as the additional $58.5 million of revenue and the $58.5 million of expense are budget neutral. (Please see Footnote B in Attachment 1)

Grants

At the February 11, 2021 KHS Board of Directors meeting, the Board approved $10 million of Provider Grants primarily for CalAIM Initiatives, Increasing Access to Care, Service Area Expansion and Quality Care Initiatives. The project timeframe for the grants covers the period July 1, 2021 to June 30, 2022.

Fiscal Impact

Management's best estimate based on the grant proposals received is that there will be a $7 million negative impact to KHS' 2021 Budgeted net position. (Please see Footnote C in Attachment 1)

Capital Budget and Corporate Projects

At the April 15, 2021 KHS Board of Directors meeting, management provided an update on DHCS' CalAIM initiatives. As discussed in the meeting, CalAIM was re-announced in January 2021 with DHCS' release of updated policy materials. Given the resumed focus on CalAIM, management had to prioritize its Project Resources and Capital Budget to meet items scheduled for implementation in 2021 and 2022.

Due to the CalAim initiatives launching January 1, 2022 (Enhanced Case Management, In Lieu of Services and Major Organ Transplants), KHS performed an impact assessment to the portfolio including resource planning and identified required adjustments that were needed to the corporate portfolio. The technology department identified the need for two (2) additional resources and the business identified three (3) additional resources that will be required full time for six months (June to December) to adequately staff in preparation to meet the January 1, 2022 DHCS regulatory deadline.

The Provider Credentialing System capital corporate project was identified in the portfolio assessment as a project that could be eliminated for 2021 and delayed to 2022. KHS performed an upgrade to the provider credentialing system in 2020 allowing for the system to be supported by the vendor until 2022. KHS will plan for a system upgrade in the 2022 corporate portfolio.

The MCAS System Replacement capital corporate project was identified in the portfolio assessment as a project that could be eliminated for 2021 and delayed to 2022. We currently have a vendor in place to ensure the MCAS regulatory requirements are met. KHS conducted an RFP in 2021 to review the current system landscape and pricing. Based on the 2021 RFP outcomes, if the decision is to replace our existing vendor, KHS will plan for a 2022 corporate project.

Fiscal Impact

The overall impact to the organization's 2021 Capital Budget and Corporate Projects is budget neutral, however, a portfolio shift is required. The shift is comprised of Project Additions requiring $1,105,000 of Professional Resources and is offset against Corporate Project Amendments and Corporate Project eliminations totaling $1,104,586 from the Capital Budget and from Professional Resources.

Requested Action

Approve 2021 Budget Changes and authorize the CEO to approve contracts associated with budget revisions to the 2021 Capital Budget and Corporate Projects.

KERN HEALTH SYSTEMS
P & L BY MAJOR CATEGORY OF SERVICE
2021 BUDGET REVISIONS

	2021 BUDGET AS ORIGINALLY APPROVED $	2021 BUDGET AS ORIGINALLY APPROVED PMPM	2021 BUDGET REVISED $	2021 BUDGET REVISED PMPM	2021 BUDGET (REDUCTIONS)/ INCREASE $	2021 BUDGET (REDUCTIONS)/ INCREASE PMPM
REVENUE						
Capitation (excludes Prop 56 & GEMT)	663,641,129	200.09	748,730,879	225.74	85,089,750 (A)	25.65
Maternity Kick	32,821,680	9.90	32,821,680	9.90	-	-
Health Home Kick	10,624,814	3.20	10,624,814	3.20	-	-
HEP C Kick	1,145,008	1.39	4,580,032	1.38	3,435,024 (A)	(0.01)
BHT Kick	15,049,646	4.54	15,049,646	4.54	-	-
Behavioral Health Integration Program	4,800,000	1.45	4,800,000	1.45	-	-
Prop 56	64,803,772	19.54	64,803,772	19.54	-	-
GEMT	5,546,148	1.67	5,546,148	1.67		
Total MCAL Revenue	798,432,197	240.73	886,956,971	267.42		
Add-Ons (Directed Provider Payments)	110,079,293	33.19	168,615,703	50.84	58,536,410 (B)	17.65
MCO Tax Revenue	112,792,218	34.01	112,792,218	34.01	-	-
Interest	2,000,000	0.60	2,000,000	0.60	-	-
Reinsurance	961,855	0.29	961,855	0.29	-	-
TOTAL REVENUE	**1,024,265,562**	**308.82**	**1,171,326,746**	**353.16**	**147,061,184**	**44.34**
MEDICAL						
Inpatient Hospital	184,923,062	55.75	184,923,062	55.75	-	-
Outpatient Facility	83,900,377	25.30	83,900,377	25.30	-	-
Emergency Room Facility	66,844,872	20.15	66,844,872	20.15	-	-
Long-Term Care Facility	15,609,449	4.71	15,609,449	4.71	-	-
Primary Physician Services	36,817,849	11.10	36,817,849	11.10	-	-
Health Homes Capitation and Incentive	4,739,154	1.43	4,739,154	1.43	-	-
Urgent Care	18,127,110	5.47	18,127,110	5.47	-	-
Physician Specialty	126,966,103	38.28	126,966,103	38.28	-	-
BHT	15,049,646	4.54	15,049,646	4.54	-	-
Mental Health	2,274,888	0.69	2,274,888	0.69	-	-
Vision	3,543,605	1.07	3,543,605	1.07	-	-
Other Medical Professional	14,977,912	4.52	14,977,912	4.52	-	-
Pharmacy	28,039,050	34.04	112,528,800	33.93	84,489,750 (A)	(0.11)
HEP C	1,145,008	1.39	4,580,032	1.38	3,435,024 (A)	(0.01)
DME/Pharmacy net of Rebates	9,243,891	2.79	9,243,891	2.79	-	-
Pharmacy Rebates	(100,000)	(0.12)	(400,000)	(0.12)	(300,000) (A)	0.00
Home Health and CBAS	5,110,470	1.54	5,110,470	1.54	-	-
Other- Ambulance and Non-Emergent Transportation	18,616,312	5.61	18,616,312	5.61	-	-
Behavioral Health Integration Program	4,800,000	1.45	4,800,000	1.45	-	-
Pay for Performance Quality Incentive	6,301,806	1.90	6,301,806	1.90	-	-
Provider Incentive Payments (Prop 56 & GEMT)	67,109,731	20.23	67,109,731	20.23		
Add-Ons Directed Provider Payments	110,079,293	33.19	168,615,703	50.84	58,536,410 (B)	17.65
Reinsurance Premium	961,855	0.29	961,855	0.29	-	-
UM/QA Costs (including Utilization & Quality Review)	26,784,739	8.08	26,784,739	8.08	-	-
Total Medical Costs	**851,866,183**	**256.84**	**998,027,367**	**300.91**	**146,161,184**	**44.07**
GROSS PROFIT/(LOSS)	**172,399,379**	**51.98**	**173,299,379**	**52.25**	**900,000**	**0.27**
ADMINISTRATIVE	**58,534,466**	**17.65**	**59,434,466**	**17.92**	**900,000** (A)	**0.27**
NET PROFIT/(LOSS) BEFORE MCO TAX	**113,864,913**	**34.33**	**113,864,913**	**34.33**	-	-
MCO TAX EXPENSE	**112,792,218**	**34.01**	**112,792,218**	**34.01**	-	-
NET PROFIT/(LOSS) AFTER MCO TAX	**1,072,695**	**0.32**	**1,072,695**	**0.32**	-	-
HEALTH HOME PROGRAM GRANTS	**2,000,000**		**2,000,000**		-	
PROVIDER GRANTS/CALAIM INITIATIVE GRANTS	**1,000,000**		**8,000,000**		**7,000,000** (C)	
NET PROFIT/(LOSS) AFTER GRANT EXPENSE	**(1,927,305)**		**(8,927,305)**		**(7,000,000)**	

(A) Pharmacy Budget Changes
(B) Hospital Directed Payment Budget Changes
(C) Grant Budget Changes for CalAIM Initiatives, Increasing Access to Care, Service Area Expansion, and Quality Care Initiatives

Attachment 1

KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
NEW VENDOR CONTRACTS
June 10, 2021

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date
PAC 05/05/2021				
Amirpasha Ehsan dba: Amirpasha Ehsan, MD	Physical Medicine & Rehab	5001 Commerce Avenue Bakersfield CA 93309		6/1/2021
Healing Care Hospice, Inc.	Hospice & Palliative Care	2323 16th Street, Ste. 306 Bakersfield CA 93301		6/1/2021
Lab Genomics LLC	Clinical Laboratory	5500 Ming Avenue Ste 385 Bakersfield CA 93309		6/1/2021
Magnifique Congregate Living	SNF (CHLF)	1827 W Avenue, Ste. K12 Lancaster CA 93534		6/1/2021
Innovative Minds ABA LLC	Qualified Autism Provider / Behavioral Analyst	1430 Truxtun Ave, 5th Floor Bakersfield CA 93301		6/1/2021
PAC 06/02/2021				
Jasleen Tiwana MD Inc.	PCP / Internal Medicine	2700 F Street Ste. 100 Bakersfield CA 93301	Existing Prov - New Indiv Contract	7/1/2021
Prism Enterprises, Inc. dba: Prism Behavioral Solutions	Qualified Autism Provider / Behavioral Analyst	4900 California Ave 210B #1009 Bakersfield CA 93309		7/1/2021

KERN HEALTH SYSTEMS
BOARD OF DIRECTORS
TERMED CONTRACTS
June 10, 2021

Legal Name DBA	Specialty	Address	Comments	Term Effective Date
Sandys Tang, MD	General Surgery	2521 G Street Bakersfield CA 93301	Deceased	3/22/2021
Prowalk Orthotics and Prosthetics, Inc.	Prosthetics & Orthothics	14431 Hamlin St #101 Van Nuys CA 91401	Business Closed / Dropped from DHCS FFS	5/4/2021
LAGS Spine & Sportscare Medical Centers, Inc.	Physical Med & Rehab / Pain Medicine / Mental Health	3550 Q Street # 103-202 Bakersfield CA 93301	GRP NPI on RPD List eff 5/4/2021	5/7/2021
We Care Psychology Group	Mental Health	1430 Truxtun Ave. 5th Flr Bakersfield Ca. 93301		6/22/2021

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 10, 2021

Re: February 2021 Financial Results

The February results reflect a $2,427,938 Net Increase in Net Position which is a $1,825,681 favorable variance to the budget. Listed below are the major variances for the month:

1) Total Revenues reflect a $9.0 million favorable variance primarily due to:

   A) $2.0 million favorable variance primarily due to higher than expected budgeted membership.

   B) $.8 million favorable variance in MCO Tax Premiums primarily due to receiving revised MCO Tax rates for calendar year 2021 from DHCS.

   C) $5.8 million favorable variance in Premium-Hospital Directed Payments primarily due to receiving revised 19/20 HDP rates. This amount is offset against amounts included in 2D below.

   D) $.6 million favorable variance in Rate/Income Adjustments primarily due to retroactive revenue received for the prior year offset against amounts included in 2E below.

2) Total Medical Costs reflect a $8.1 million unfavorable variance primarily due to:

   A) $1.1 million favorable variance in Emergency Room primarily due to lower than expected utilization.

   B) $4.0 million unfavorable variance in Inpatient primarily due to higher than expected utilization.

   C) $1.4 million favorable variance in Pharmacy primarily due from formulary modifications that capitalized on new generics that came to market and less costly brands within the same therapeutic class. There was also a timing impact from the lengthening of the day supply per prescription of maintenance medications that occurred beginning in March 2020. Additionally, the Flu Season was not as severe as expected due to increased social distancing, washing hands, wearing masks and an increase in flu vaccine administration due to our efforts in reaching out to our members during the 4th quarter of 2020.

   D) $5.8 million unfavorable variance in Hospital Directed Payments primarily due to receiving revised 19/20 HDP rates. This amount is offset against amounts included in 1C above.

E) $.9 million unfavorable variance in IBNR, Incentive Paid Claims Adjustment primarily due to increasing the Bridge Risk Corridor Liability to account for amounts included in 1D above. (The purpose of the Bridge Risk Corridor was to mitigate significant upward or downward risk associated with COVID-19 that was unknown at the time that our rates were determined by DHCS for the period July 1, 2019- December 31,2020).

The February Medical Loss Ratio is 92.2% which is slightly unfavorable to the 92.1% budgeted amount. The February Administrative Expense Ratio is 5.5% which is favorable to the 6.6% budgeted amount.

The results for the 2 months ended February 28, 2021 reflect a Net Increase in Net Position of $3,920,853. This is a $2,697,057 favorable variance to budget and includes approximately $.3 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 92.6% which is unfavorable to the 92.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.6% which is favorable to the 6.6% budgeted amount.

Kern Health Systems
Financial Packet
February 2021

KHS – Medi-Cal Line of Business

KHS Group Health Plan – Healthy Families Line of Business

KHS Administrative Analysis and Other Reporting

KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF NET POSITION
AS OF FEBRUARY 28, 2021

ASSETS	FEBRUARY 2021	JANUARY 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 79,253,937	$ 105,073,268	$ (25,819,331)
Short-Term Investments	161,378,989	129,481,278	31,897,711
Pass-through Monies Held for Future Payment	-	63,901,877	(63,901,877)
Premiums Receivable - Net	112,510,770	99,682,751	12,828,019
Premiums Receivable - Hospital Direct Payments	226,081,325	210,829,165	15,252,160
Interest Receivable	192,810	96,977	95,833
Provider Advance Payment	5,506,518	5,506,518	-
Other Receivables	1,356,469	1,162,978	193,491
Prepaid Expenses & Other Current Assets	2,979,660	2,977,322	2,338
Total Current Assets	$ 589,260,478	$ 618,712,134	$ (29,451,656)
CAPITAL ASSETS - NET OF ACCUM DEPRE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	2,027,361	2,074,454	(47,093)
Computer Hardware and Software - Net	14,509,483	14,611,138	(101,655)
Building and Building Improvements - Net	35,196,893	35,272,587	(75,694)
Capital Projects in Progress	12,697,216	12,438,635	258,581
Total Capital Assets	$ 68,521,659	$ 68,487,520	$ 34,139
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,556,944	1,556,944	-
Total Long Term Assets	$ 1,856,944	$ 1,856,944	$ -
DEFERRED OUTFLOWS OF RESOURCES	$ 3,018,341	$ 3,018,341	$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 662,657,422	$ 692,074,939	$ (29,417,517)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	$ 3,783,861	$ 3,724,831	59,030
Accrued Other Operating Expenses	1,590,824	2,387,430	(796,606)
Accrued Taxes and Licenses	17,629,921	8,725,272	8,904,649
Other Medical Liabilities - Nonoperating Passthrough	-	63,901,877	(63,901,877)
Claims Payable (Reported)	30,739,256	30,841,482	(102,226)
IBNR - Inpatient Claims	38,020,148	35,269,379	2,750,769
IBNR - Physician Claims	17,106,358	16,682,703	423,655
IBNR - Accrued Other Medical	26,758,443	24,247,032	2,511,411
Risk Pool and Withholds Payable	5,366,985	5,534,345	(167,360)
Statutory Allowance for Claims Processing Expense	2,225,904	2,225,904	-
Other Liabilities	53,828,299	50,607,359	3,220,940
Accrued Hospital Directed Payments	226,081,325	210,829,165	15,252,160
Total Current Liabilities	$ 423,131,324	$ 454,976,779	$ (31,845,455)
NONCURRENT LIABILITIES:			
Net Pension Liability	8,432,377	8,432,377	-
TOTAL NONCURRENT LIABILITIES	$ 8,432,377	$ 8,432,377	$ -
DEFERRED INFLOWS OF RESOURCES	$ 86,684	$ 86,684	$ -
NET POSITION:			
Net Position - Beg. of Year	227,086,184	227,086,184	-
Increase (Decrease) in Net Position - Current Year	3,920,853	1,492,915	2,427,938
Total Net Position	$ 231,007,037	$ 228,579,099	$ 2,427,938
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 662,657,422	$ 692,074,939	$ (29,417,517)

KERN HEALTH SYSTEMS
MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE MONTH ENDED FEBRUARY 28, 2021

CURRENT MONTH MEMBERS				YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
180,213	181,800	(1,587)	Family Members	363,430	363,200	230
69,723	70,565	(842)	Expansion Members	141,123	141,130	(7)
18,865	15,230	3,635	SPD Members	34,919	30,460	4,459
8,079	7,000	1,079	Other Members	15,925	14,000	1,925
11,196	10,500	696	Kaiser Members	22,243	21,000	1,243
288,076	285,095	2,981	Total Members - MCAL	577,640	569,790	7,850
			REVENUES			
33,365,704	32,140,652	1,225,052	Title XIX - Medicaid - Family and Other	66,620,194	64,239,603	2,380,591
27,720,576	26,861,201	859,375	Title XIX - Medicaid - Expansion Members	55,268,887	53,722,402	1,546,485
15,368,431	15,473,370	(104,939)	Title XIX - Medicaid - SPD Members	30,695,409	30,946,741	(251,332)
9,657,982	8,904,649	753,333	Premium - MCO Tax	19,235,414	17,809,298	1,426,117
15,230,282	9,470,920	5,759,362	Premium - Hospital Directed Payments	30,352,185	18,938,379	11,413,806
116,471	165,093	(48,622)	Investment Earnings And Other Income	120,774	329,836	(209,062)
	79,633	(79,633)	Reinsurance Recoveries	-	159,149	(159,149)
21,877	-	21,877	Rate Adjustments - Hospital Directed Payments	61,867	-	61,867
594,678	-	594,678	Rate/Income Adjustments	1,394,564	-	1,394,564
102,076,001	93,095,516	8,980,485	TOTAL REVENUES	203,749,294	186,145,407	17,603,887
			EXPENSES			
			Medical Costs:			
14,731,540	15,086,920	355,380	Physician Services	29,638,700	30,157,766	519,066
4,883,941	4,716,177	(167,764)	Other Professional Services	9,305,493	9,429,747	124,254
4,420,437	5,539,225	1,118,788	Emergency Room	9,096,764	11,071,521	1,974,757
19,321,533	15,355,375	(3,966,158)	Inpatient	39,174,713	30,698,555	(8,476,158)
80,770	79,633	(1,137)	Reinsurance Expense	161,985	159,149	(2,836)
6,610,422	6,967,865	357,443	Outpatient Hospital	13,719,096	13,930,434	211,338
10,412,229	10,108,062	(304,167)	Other Medical	21,053,342	20,205,303	(848,039)
9,049,621	10,462,750	1,413,129	Pharmacy	18,149,980	20,918,849	2,768,869
529,183	521,731	(7,453)	Pay for Performance Quality Incentive	1,058,365	1,042,701	(15,664)
-	-	-	Risk Corridor Expense	-	-	-
15,230,282	9,470,920	(5,759,362)	Hospital Directed Payments	30,352,185	18,938,379	(11,413,806)
21,878	-	(21,878)	Hospital Directed Payment Adjustment	61,868	-	(61,868)
233,372	-	(233,372)	Non-Claims Expense Adjustment	520,435	-	(520,435)
858,658	-	(858,658)	IBNR, Incentive, Paid Claims Adjustment	863,445	-	(863,445)
86,383,866	78,308,657	(8,075,209)	Total Medical Costs	173,156,371	156,552,405	(16,603,966)
15,692,135	14,786,860	905,275	GROSS MARGIN	30,592,923	29,593,002	999,921
			Administrative:			
2,908,104	2,856,030	(52,074)	Compensation	5,680,688	5,712,061	31,373
824,152	1,071,006	246,854	Purchased Services	1,643,060	2,142,012	498,952
57,416	133,106	75,690	Supplies	115,008	266,212	151,204
422,834	500,520	77,686	Depreciation	845,667	1,001,041	155,374
267,201	385,959	118,758	Other Administrative Expenses	544,446	771,918	227,472
(271,318)	-	271,318	Administrative Expense Adjustment	(253,022)	-	253,022
4,208,389	4,946,622	738,233	Total Administrative Expenses	8,575,847	9,893,244	1,317,397
90,592,255	83,255,279	(7,336,976)	TOTAL EXPENSES	181,732,218	166,445,649	(15,286,569)
11,483,746	9,840,238	1,643,508	OPERATING INCOME (LOSS) BEFORE TAX	22,017,076	19,699,758	2,317,318
8,904,649	8,904,649	-	MCO TAX	17,807,592	17,809,298	1,706
2,579,097	935,589	1,643,508	OPERATING INCOME (LOSS) NET OF TAX	4,209,484	1,890,460	2,319,024
			NONOPERATING REVENUE (EXPENSE)			
-	-	-	Gain on Sale of Assets	-	-	-
(81,396)	(166,666)	85,270	Provider Recruitment and Retention Grants	(162,792)	(333,332)	170,540
(69,763)	(166,666)	96,903	Health Home	(125,839)	(333,332)	207,493
(151,159)	(333,332)	182,173	TOTAL NONOPERATING REVENUE (EXPENSE)	(288,631)	(666,664)	378,033
2,427,938	602,257	1,825,681	NET INCREASE (DECREASE) IN NET POSITION	3,920,853	1,223,796	2,697,057
92.2%	92.1%	-0.1%	MEDICAL LOSS RATIO	92.6%	92.1%	-0.5%
5.5%	6.6%	1.2%	ADMINISTRATIVE EXPENSE RATIO	5.6%	6.6%	1.1%

KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM
FOR THE MONTH ENDED FEBRUARY 28, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
180,213	181,800	(1,587)	Family Members	363,430	363,200	230
69,723	70,565	(842)	Expansion Members	141,123	141,130	(7)
18,865	15,230	3,635	SPD Members	34,919	30,460	4,459
8,079	7,000	1,079	Other Members	15,925	14,000	1,925
11,196	10,500	696	Kaiser Members	22,243	21,000	1,243
288,076	285,095	2,981	Total Members - MCAL	577,640	569,790	7,850
			REVENUES			
177.20	170.24	6.97	Title XIX - Medicaid - Family and Other	175.61	170.31	5.31
397.58	380.66	16.92	Title XIX - Medicaid - Expansion Members	391.64	380.66	10.98
814.65	1,015.98	(201.33)	Title XIX - Medicaid - SPD Members	879.05	1,015.98	(136.93)
34.88	32.43	2.45	Premium - MCO Tax	34.63	32.45	2.18
55.01	34.49	20.52	Premium - Hospital Directed Payments	54.65	34.51	20.14
0.42	0.60	(0.18)	Investment Earnings And Other Income	0.22	0.60	(0.38)
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)
0.08	0.00	0.08	Rate Adjustments - Hospital Directed Payments	0.11	0.00	0.11
2.15	0.00	2.15	Rate/Income Adjustments	2.51	0.00	2.51
368.67	339.03	29.64	TOTAL REVENUES	366.85	339.19	27.66
			EXPENSES			
			Medical Costs:			
53.21	54.94	1.74	Physician Services	53.36	54.95	1.59
17.64	17.18	(0.46)	Other Professional Services	16.75	17.18	0.43
15.97	20.17	4.21	Emergency Room	16.38	20.17	3.80
69.78	55.92	(13.86)	Inpatient	70.53	55.94	(14.60)
0.29	0.29	(0.00)	Reinsurance Expense	0.29	0.29	(0.00)
23.87	25.38	1.50	Outpatient Hospital	24.70	25.38	0.68
37.61	36.81	(0.79)	Other Medical	37.91	36.82	(1.09)
32.68	38.10	5.42	Pharmacy	32.68	38.12	5.44
1.91	1.90	(0.01)	Pay for Performance Quality Incentive	1.91	1.90	(0.01)
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00
55.01	34.49	(20.52)	Hospital Directed Payments	54.65	34.51	(20.14)
0.08	0.00	(0.08)	Hospital Directed Payment Adjustment	0.11	0.00	(0.11)
0.84	0.00	(0.84)	Non-Claims Expense Adjustment	0.94	0.00	(0.94)
3.10	0.00	(3.10)	IBNR, Incentive, Paid Claims Adjustment	1.55	0.00	(1.55)
311.99	285.18	(26.81)	Total Medical Costs	311.77	285.27	(26.50)
56.67	53.85	2.83	GROSS MARGIN	55.08	53.92	1.16
			Administrative:			
10.50	10.40	(0.10)	Compensation	10.23	10.41	0.18
2.98	3.90	0.92	Purchased Services	2.96	3.90	0.94
0.21	0.48	0.28	Supplies	0.21	0.49	0.28
1.53	1.82	0.30	Depreciation	1.52	1.82	0.30
0.97	1.41	0.44	Other Administrative Expenses	0.98	1.41	0.43
(0.98)	0.00	0.98	Administrative Expense Adjustment	(0.46)	0.00	0.46
15.20	18.01	2.81	Total Administrative Expenses	15.44	18.03	2.59
327.19	303.19	(24.00)	TOTAL EXPENSES	327.21	303.30	(23.92)
41.48	35.84	5.64	OPERATING INCOME (LOSS) BEFORE TAX	39.64	35.90	3.75
32.16	32.43	0.27	MCO TAX	32.06	32.45	0.39
9.31	3.41	5.91	OPERATING INCOME (LOSS) NET OF TAX	7.58	3.44	4.13
			NONOPERATING REVENUE (EXPENSE)			
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00
(0.29)	(0.61)	0.31	Reserve Fund Projects/Community Grants	(0.29)	(0.61)	0.31
(0.25)	(0.61)	0.35	Health Home	(0.23)	(0.61)	0.38
(0.55)	(1.21)	0.67	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.52)	(1.21)	0.70
8.77	2.19	6.58	NET INCREASE (DECREASE) IN NET POSITION	7.06	2.23	4.83
92.2%	92.1%	-0.1%	MEDICAL LOSS RATIO	92.6%	92.1%	-0.5%
5.5%	6.6%	1.2%	ADMINISTRATIVE EXPENSE RATIO	5.6%	6.6%	1.1%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH FEBRUARY 28, 2021	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	250,007	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	3,455,226
REVENUES														
Title XIX - Medicaid - Family and Other	28,136,428	28,589,738	27,567,358	28,170,470	30,522,053	29,997,411	30,548,160	30,419,692	33,387,274	30,920,096	32,216,002	33,254,490	33,365,704	397,094,876
Title XIX - Medicaid - Expansion Members	23,419,130	23,548,401	22,679,789	23,386,527	24,776,875	24,533,357	24,848,094	25,069,155	27,568,938	25,504,052	27,197,954	27,548,311	27,720,576	327,801,159
Title XIX - Medicaid - SPD Members	15,113,713	15,275,980	14,884,891	14,967,019	15,603,750	15,224,387	15,192,022	15,191,965	14,457,143	16,007,482	15,504,966	15,326,978	15,368,431	198,118,727
Premium - MCO Tax	16,158,895	7,586,709	7,915,338	7,915,091	8,023,287	8,236,232	8,333,151	8,332,682	9,166,454	8,420,487	8,830,398	9,577,432	9,657,982	118,154,138
Premium - Hospital Directed Payments	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	126,989,120
Investment Earnings And Other Income	301,265	424,094	266,256	323,827	62,534	315,583	173,465	(14,474)	151,948	166,556	147,197	4,303	116,471	2,439,025
Reinsurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate Adjustments - Hospital Directed Payments	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	39,990	21,877	(51,832,555)
Rate/Income Adjustments	809,261	616,798	(4,529,302)	444,891	476,588	135,705	291,820	70,321	(582,499)	127,031	226,726	799,886	594,678	(518,096)
TOTAL REVENUES	95,391,047	87,579,613	80,435,517	86,859,012	91,604,031	17,506,553	88,503,816	88,185,134	94,104,369	90,469,419	93,858,589	101,673,293	102,076,001	1,118,246,394
EXPENSES														
Medical Costs:														
Physician Services	13,873,238	14,351,280	12,418,888	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	13,867,872	12,660,363	14,907,160	14,731,540	176,210,475
Other Professional Services	3,966,515	4,024,762	3,908,759	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	4,389,484	4,935,401	4,421,552	4,883,941	55,093,897
Emergency Room	5,258,084	5,370,795	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	4,814,428	4,638,713	3,194,257	4,676,327	4,420,437	57,153,757
Inpatient	13,893,706	14,743,904	15,995,368	14,410,696	17,115,732	17,082,368	16,635,497	17,879,275	17,137,251	17,212,070	19,183,080	19,853,180	19,321,533	220,463,660
Reinsurance Expense	144,425	(213)	77,341	69,310	73,356	75,202	76,284	76,523	77,652	84,521	77,390	81,215	80,770	993,776
Outpatient Hospital	6,204,610	6,566,090	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	6,653,372	6,209,999	6,565,195	7,108,674	6,610,422	83,981,918
Other Medical	10,021,013	10,653,430	8,832,073	10,860,308	9,199,742	11,504,806	9,055,443	14,033,235	12,916,278	10,958,385	13,070,247	10,641,113	10,412,229	142,158,302
Pharmacy	9,246,208	10,311,873	8,667,925	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	8,717,167	9,651,881	9,100,359	9,049,621	118,724,110
Pay for Performance Quality Incentive	500,014	503,104	509,814	508,354	519,184	523,464	529,498	529,498	556,200	544,962	-	529,182	529,183	6,282,457
Risk Corridor Expense	-	-	-	-	4,700,000	(2,000,000)	-	(2,700,000)	-	-	-	-	-	-
Hospital Directed Payments	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	126,989,120
Hospital Directed Payment Adjustment	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	(233,958)	4,234	77	6,596	(1,263)	39,990	21,878	(52,072,038)
Non-Claims Expense Adjustment	232,393	(1,583,770)	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	5,124	(209,309)	1,598	287,063	233,372	(1,990,693)
IBNR, Incentive, Paid Claims Adjustment	(8,559)	(2,649,204)	(4,444,586)	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(5,474)	205,986	316,193	4,787	858,658	(10,231,354)
Total Medical Costs	74,784,002	73,829,944	67,702,880	71,626,453	76,311,140	3,228,909	73,696,401	74,755,703	79,333,670	75,939,534	79,392,380	86,772,505	86,383,866	923,757,387
GROSS MARGIN	20,607,045	13,749,669	12,732,637	15,232,559	15,292,891	14,277,644	14,807,415	13,429,431	14,770,699	14,529,885	14,466,209	14,900,788	15,692,135	194,489,007
Administrative:														
Compensation	2,407,112	2,447,667	2,678,816	2,375,693	2,835,739	2,732,099	2,597,575	2,636,509	2,613,272	2,456,357	2,766,869	2,772,584	2,908,104	34,228,396
Purchased Services	728,049	867,391	644,717	903,379	1,142,683	859,845	819,771	421,612	689,841	745,537	1,172,530	818,908	824,152	10,638,415
Supplies	149,042	99,552	60,138	59,208	29,774	71,551	63,919	71,111	34,967	106,489	39,305	57,592	57,416	900,064
Depreciation	287,536	300,318	300,318	924,253	418,036	417,768	418,389	419,251	419,796	419,850	421,301	422,833	422,834	5,592,483
Other Administrative Expenses	181,493	269,559	441,804	223,548	345,337	240,778	254,091	296,858	137,960	242,696	351,189	277,245	267,201	3,529,759
Administrative Expense Adjustment	-	-	-	-	(212,229)	-	-	-	-	-	1,407,045	18,296	(271,318)	941,794
Total Administrative Expenses	3,753,232	3,984,487	4,125,793	4,486,081	4,559,340	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	4,367,458	4,208,389	55,830,911
TOTAL EXPENSES	78,537,234	77,814,431	71,828,673	76,112,534	80,870,480	7,550,950	77,850,146	78,601,044	83,229,506	79,910,463	85,550,619	91,139,963	90,592,255	979,588,298
OPERATING INCOME (LOSS) BEFORE TAX	16,853,813	9,765,182	8,606,844	10,746,478	10,733,551	9,955,603	10,653,670	9,584,090	10,874,863	10,558,956	8,307,970	10,533,330	11,483,746	138,658,096
MCO TAX	16,159,021	7,586,709	7,915,243	7,914,997	7,915,244	8,904,648	8,905,117	8,904,649	8,904,648	8,904,649	8,904,649	8,902,943	8,904,649	118,727,166
OPERATING INCOME (LOSS) NET OF TAX	694,792	2,178,473	691,601	2,831,481	2,818,307	1,050,955	1,748,553	679,441	1,970,215	1,654,307	(596,679)	1,630,387	2,579,097	19,930,930
TOTAL NONOPERATING REVENUE (EXPENSE)	(569,882)	(1,076,457)	424,682	(587,120)	(479,019)	462,756	(687,453)	(176,843)	(1,188,755)	(931,682)	1,433,032	(137,472)	(151,159)	(3,665,372)
NET INCREASE (DECREASE) IN NET POSITION	124,910	1,102,016	1,116,283	2,244,361	2,339,288	1,513,711	1,061,100	502,598	781,460	722,625	836,353	1,492,915	2,427,938	16,265,558
MEDICAL LOSS RATIO	93.4%	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	91.8%
ADMINISTRATIVE EXPENSE RATIO	5.5%	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	6.0%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH FEBRUARY 28, 2021	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	250,007	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	3,455,226
REVENUES														
Title XIX - Medicaid - Family and Other	161.68	163.16	157.08	158.57	169.56	165.45	166.87	166.16	173.40	164.62	168.64	174.05	177.17	166.32
Title XIX - Medicaid - Expansion Members	387.18	388.37	369.04	373.98	388.48	377.98	376.19	379.54	393.46	371.41	384.47	385.83	397.58	381.00
Title XIX - Medicaid - SPD Members	975.52	973.74	930.77	938.61	987.39	981.08	972.23	972.22	945.03	1,012.68	989.03	954.71	815.91	955.75
Premium - MCO Tax	64.63	30.16	31.29	30.90	30.91	31.47	31.48	29.96	33.64	30.61	31.83	34.39	34.88	34.20
Premium - Hospital Directed Payments	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	36.75
Investment Earnings And Other Income	1.21	1.69	1.05	1.26	0.24	1.21	0.66	(0.05)	0.56	0.61	0.53	0.02	0.42	0.71
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.24	0.17	0.14	0.14	(0.04)	(198.96)	0.02	0.01	0.00	0.04	(0.01)	0.14	0.08	(15.00)
Rate/Income Adjustments	3.24	2.45	(17.91)	1.74	1.84	0.52	1.10	0.25	(2.14)	0.46	0.82	2.87	2.15	(0.15)
TOTAL REVENUES	381.55	348.16	317.99	339.12	352.88	66.89	334.29	317.10	345.36	328.88	338.29	365.05	368.67	323.64
EXPENSES														
Medical Costs:														
Physician Services	55.49	57.05	49.10	48.53	45.48	51.04	49.61	52.19	51.96	50.41	45.63	53.52	53.21	51.00
Other Professional Services	15.87	16.00	15.45	13.62	13.04	16.89	17.45	17.41	13.97	15.96	17.79	15.88	17.64	15.95
Emergency Room	21.03	21.35	15.08	16.45	12.96	13.95	18.18	17.71	17.67	16.86	11.51	16.79	15.97	16.54
Inpatient	55.57	58.61	63.24	56.26	65.93	65.27	62.83	64.29	62.89	62.57	69.14	71.28	69.78	63.81
Reinsurance Expense	0.58	(0.00)	0.31	0.27	0.28	0.29	0.29	0.28	0.28	0.31	0.28	0.29	0.29	0.29
Outpatient Hospital	24.82	26.10	24.79	20.30	24.84	24.63	26.04	24.47	24.42	22.58	23.66	25.52	23.87	24.31
Other Medical	40.08	42.35	34.92	42.40	35.44	43.96	34.20	50.46	47.40	39.84	47.11	38.21	37.61	41.14
Pharmacy	36.98	40.99	34.27	33.64	32.03	33.55	34.68	35.34	33.98	31.69	34.79	32.67	32.68	34.36
Pay for Performance Quality Incentive	2.00	2.00	2.02	1.98	2.00	2.00	2.00	1.90	2.04	1.98	0.00	1.90	1.91	1.82
Risk Corridor Expense	0.00	0.00	0.00	0.00	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00	0.00	0.00	0.00
Hospital Directed Payments	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	36.75
Hospital Directed Payment Adjustment	0.24	0.17	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	0.02	(0.00)	0.14	0.08	(15.07)
Non-Claims Expense Adjustment	0.93	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	0.01	1.03	0.84	(0.58)
IBNR, Incentive, Paid Claims Adjustment	(0.03)	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	1.14	0.02	3.10	(2.96)
Total Medical Costs	299.13	293.50	267.65	279.64	293.97	12.34	278.36	268.81	291.15	276.06	286.15	311.55	311.99	267.35
GROSS MARGIN	82.43	54.66	50.34	59.47	58.91	54.55	55.93	48.29	54.21	52.82	52.14	53.50	56.67	56.29
Administrative:														
Compensation	9.63	9.73	10.59	9.28	10.92	10.44	9.81	9.48	9.59	8.93	9.97	9.95	10.50	9.91
Purchased Services	2.91	3.45	2.55	3.53	4.40	3.29	3.10	1.52	2.53	2.71	4.23	2.94	2.98	3.08
Supplies	0.60	0.40	0.24	0.23	0.11	0.27	0.24	0.26	0.13	0.39	0.14	0.21	0.21	0.26
Depreciation	1.15	1.19	1.19	3.61	1.61	1.60	1.58	1.51	1.54	1.53	1.52	1.52	1.53	1.62
Other Administrative Expenses	0.73	1.07	1.75	0.87	1.33	0.92	0.96	1.07	0.51	0.88	1.27	1.00	0.97	1.02
Administrative Expense Adjustment	0.00	0.00	0.00	0.00	(0.82)	0.00	0.00	0.00	0.00	0.00	5.07	0.07	(0.98)	0.27
Total Administrative Expenses	15.01	15.84	16.31	17.51	17.56	16.51	15.69	13.83	14.30	14.44	22.20	15.68	15.20	16.16
TOTAL EXPENSES	314.14	309.34	283.96	297.16	311.53	28.85	294.05	282.64	305.45	290.50	308.34	327.23	327.19	283.51
OPERATING INCOME (LOSS) BEFORE TAX	67.41	38.82	34.03	41.96	41.35	38.04	40.24	34.46	39.91	38.39	29.94	37.82	41.48	40.13
MCO TAX	64.63	30.16	31.29	30.90	30.49	34.02	33.64	32.02	32.68	32.37	32.09	31.97	32.16	34.36
OPERATING INCOME (LOSS) NET OF TAX	2.78	8.66	2.73	11.05	10.86	4.02	6.60	2.44	7.23	6.01	(2.15)	5.85	9.31	5.77
TOTAL NONOPERATING REVENUE (EXPENSE)	(2.28)	(4.28)	1.68	(2.29)	(1.85)	1.77	(2.60)	(0.64)	(4.36)	(3.39)	5.16	(0.49)	(0.55)	(1.06)
NET INCREASE (DECREASE) IN NET POSITION	0.50	4.38	4.41	8.76	9.01	5.78	4.01	1.81	2.87	2.63	3.01	5.36	8.77	4.71
MEDICAL LOSS RATIO	93.4%	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	91.8%
ADMINISTRATIVE EXPENSE RATIO	5.5%	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	6.0%

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED FEBRUARY 28, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			REVENUES			
			Title XIX - Medicaid - Family & Other			
26,256,862	24,880,943	1,375,919	Premium - Medi-Cal	52,301,855	49,728,427	2,573,428
2,304,629	2,520,887	(216,258)	Premium - Maternity Kick	4,841,471	5,041,774	(200,303)
34,946	79,365	(44,419)	Premium - Hep C Kick	78,628	158,562	(79,934)
504,803	485,939	18,864	Premium - BHT Kick	966,125	970,848	(4,723)
177,192	175,762	1,430	Premium - Health Home Kick	284,251	351,152	(66,901)
3,548,915	3,464,316	84,599	Premium - Provider Enhancement	7,071,587	6,922,784	148,803
176,399	168,461	7,938	Premium - Ground Emergency Medical Transportation	351,328	336,698	14,630
252,794	273,232	(20,438)	Premium - Behavorial Health Integration Program	507,798	545,885	(38,087)
109,164	91,746	17,418	Other	217,151	183,472	33,679
33,365,704	32,140,652	1,225,052	Total Title XIX - Medicaid - Family & Other	66,620,194	64,239,603	2,380,591
			Title XIX - Medicaid - Expansion Members			
25,118,719	24,339,803	778,916	Premium - Medi-Cal	50,052,364	48,679,606	1,372,758
396,595	214,253	182,342	Premium - Maternity Kick	731,650	428,506	303,144
214,042	202,017	12,025	Premium - Hep C Kick	406,244	404,034	2,210
206,303	356,121	(149,818)	Premium - Health Home Kick	518,825	712,242	(193,417)
1,483,119	1,455,050	28,069	Premium - Provider Enhancement	2,956,009	2,910,100	45,909
177,323	165,235	12,088	Premium - Ground Emergency Medical Transportation	353,417	330,470	22,947
93,593	102,122	(8,529)	Premium - Behavorial Health Integration Program	188,874	204,244	(15,370)
30,882	26,600	4,282	Other	61,504	53,200	8,304
27,720,576	26,861,201	859,375	Total Title XIX - Medicaid - Expansion Members	55,268,887	53,722,402	1,546,485
			Title XIX - Medicaid - SPD Members			
14,064,152	13,653,527	410,625	Premium - Medi-Cal	28,063,189	27,307,054	756,135
17,473	100,288	(82,815)	Premium - Hep C Kick	43,682	200,576	(156,894)
454,925	763,566	(308,641)	Premium - BHT Kick	901,940	1,527,132	(625,192)
214,928	351,842	(136,914)	Premium - Health Home Kick	459,327	703,684	(244,357)
459,214	454,632	4,582	Premium - Provider Enhancement	916,304	909,264	7,040
132,454	127,475	4,979	Premium - Ground Emergency Medical Transportation	264,295	254,950	9,345
25,285	22,041	3,244	Premium - Behavorial Health Integration Program	46,672	44,082	2,590
15,368,431	15,473,370	(104,939)	Total Title XIX - Medicaid - SPD Members	30,695,409	30,946,741	(251,332)

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED FEBRUARY 28, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
2,963,060	3,049,444	86,384	Primary Care Physician Services	5,925,324	6,094,730	169,406
10,171,851	10,537,030	365,179	Referral Specialty Services	20,684,066	21,064,399	380,333
1,588,229	1,492,046	(96,183)	Urgent Care & After Hours Advise	3,011,610	2,980,937	(30,673)
8,400	8,400	-	Hospital Admitting Team	17,700	17,700	-
14,731,540	15,086,920	355,380	**TOTAL PHYSICIAN SERVICES**	29,638,700	30,157,766	519,066
			OTHER PROFESSIONAL SERVICES			
292,442	293,381	939	Vision Service Capitation	586,496	586,335	(161)
222,415	212,115	(10,300)	221 - Business Intelligence	433,078	424,230	(8,848)
563,907	597,920	34,013	310 - Health Services - Utilization Management - UM Allocation *	1,158,910	1,195,840	36,930
123,443	189,152	65,709	311 - Health Services - Quality Improvement - UM Allocation *	261,831	378,304	116,473
124,149	123,336	(813)	312 - Health Services - Education - UM Allocation *	244,770	246,672	1,902
75,369	80,283	4,914	313 - Health Services - Pharmacy - UM Allocation *	150,415	160,566	10,151
119,317	210,465	91,148	314 - Health Homes - UM Allocation *	239,487	420,930	181,443
261,834	270,692	8,858	315 - Case Management - UM Allocation *	532,491	541,384	8,893
58,064	56,773	(1,291)	616 - Disease Management - UM Allocation *	121,062	113,546	(7,516)
947,944	1,249,504	301,560	Behavior Health Treatment	1,815,461	2,497,979	682,518
181,749	188,893	7,144	Mental Health Services	474,266	377,636	(96,630)
1,913,308	1,243,662	(669,646)	Other Professional Services	3,287,226	2,486,326	(800,900)
4,883,941	4,716,177	(167,764)	**TOTAL OTHER PROFESSIONAL SERVICES**	9,305,493	9,429,747	124,254
4,420,437	5,539,225	1,118,788	**EMERGENCY ROOM**	9,096,764	11,071,521	1,974,757
19,321,533	15,355,375	(3,966,158)	**INPATIENT HOSPITAL**	39,174,713	30,698,555	(8,476,158)
80,770	79,633	(1,137)	**REINSURANCE EXPENSE PREMIUM**	161,985	159,149	(2,836)
6,610,422	6,967,865	357,443	**OUTPATIENT HOSPITAL SERVICES**	13,719,096	13,930,434	211,338
			OTHER MEDICAL			
1,208,039	1,543,555	335,516	Ambulance and NEMT	2,609,010	3,085,375	476,365
582,371	424,415	(157,956)	Home Health Services & CBAS	1,073,304	848,506	(224,798)
372,499	491,325	118,826	Utilization and Quality Review Expenses	601,195	982,650	381,455
1,132,832	1,298,304	165,472	Long Term/SNF/Hospice	2,749,409	2,596,055	(153,354)
294,005	393,508	99,503	Health Home Capitation & Incentive	505,145	786,700	281,555
5,226,990	5,098,389	(128,601)	Provider Enhancement Expense - Prop. 56	10,417,154	10,189,688	(227,466)
456,381	461,171	4,790	Provider Enhancement Expense - GEMT	912,761	922,118	9,357
767,440	-	(767,440)	Provider COVID-19 Expenes	1,442,020	-	(1,442,020)
371,672	397,395	25,723	Behaviorial Health Integration Program	743,344	794,211	50,867
10,412,229	10,108,062	(304,167)	**TOTAL OTHER MEDICAL**	21,053,342	20,205,303	(848,039)
			PHARMACY SERVICES			
8,080,594	9,346,350	1,265,756	RX - Drugs & OTC	16,254,846	18,686,699	2,431,853
264,815	381,669	116,854	RX - HEP-C	509,959	763,171	253,212
839,212	768,063	(71,149)	Rx - DME	1,655,175	1,535,625	(119,550)
(135,000)	(33,333)	101,667	RX - Pharmacy Rebates	(270,000)	(66,645)	203,355
9,049,621	10,462,750	1,413,129	**TOTAL PHARMACY SERVICES**	18,149,980	20,918,849	2,768,869
529,183	521,731	(7,453)	**PAY FOR PERFORMANCE QUALITY INCENTIVE**	1,058,365	1,042,701	(15,664)
-	-	-	**RISK CORRIDOR EXPENSE**	-	-	-
15,230,282	9,470,920	(5,759,362)	**HOSPITAL DIRECTED PAYMENTS**	30,352,185	18,938,379	(11,413,806)
21,878	-	(21,878)	**HOSPITAL DIRECTED PAYMENT ADJUSTMENT**	61,868	-	(61,868)
233,372	-	(233,372)	**NON-CLAIMS EXPENSE ADJUSTMENT**	520,435	-	(520,435)
858,658	-	(858,658)	**IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT**	863,445	-	(863,445)
86,383,866	78,308,657	(8,075,209)	**Total Medical Costs**	173,156,371	156,552,405	(16,603,966)

KHS5/26/2021
Management Use Only

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM
FOR THE MONTH ENDED FEBRUARY 28, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
10.70	11.11	0.40	Primary Care Physician Services	10.67	11.11	0.44
36.74	38.37	1.64	Referral Specialty Services	37.24	38.38	1.14
5.74	5.43	(0.30)	Urgent Care & After Hours Advise	5.42	5.43	0.01
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
53.21	54.94	1.74	TOTAL PHYSICIAN SERVICES	53.36	54.95	1.59
			OTHER PROFESSIONAL SERVICES			
1.06	1.07	0.01	Vision Service Capitation	1.06	1.07	0.01
0.80	0.77	(0.03)	221 - Business Intelligence	0.78	0.77	(0.01)
2.04	2.18	0.14	310 - Health Services - Utilization Management - UM Allocation *	2.09	2.18	0.09
0.45	0.69	0.24	311 - Health Services - Quality Improvement - UM Allocation *	0.47	0.69	0.22
0.45	0.45	0.00	312 - Health Services - Education - UM Allocation *	0.44	0.45	0.01
0.27	0.29	0.02	313 - Health Services - Pharmacy - UM Allocation *	0.27	0.29	0.02
0.43	0.77	0.34	314 - Health Homes - UM Allocation *	0.43	0.77	0.34
0.95	0.99	0.04	315 - Case Management - UM Allocation *	0.96	0.99	0.03
0.21	0.21	(0.00)	616 - Disease Management - UM Allocation *	0.22	0.21	(0.01)
3.42	4.55	1.13	Behavior Health Treatment	3.27	4.55	1.28
0.66	0.69	0.03	Mental Health Services	0.85	0.69	(0.17)
6.91	4.53	(2.38)	Other Professional Services	5.92	4.53	(1.39)
17.64	17.18	(0.46)	TOTAL OTHER PROFESSIONAL SERVICES	16.75	17.18	0.43
15.97	20.17	4.21	EMERGENCY ROOM	16.38	20.17	3.80
69.78	55.92	(13.86)	INPATIENT HOSPITAL	70.53	55.94	(14.60)
0.29	0.29	(0.00)	REINSURANCE EXPENSE PREMIUM	0.29	0.29	(0.00)
23.87	25.38	1.50	OUTPATIENT HOSPITAL SERVICES	24.70	25.38	0.68
			OTHER MEDICAL			
4.36	5.62	1.26	Ambulance and NEMT	4.70	5.62	0.92
2.10	1.55	(0.56)	Home Health Services & CBAS	1.93	1.55	(0.39)
1.35	1.79	0.44	Utilization and Quality Review Expenses	1.08	1.79	0.71
4.09	4.73	0.64	Long Term/SNF/Hospice	4.95	4.73	(0.22)
1.06	1.43	0.37	Health Home Capitation & Incentive	0.91	1.43	0.52
18.88	18.57	(0.31)	Provider Enhancement Expense - Prop. 56	18.76	18.57	(0.19)
1.65	1.68	0.03	Provider Enhancement Expense - GEMT	1.64	1.68	0.04
2.77	0.00	(2.77)	Provider COVID-19 Expenes	2.60	0.00	(2.60)
1.34	1.45	0.10	Behaviorial Health Integration Program	1.34	1.45	0.11
37.61	36.81	(0.79)	TOTAL OTHER MEDICAL	37.91	36.82	(1.09)
			PHARMACY SERVICES			
29.18	34.04	4.85	RX - Drugs & OTC	29.27	34.05	4.78
0.96	1.39	0.43	RX - HEP-C	0.92	1.39	0.47
3.03	2.80	(0.23)	Rx - DME	2.98	2.80	(0.18)
(0.49)	(0.12)	0.37	RX - Pharmacy Rebates	(0.49)	(0.12)	0.36
32.68	38.10	5.42	TOTAL PHARMACY SERVICES	32.68	38.12	5.44
1.91	1.90	(0.01)	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.91	1.90	-0.01
0.00	0.00	0.00	RISK CORRIDOR EXPENSE	0.00	0.00	0.00
55.01	34.49	(20.52)	HOSPITAL DIRECTED PAYMENTS	54.65	34.51	(20.14)
0.08	0.00	(0.08)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.11	0.00	(0.11)
0.84	0.00	(0.84)	NON-CLAIMS EXPENSE ADJUSTMENT	0.94	0.00	(0.94)
3.10	0.00	(3.10)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	1.55	0.00	(1.55)
311.99	285.18	(26.81)	Total Medical Costs	311.77	285.27	(26.50)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH FEBRUARY 28, 2021	JANUARY 2021	FEBRUARY 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES			
Primary Care Physician Services	2,962,264	2,963,060	5,925,324
Referral Specialty Services	10,512,215	10,171,851	20,684,066
Urgent Care & After Hours Advise	1,423,381	1,588,229	3,011,610
Hospital Admitting Team	9,300	8,400	17,700
TOTAL PHYSICIAN SERVICES	14,907,160	14,731,540	29,638,700
OTHER PROFESSIONAL SERVICES			
Vision Service Capitation	294,054	292,442	586,496
221 - Business Intelligence	210,663	222,415	433,078
310 - Health Services - Utilization Management - UM Allocation *	595,003	563,907	1,158,910
311 - Health Services - Quality Improvement - UM Allocation *	138,388	123,443	261,831
312 - Health Services - Education - UM Allocation *	120,621	124,149	244,770
313 - Health Services - Pharmacy - UM Allocation *	75,046	75,369	150,415
314 - Health Homes - UM Allocation *	120,170	119,317	239,487
315 - Case Management - UM Allocation *	270,657	261,834	532,491
616 - Disease Management - UM Allocation *	62,998	58,064	121,062
Behavior Health Treatment	867,517	947,944	1,815,461
Mental Health Services	292,517	181,749	474,266
Other Professional Services	1,373,918	1,913,308	3,287,226
TOTAL OTHER PROFESSIONAL SERVICES	4,421,552	4,883,941	9,305,493
EMERGENCY ROOM	4,676,327	4,420,437	9,096,764
INPATIENT HOSPITAL	19,853,180	19,321,533	39,174,713
REINSURANCE EXPENSE PREMIUM	81,215	80,770	161,985
OUTPATIENT HOSPITAL SERVICES	7,108,674	6,610,422	13,719,096
OTHER MEDICAL			
Ambulance and NEMT	1,400,971	1,208,039	2,609,010
Home Health Services & CBAS	490,933	582,371	1,073,304
Utilization and Quality Review Expenses	228,696	372,499	601,195
Long Term/SNF/Hospice	1,616,577	1,132,832	2,749,409
Health Home Capitation & Incentive	211,140	294,005	505,145
Provider Enhancement Expense - Prop. 56	5,190,164	5,226,990	10,417,154
Provider Enhancement Expense - GEMT	456,380	456,381	912,761
Provider COVID-19 Expenes	674,580	767,440	1,442,020
Behaviorial Health Integration Program	371,672	371,672	743,344
TOTAL OTHER MEDICAL	10,641,113	10,412,229	21,053,342
PHARMACY SERVICES			
RX - Drugs & OTC	8,174,252	8,080,594	16,254,846
RX - HEP-C	245,144	264,815	509,959
Rx - DME	815,963	839,212	1,655,175
RX - Pharmacy Rebates	(135,000)	(135,000)	(270,000)
TOTAL PHARMACY SERVICES	9,100,359	9,049,621	18,149,980
PAY FOR PERFORMANCE QUALITY INCENTIVE	529,182	529,183	1,058,365
RISK CORRIDOR EXPENSE	-	-	-
HOSPITAL DIRECTED PAYMENTS	15,121,903	15,230,282	30,352,185
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	39,990	21,878	61,868
NON-CLAIMS EXPENSE ADJUSTMENT	287,063	233,372	520,435
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	4,787	858,658	863,445
Total Medical Costs	86,772,505	86,383,866	173,156,371

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH FEBRUARY 28, 2021	JANUARY 2021	FEBRUARY 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES			
Primary Care Physician Services	10.64	10.70	10.67
Referral Specialty Services	37.74	36.74	37.24
Urgent Care & After Hours Advise	5.11	5.74	5.42
Hospital Admitting Team	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	53.52	53.21	53.36
OTHER PROFESSIONAL SERVICES			
Vision Service Capitation	1.06	1.06	1.06
221 - Business Intelligence	0.76	0.80	0.78
310 - Health Services - Utilization Management - UM Allocation *	2.14	2.04	2.09
311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.45	0.47
312 - Health Services - Education - UM Allocation *	0.43	0.45	0.44
313 - Health Services - Pharmacy - UM Allocation *	0.27	0.27	0.27
314 - Health Homes - UM Allocation *	0.43	0.43	0.43
315 - Case Management - UM Allocation *	0.97	0.95	0.96
616 - Disease Management - UM Allocation *	0.23	0.21	0.22
Behavior Health Treatment	3.11	3.42	3.27
Mental Health Services	1.05	0.66	0.85
Other Professional Services	4.93	6.91	5.92
TOTAL OTHER PROFESSIONAL SERVICES	15.88	17.64	16.75
EMERGENCY ROOM	16.79	15.97	16.38
INPATIENT HOSPITAL	71.28	69.78	70.53
REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.29
OUTPATIENT HOSPITAL SERVICES	25.52	23.87	24.70
OTHER MEDICAL			
Ambulance and NEMT	5.03	4.36	4.70
Home Health Services & CBAS	1.76	2.10	1.93
Utilization and Quality Review Expenses	0.82	1.35	1.08
Long Term/SNF/Hospice	5.80	4.09	4.95
Health Home Capitation & Incentive	0.76	1.06	0.91
Provider Enhancement Expense - Prop. 56	18.63	18.88	18.76
Provider Enhancement Expense - GEMT	1.64	1.65	1.64
Provider COVID-19 Expenes	2.42	2.77	2.60
Behaviorial Health Integration Program	1.33	1.34	1.34
TOTAL OTHER MEDICAL	38.21	37.61	37.91
PHARMACY SERVICES			
RX - Drugs & OTC	29.35	29.18	29.27
RX - HEP-C	0.88	0.96	0.92
Rx - DME	2.93	3.03	2.98
RX - Pharmacy Rebates	(0.48)	(0.49)	(0.49)
TOTAL PHARMACY SERVICES	32.67	32.68	32.68
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.90	1.91	1.91
RISK CORRIDOR EXPENSE	0.00	0.00	0.00
HOSPITAL DIRECTED PAYMENTS	54.29	55.01	54.65
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.14	0.08	0.11
NON-CLAIMS EXPENSE ADJUSTMENT	1.03	0.84	0.94
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.02	3.10	1.55
Total Medical Costs	311.55	311.99	311.77

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED FEBRUARY 28, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
483,744	377,031	(106,713)	110 - Executive	837,687	754,062	(83,625)
198,129	212,651	14,522	210 - Accounting	401,748	425,302	23,554
345,719	362,443	16,724	220 - Management Information Systems	685,931	724,886	38,955
-	64,468	64,468	221 - Business Intelligence	-	128,936	128,936
269,236	281,931	12,695	222 - Enterprise Development	519,542	563,862	44,320
337,172	448,524	111,352	225 - Infrastructure	702,512	897,047	194,535
558,095	576,323	18,228	230 - Claims	1,108,219	1,152,646	44,427
119,159	149,779	30,620	240 - Project Management	218,967	299,559	80,592
120,732	101,775	(18,957)	310 - Health Services - Utilization Management	224,373	203,550	(20,823)
16,833	27,902	11,069	311 - Health Services - Quality Improvement	35,703	55,804	20,101
-	55	55	312 - Health Services - Education	-	110	110
137,379	142,146	4,767	313- Pharmacy	279,238	284,292	5,054
-	6,642	6,642	314 - Health Homes	-	13,283	13,283
22,769	22,357	(412)	315 - Case Management	46,305	44,714	(1,591)
29,912	29,325	(587)	616 - Disease Management	62,365	58,650	(3,715)
273,211	323,502	50,291	320 - Provider Network Management	578,206	647,005	68,799
586,939	656,475	69,536	330 - Member Services	1,154,564	1,312,951	158,387
559,640	702,275	142,635	340 - Corporate Services	1,121,090	1,404,550	283,460
83,366	66,363	(17,003)	360 - Audit & Investigative Services	152,342	132,726	(19,616)
39,637	69,250	29,613	410 - Advertising Media	67,005	138,500	71,495
69,703	73,950	4,247	420 - Sales/Marketing/Public Relations	123,104	147,899	24,795
228,332	251,455	23,123	510 - Human Resourses	509,968	502,910	(7,058)
(271,318)	-	271,318	Administrative Expense Adjustment	(253,022)	-	253,022
4,208,389	4,946,622	738,233	Total Administrative Expenses	8,575,847	9,893,244	1,317,397

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED FEBRUARY 28, 2021	JANUARY 2021	FEBRUARY 2021	YEAR TO DATE 2021
110 - Executive	353,943	483,744	837,687
210 - Accounting	203,619	198,129	401,748
220 - Management Information Systems (MIS)	340,212	345,719	685,931
221 - Business Intelligence	-	-	-
222 - Enterprise Development	250,306	269,236	519,542
225 - Infrastructure	365,340	337,172	702,512
230 - Claims	550,124	558,095	1,108,219
240 - Project Management	99,808	119,159	218,967
310 - Health Services - Utilization Management	103,641	120,732	224,373
311 - Health Services - Quality Improvement	18,870	16,833	35,703
312 - Health Services - Education	-	-	-
313- Pharmacy	141,859	137,379	279,238
314 - Health Homes	-	-	-
315 - Case Management	23,536	22,769	46,305
616 - Disease Management	32,453	29,912	62,365
320 - Provider Network Management	304,995	273,211	578,206
330 - Member Services	567,625	586,939	1,154,564
340 - Corporate Services	561,450	559,640	1,121,090
360 - Audit & Investigative Services	68,976	83,366	152,342
410 - Advertising Media	27,368	39,637	67,005
420 - Sales/Marketing/Public Relations	53,401	69,703	123,104
510 - Human Resourses	281,636	228,332	509,968
Total Department Expenses	4,349,162	4,479,707	8,828,869
ADMINISTRATIVE EXPENSE ADJUSTMENT	18,296	(271,318)	(253,022)
Total Administrative Expenses	4,367,458	4,208,389	8,575,847

KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
BALANCE SHEET STATEMENT
AS OF FEBRUARY 28, 2021

ASSETS	FEBRUARY 2021	JANUARY 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 1,135,503	$ 1,135,503	-
Interest Receivable	1,190	595	595
TOTAL CURRENT ASSETS	$ 1,136,693	$ 1,136,098	$ 595
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	$ -	$ -	$ -
NET POSITION:			
Net Position- Beg. of Year	1,138,066	1,138,066	-
Increase (Decrease) in Net Position - Current Year	(1,373)	(1,968)	595
Total Net Position	$ 1,136,693	$ 1,136,098	$ 595
TOTAL LIABILITIES AND NET POSITION	$ 1,136,693	$ 1,136,098	$ 595

KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE MONTH ENDED FEBRUARY 28, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
-	-	-	Members	-	-	-
			REVENUES			
-	-	-	Premium	-	-	-
595	-	595	Interest	1,190	-	1,190
-	-	-	Other Investment Income	(2,563)	-	(2,563)
595	-	595	TOTAL REVENUES	(1,373)	-	(1,373)
			EXPENSES			
			Medical Costs			
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
595	-	595	GROSS MARGIN	(1,373)	-	(1,373)
			Administrative			
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	Total Administrative Expenses	-	-	-
-	-	-	TOTAL EXPENSES	-	-	-
595	-	595	OPERATING INCOME (LOSS)	(1,373)	-	(1,373)
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
595	-	595	NET INCREASE (DECREASE) IN NET POSITION	(1,373)	-	(1,373)
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	0%	0%	0%

KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

KERN HEALTH SYSTEMS

MEDI-CAL	2021 MEMBER MONTHS	JAN'21	FEB'21	MAR'21	APR'21	MAY'21	JUN'21	JUL'21	AUG'21	SEP'21	OCT'21	NOV'21	DEC'21
ADULT AND FAMILY													
ADULT	***104,997***	51,548	53,449	0	0	0	0	0	0	0	0	0	0
CHILD	***258,433***	131,669	126,764	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL ADULT & FAMILY	***363,430***	***183,217***	***180,213***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
OTHER MEMBERS													
PARTIAL DUALS - FAMILY	***926***	403	523	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - CHILD	***-1***	0	-1	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	***4***	2	2	0	0	0	0	0	0	0	0	0	0
BCCTP - TABACCO SETTLEMENT	***0***	0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)													
SPD FULL DUALS	***14,996***	7,441	7,555	0	0	0	0	0	0	0	0	0	0
SUBTOTAL OTHER MEMBERS	***15,925***	***7,846***	***8,079***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
TOTAL FAMILY & OTHER	***379,355***	***191,063***	***188,292***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
SPD													
SPD (AGED AND DISABLED)	***34,919***	16,054	18,865	0	0	0	0	0	0	0	0	0	0
MEDI-CAL EXPANSION													
ACA Expansion Adult-Citizen	**139,900**	70,649	69,251	0	0	0	0	0	0	0	0	0	0
ACA Expansion Duals	**1,223**	751	472	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL MED-CAL EXPANSION	***141,123***	***71,400***	***69,723***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
TOTAL KAISER	***22,243***	***11,047***	***11,196***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
TOTAL MEDI-CAL MEMBERS	***577,640***	***289,564***	***288,076***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 10, 2021

Re: March 2021 Financial Results

The March results reflect a $2,014,471 Net Increase in Net Position which is a $1,431,499 favorable variance to the budget. Listed below are the major variances for the month:

1) Total Revenues reflect a $86.0 million favorable variance primarily due to:

   A) $2.5 million favorable variance primarily due to higher than expected budgeted membership.

   B) $.8 million favorable variance in MCO Tax Premiums primarily due to receiving revised MCO Tax rates for calendar year 2021 from DHCS.

   C) $3.5 million favorable variance in Premium-Hospital Directed Payments (Current Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 2D below. [(1)]

   D) $78.2 million favorable variance in Premium-Hospital Directed Payments (Prior Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 2E below. [(1)]

   E) $1.5 million favorable variance in Rate/Income Adjustments primarily due to retroactive revenue received for the prior year offset against amounts included in 2F below.

   [(1)] In 2019, the Department of Health Care Services (DHCS) implemented two statewide directed payment programs for designated public hospitals (EPP and QIP), and one statewide directed payment program for private hospitals (PHDP). Under these programs KHS pays specified Network Providers in accordance with terms approved by the Centers for Medicare & Medicaid Services (CMS) based on the performance of specified quality measures that became effective with the State fiscal year 2017/18. The payment amounts received by KHS are determined by DHCS. DHCS also determines the exact dollar amounts to pay each hospital. Both payment amounts are designed to be equal with perhaps a slight plus or minus variance occurring due to membership variances. Payments are issued by KHS within 15 days of receiving the funds in conjunction with also receiving appropriate distribution instructions.

2) Total Medical Costs reflect a $85.8 million unfavorable variance primarily due to:

   A) $1.2 million favorable variance in Emergency Room primarily due to lower than expected utilization by Family and Expansion members.

   B) $2.2 million unfavorable variance in Inpatient primarily due to higher than expected utilization by Expansion and SPD members.

   C) $1.7 million unfavorable variance in Other Medical primarily due to higher than expected Skilled Nursing Facility and Hospice utilization ($.6 million) and Provider Covid-19 Expenses ($.7 million)

   D) $3.5 million unfavorable variance in Hospital Directed Payments (Current Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 1C above. (1)

   E) $77.4 million favorable variance in Premium-Hospital Directed Payments (Prior Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 1D above. (1)

   F) $1.7 million unfavorable variance in IBNR, Incentive Paid Claims Adjustment primarily due to increasing the Bridge Risk Corridor Liability to account for amounts included in 1E above. (The purpose of the Bridge Risk Corridor was to mitigate significant upward or downward risk associated with COVID-19 that was unknown at the time that our rates were determined by DHCS for the period July 1, 2019- December 31,2020).

The March Medical Loss Ratio is 94.3% which is unfavorable to the 92.2% budgeted amount. The March Administrative Expense Ratio is 5.1% which is favorable to the 6.6% budgeted amount.

The results for the 3 months ended March 31, 2021 reflect a Net Increase in Net Position of $5,935,324. This is a $4,128,555 favorable variance to budget and includes approximately $.6 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.2% which is unfavorable to the 92.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.4% which is favorable to the 6.6% budgeted amount.

Kern Health Systems
Financial Packet
March 2021

KHS – Medi-Cal Line of Business

KHS Group Health Plan – Healthy Families Line of Business

KHS Administrative Analysis and Other Reporting

KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF NET POSITION
AS OF MARCH 31, 2021

ASSETS	MARCH 2021	FEBRUARY 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 164,710,189	$ 79,253,937	$ 85,456,252
Short-Term Investments	90,684,951	161,378,989	(70,694,038)
Premiums Receivable - Net	102,225,983	112,510,770	(10,284,787)
Premiums Receivable - Hospital Direct Payments	279,887,335	226,081,325	53,806,010
Interest Receivable	78,095	192,810	(114,715)
Provider Advance Payment	5,506,518	5,506,518	-
Other Receivables	958,891	1,356,469	(397,578)
Prepaid Expenses & Other Current Assets	3,118,904	2,979,660	139,244
Total Current Assets	$ 647,170,866	$ 589,260,478	$ 57,910,388
CAPITAL ASSETS - NET OF ACCUM DEPRE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,980,267	2,027,361	(47,094)
Computer Hardware and Software - Net	14,229,805	14,509,483	(279,678)
Building and Building Improvements - Net	35,121,198	35,196,893	(75,695)
Capital Projects in Progress	12,830,876	12,697,216	133,660
Total Capital Assets	$ 68,252,852	$ 68,521,659	$ (268,807)
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,556,621	1,556,944	(323)
Total Long Term Assets	$ 1,856,621	$ 1,856,944	$ (323)
DEFERRED OUTFLOWS OF RESOURCES	$ 3,018,341	$ 3,018,341	$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 720,298,680	$ 662,657,422	$ 57,641,258
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	$ 3,838,557	$ 3,783,861	54,696
Accrued Other Operating Expenses	1,310,747	1,590,824	(280,077)
Accrued Taxes and Licenses	26,563,149	17,629,921	8,933,228
Claims Payable (Reported)	24,068,549	30,739,256	(6,670,707)
IBNR - Inpatient Claims	38,257,461	38,020,148	237,313
IBNR - Physician Claims	14,248,031	17,106,358	(2,858,327)
IBNR - Accrued Other Medical	24,121,218	26,758,443	(2,637,225)
Risk Pool and Withholds Payable	5,893,055	5,366,985	526,070
Statutory Allowance for Claims Processing Expense	2,225,904	2,225,904	-
Other Liabilities	58,344,105	53,828,299	4,515,806
Accrued Hospital Directed Payments	279,887,335	226,081,325	53,806,010
Total Current Liabilities	$ 478,758,111	$ 423,131,324	$ 55,626,787
NONCURRENT LIABILITIES:			
Net Pension Liability	8,432,377	8,432,377	-
TOTAL NONCURRENT LIABILITIES	$ 8,432,377	$ 8,432,377	$ -
DEFERRED INFLOWS OF RESOURCES	$ 86,684	$ 86,684	$ -
NET POSITION:			
Net Position - Beg. of Year	227,086,184	227,086,184	-
Increase (Decrease) in Net Position - Current Year	5,935,324	3,920,853	2,014,471
Total Net Position	$ 233,021,508	$ 231,007,037	$ 2,014,471
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 720,298,680	$ 662,657,422	$ 57,641,258

KERN HEALTH SYSTEMS
MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE MONTH ENDED MARCH 31, 2021

CURRENT MONTH MEMBERS				YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
186,181	182,200	3,981	Family Members	549,611	545,400	4,211
73,427	70,565	2,862	Expansion Members	214,550	211,695	2,855
15,328	15,230	98	SPD Members	50,168	45,690	4,478
8,036	7,000	1,036	Other Members	24,040	21,000	3,040
11,349	10,500	849	Kaiser Members	33,592	31,500	2,092
294,321	285,495	8,826	T o t a l M e m b e r s - MCAL	871,961	855,285	16,676
			R E V E N U E S			
33,587,650	32,182,352	1,405,298	Title XIX - Medicaid - Family and Other	100,207,844	96,421,955	3,785,889
28,063,951	26,861,201	1,202,750	Title XIX - Medicaid - Expansion Members	83,332,838	80,583,603	2,749,235
15,407,903	15,473,370	(65,467)	Title XIX - Medicaid - SPD Members	46,103,312	46,420,111	(316,799)
9,752,737	8,904,649	848,088	Premium - MCO Tax	28,988,151	26,713,946	2,274,205
12,949,303	9,474,380	3,474,923	Premium - Hospital Directed Payments	43,301,488	28,412,759	14,888,729
(249,580)	165,442	(415,022)	Investment Earnings And Other Income	(128,806)	495,278	(624,084)
	79,749	(79,749)	Reinsurance Recoveries	-	238,898	(238,898)
78,150,342	-	78,150,342	Rate Adjustments - Hospital Directed Payments	78,212,209	-	78,212,209
1,527,455	-	1,527,455	Rate/Income Adjustments	2,922,019	-	2,922,019
179,189,761	93,141,142	86,048,619	TOTAL REVENUES	382,939,055	279,286,549	103,652,506
			E X P E N S E S			
			Medical Costs:			
15,058,794	15,102,995	44,201	Physician Services	44,697,494	45,260,760	563,266
5,048,627	4,718,785	(329,842)	Other Professional Services	14,354,120	14,148,532	(205,588)
4,353,449	5,546,154	1,192,705	Emergency Room	13,450,213	16,617,676	3,167,463
17,577,565	15,367,571	(2,209,994)	I n p a t i e n t	56,752,278	46,066,126	(10,686,152)
80,461	79,749	(712)	Reinsurance Expense	242,446	238,898	(3,548)
7,160,111	6,973,161	(186,950)	Outpatient Hospital	20,879,207	20,903,595	24,388
11,840,899	10,118,882	(1,722,017)	Other Medical	32,894,241	30,324,185	(2,570,056)
10,299,227	10,469,400	170,173	Pharmacy	28,449,207	31,388,249	2,939,042
526,070	522,491	(3,580)	Pay for Performance Quality Incentive	1,584,435	1,565,192	(19,244)
-	-	-	Risk Corridor Expense	-	-	-
12,949,303	9,474,380	(3,474,923)	Hospital Directed Payments	43,301,488	28,412,759	(14,888,729)
77,356,953	-	(77,356,953)	Hospital Directed Payment Adjustment	77,418,821	-	(77,418,821)
212,564	-	(212,564)	Non-Claims Expense Adjustment	732,999	-	(732,999)
1,700,070	-	(1,700,070)	IBNR, Incentive, Paid Claims Adjustment	2,563,515	-	(2,563,515)
164,164,093	78,373,566	(85,790,527)	Total Medical Costs	337,320,464	234,925,971	(102,394,493)
15,025,668	14,767,576	258,092	GROSS MARGIN	45,618,591	44,360,578	1,258,013
			Administrative:			
2,457,160	2,856,030	398,870	Compensation	8,137,848	8,568,091	430,243
941,200	1,071,006	129,806	Purchased Services	2,584,260	3,213,018	628,758
4,446	133,106	128,660	Supplies	119,454	399,319	279,865
426,541	500,520	73,979	Depreciation	1,272,208	1,501,561	229,353
102,962	385,959	282,997	Other Administrative Expenses	647,408	1,157,878	510,470
57,294	-	(57,294)	Administrative Expense Adjustment	(195,728)	-	195,728
3,989,603	4,946,622	957,019	Total Administrative Expenses	12,565,450	14,839,866	2,274,416
168,153,696	83,320,188	(84,833,508)	TOTAL EXPENSES	349,885,914	249,765,837	(100,120,077)
11,036,065	9,820,954	1,215,111	OPERATING INCOME (LOSS) BEFORE TAX	33,053,141	29,520,712	3,532,429
8,933,228	8,904,649	(28,579)	MCO TAX	26,740,820	26,713,946	(26,874)
2,102,837	916,305	1,186,532	OPERATING INCOME (LOSS) NET OF TAX	6,312,321	2,806,766	3,505,555
			NONOPERATING REVENUE (EXPENSE)			
-	-	-	Gain on Sale of Assets	-	-	-
75,749	(166,667)	242,416	Provider Recruitment and Retention Grants	(87,043)	(499,999)	412,956
(164,115)	(166,666)	2,551	Health Home	(289,954)	(499,998)	210,044
(88,366)	(333,333)	244,967	TOTAL NONOPERATING REVENUE (EXPENSE)	(376,997)	(999,997)	623,000
2,014,471	582,972	1,431,499	NET INCREASE (DECREASE) IN NET POSITION	5,935,324	1,806,769	4,128,555
94.3%	92.2%	-2.1%	MEDICAL LOSS RATIO	93.2%	92.1%	-1.1%
5.1%	6.6%	1.5%	ADMINISTRATIVE EXPENSE RATIO	5.4%	6.6%	1.2%

KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM
FOR THE MONTH ENDED MARCH 31, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
186,181	182,200	3,981	Family Members	549,611	545,400	4,211
73,427	70,565	2,862	Expansion Members	214,550	211,695	2,855
15,328	15,230	98	SPD Members	50,168	45,690	4,478
8,036	7,000	1,036	Other Members	24,040	21,000	3,040
11,349	10,500	849	Kaiser Members	33,592	31,500	2,092
294,321	285,495	8,826	Total Members - MCAL	871,961	855,285	16,676
			REVENUES			
172.94	170.10	2.84	Title XIX - Medicaid - Family and Other	174.68	170.24	4.45
382.20	380.66	1.54	Title XIX - Medicaid - Expansion Members	388.41	380.66	7.75
1,005.21	1,015.98	(10.77)	Title XIX - Medicaid - SPD Members	918.98	1,015.98	(97.00)
34.47	32.38	2.08	Premium - MCO Tax	34.58	32.43	2.15
45.76	34.45	11.31	Premium - Hospital Directed Payments	51.65	34.49	17.16
(0.88)	0.60	(1.48)	Investment Earnings And Other Income	(0.15)	0.60	(0.75)
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)
276.18	0.00	276.18	Rate Adjustments - Hospital Directed Payments	93.29	0.00	93.29
5.40	0.00	5.40	Rate/Income Adjustments	3.49	0.00	3.49
633.24	338.70	294.54	TOTAL REVENUES	456.77	339.03	117.74
			EXPENSES			
			Medical Costs:			
53.22	54.92	1.70	Physician Services	53.31	54.94	1.63
17.84	17.16	(0.68)	Other Professional Services	17.12	17.18	0.05
15.38	20.17	4.78	Emergency Room	16.04	20.17	4.13
62.12	55.88	(6.23)	Inpatient	67.69	55.92	(11.77)
0.28	0.29	0.01	Reinsurance Expense	0.29	0.29	0.00
25.30	25.36	0.05	Outpatient Hospital	24.90	25.38	0.47
41.84	36.80	(5.05)	Other Medical	39.24	36.81	(2.43)
36.40	38.07	1.67	Pharmacy	33.93	38.10	4.17
1.86	1.90	0.04	Pay for Performance Quality Incentive	1.89	1.90	0.01
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00
45.76	34.45	(11.31)	Hospital Directed Payments	51.65	34.49	(17.16)
273.37	0.00	(273.37)	Hospital Directed Payment Adjustment	92.34	0.00	(92.34)
0.75	0.00	(0.75)	Non-Claims Expense Adjustment	0.87	0.00	(0.87)
6.01	0.00	(6.01)	IBNR, Incentive, Paid Claims Adjustment	3.06	0.00	(3.06)
580.14	285.00	(295.14)	Total Medical Costs	402.35	285.18	(117.17)
53.10	53.70	(0.60)	GROSS MARGIN	54.41	53.85	0.56
			Administrative:			
8.68	10.39	1.70	Compensation	9.71	10.40	0.69
3.33	3.89	0.57	Purchased Services	3.08	3.90	0.82
0.02	0.48	0.47	Supplies	0.14	0.48	0.34
1.51	1.82	0.31	Depreciation	1.52	1.82	0.31
0.36	1.40	1.04	Other Administrative Expenses	0.77	1.41	0.63
0.20	0.00	(0.20)	Administrative Expense Adjustment	(0.23)	0.00	0.23
14.10	17.99	3.89	Total Administrative Expenses	14.99	18.01	3.03
594.24	302.99	(291.25)	TOTAL EXPENSES	417.34	303.19	(114.15)
39.00	35.71	3.29	OPERATING INCOME (LOSS) BEFORE TAX	39.43	35.84	3.59
31.57	32.38	0.81	MCO TAX	31.90	32.43	0.53
7.43	3.33	4.10	OPERATING INCOME (LOSS) NET OF TAX	7.53	3.41	4.12
			NONOPERATING REVENUE (EXPENSE)			
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00
0.27	(0.61)	0.87	Reserve Fund Projects/Community Grants	(0.10)	(0.61)	0.50
(0.58)	(0.61)	0.03	Health Home	(0.35)	(0.61)	0.26
(0.31)	(1.21)	0.90	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.45)	(1.21)	0.76
7.12	2.12	5.00	NET INCREASE (DECREASE) IN NET POSITION	7.08	2.19	4.89
94.3%	92.2%	-2.1%	MEDICAL LOSS RATIO	93.2%	92.1%	-1.1%
5.1%	6.6%	1.5%	ADMINISTRATIVE EXPENSE RATIO	5.4%	6.6%	1.2%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH MARCH 31, 2021	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	3,488,191
REVENUES														
Title XIX - Medicaid - Family and Other	28,589,738	27,567,358	28,170,470	30,522,053	29,997,411	30,548,160	30,419,692	33,387,274	30,920,096	32,216,002	33,254,490	33,365,704	33,587,650	402,546,098
Title XIX - Medicaid - Expansion Members	23,548,401	22,679,789	23,386,527	24,776,875	24,533,357	24,848,094	25,069,155	27,568,938	25,504,052	27,197,954	27,548,311	27,720,576	28,063,951	332,445,980
Title XIX - Medicaid - SPD Members	15,275,980	14,884,891	14,967,019	15,603,750	15,224,387	15,192,022	15,191,965	14,457,143	16,007,482	15,504,966	15,326,978	15,368,431	15,407,903	198,412,917
Premium - MCO Tax	7,586,709	7,915,338	7,915,091	8,023,287	8,236,232	8,333,151	8,332,682	9,166,454	8,420,487	8,830,398	9,577,432	9,657,982	9,752,737	111,747,980
Premium - Hospital Directed Payments	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	128,547,027
Investment Earnings And Other Income	424,094	266,256	323,827	62,534	315,583	173,465	(14,474)	151,948	166,556	147,197	4,303	116,471	(249,580)	1,888,180
Reinsurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate Adjustments - Hospital Directed Payments	42,436	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	39,990	21,877	78,150,342	26,256,828
Rate/Income Adjustments	616,798	(4,529,302)	444,891	476,588	135,705	291,820	70,321	(582,499)	127,031	226,726	799,886	594,678	1,527,455	200,098
TOTAL REVENUES	87,579,613	80,435,517	86,859,012	91,604,031	17,506,553	88,503,816	88,185,134	94,104,369	90,469,419	93,858,589	101,673,293	102,076,001	179,189,761	1,202,045,108
EXPENSES														
Medical Costs:														
Physician Services	14,351,280	12,418,888	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	13,867,872	12,660,363	14,907,160	14,731,540	15,058,794	177,396,031
Other Professional Services	4,024,762	3,908,759	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	4,389,484	4,935,401	4,421,552	4,883,941	5,048,627	56,176,009
Emergency Room	5,370,795	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	4,814,428	4,638,713	3,194,257	4,676,327	4,420,437	4,353,449	56,249,122
Inpatient	14,743,904	15,995,368	14,410,696	17,115,732	17,082,368	16,635,497	17,879,275	17,137,251	17,212,070	19,183,080	19,853,180	19,321,533	17,577,565	224,147,519
Reinsurance Expense	(213)	77,341	69,310	73,356	75,202	76,284	76,523	77,652	84,521	77,390	81,215	80,770	80,461	929,812
Outpatient Hospital	6,566,090	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	6,653,372	6,209,999	6,565,195	7,108,674	6,610,422	7,160,111	84,937,419
Other Medical	10,653,430	8,832,073	10,860,308	9,199,742	11,504,806	9,055,443	14,033,235	12,916,278	10,958,385	13,070,247	10,641,113	10,412,229	11,840,899	143,978,188
Pharmacy	10,311,873	8,667,925	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	8,717,167	9,651,881	9,100,359	9,049,621	10,299,227	119,777,129
Pay for Performance Quality Incentive	503,104	509,814	508,354	519,184	523,464	529,498	529,498	556,200	544,962	-	529,182	529,183	526,070	6,308,513
Risk Corridor Expense	-	-	-	4,700,000	(2,000,000)	-	(2,700,000)	-	-	-	-	-	-	-
Hospital Directed Payments	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	128,547,027
Hospital Directed Payment Adjustment	42,436	36,523	36,524	(10,733)	(52,075,301)	(233,958)	4,234	77	6,596	(1,263)	39,990	21,878	77,356,953	25,223,956
Non-Claims Expense Adjustment	(1,583,770)	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	5,124	(209,309)	1,598	287,063	233,372	212,564	(2,010,522)
IBNR, Incentive, Paid Claims Adjustment	(2,649,204)	(4,444,586)	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(5,474)	205,986	316,193	4,787	858,658	1,700,070	(8,522,725)
Total Medical Costs	73,829,944	67,702,880	71,626,453	76,311,140	3,228,909	73,696,401	74,755,703	79,333,670	75,939,534	79,392,380	86,772,505	86,383,866	164,164,093	1,013,137,478
GROSS MARGIN	13,749,669	12,732,637	15,232,559	15,292,891	14,277,644	14,807,415	13,429,431	14,770,699	14,529,885	14,466,209	14,900,788	15,692,135	15,025,668	188,907,630
Administrative:														
Compensation	2,447,667	2,678,816	2,375,693	2,835,739	2,732,099	2,597,575	2,636,509	2,613,272	2,456,357	2,766,869	2,772,584	2,908,104	2,457,160	34,278,444
Purchased Services	867,391	644,717	903,379	1,142,683	859,845	819,771	421,612	689,841	745,537	1,172,530	818,908	824,152	941,200	10,851,566
Supplies	99,552	60,138	59,208	29,774	71,551	63,919	71,111	34,967	106,489	39,305	57,592	57,416	4,446	755,468
Depreciation	300,318	300,318	924,253	418,036	417,768	418,389	419,251	419,796	419,850	421,301	422,833	422,834	426,541	5,731,488
Other Administrative Expenses	269,559	441,804	223,548	345,337	240,778	254,091	296,858	137,960	242,696	351,189	277,245	267,201	102,962	3,451,228
Administrative Expense Adjustment	-	-	-	(212,229)	-	-	-	-	-	1,407,045	18,296	(271,318)	57,294	999,088
Total Administrative Expenses	3,984,487	4,125,793	4,486,081	4,559,340	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	4,367,458	4,208,389	3,989,603	56,067,282
TOTAL EXPENSES	77,814,431	71,828,673	76,112,534	80,870,480	7,550,950	77,850,146	78,601,044	83,229,506	79,910,463	85,550,619	91,139,963	90,592,255	168,153,696	1,069,204,760
OPERATING INCOME (LOSS) BEFORE TAX	9,765,182	8,606,844	10,746,478	10,733,551	9,955,603	10,653,670	9,584,090	10,874,863	10,558,956	8,307,970	10,533,330	11,483,746	11,036,065	132,840,348
MCO TAX	7,586,709	7,915,243	7,914,997	7,915,244	8,904,648	8,905,117	8,904,649	8,904,648	8,904,649	8,904,649	8,902,943	8,904,649	8,933,228	111,501,373
OPERATING INCOME (LOSS) NET OF TAX	2,178,473	691,601	2,831,481	2,818,307	1,050,955	1,748,553	679,441	1,970,215	1,654,307	(596,679)	1,630,387	2,579,097	2,102,837	21,338,975
TOTAL NONOPERATING REVENUE (EXPENSE)	(1,076,457)	424,682	(587,120)	(479,019)	462,756	(687,453)	(176,843)	(1,188,755)	(931,682)	1,433,032	(137,472)	(151,159)	(88,366)	(3,183,856)
NET INCREASE (DECREASE) IN NET POSITION	1,102,016	1,116,283	2,244,361	2,339,288	1,513,711	1,061,100	502,598	781,460	722,625	836,353	1,492,915	2,427,938	2,014,471	18,155,119
MEDICAL LOSS RATIO	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	91.9%
ADMINISTRATIVE EXPENSE RATIO	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	6.0%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH MARCH 31, 2021	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	3,488,191
REVENUES														
Title XIX - Medicaid - Family and Other	163.16	157.08	158.57	169.56	165.45	166.87	166.16	173.40	164.62	168.64	174.01	177.17	172.94	167.19
Title XIX - Medicaid - Expansion Members	388.37	369.04	373.98	388.48	377.98	376.19	379.54	393.46	371.41	384.47	385.83	397.58	382.20	380.67
Title XIX - Medicaid - SPD Members	973.74	930.77	938.61	987.39	981.08	972.23	972.22	945.03	1,012.68	989.03	957.28	816.21	1,005.21	958.04
Premium - MCO Tax	30.16	31.29	30.90	30.91	31.47	31.48	29.96	33.64	30.61	31.83	34.39	34.88	34.47	32.04
Premium - Hospital Directed Payments	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	36.85
Investment Earnings And Other Income	1.69	1.05	1.26	0.24	1.21	0.66	(0.05)	0.56	0.61	0.53	0.02	0.42	(0.88)	0.54
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.17	0.14	0.14	(0.04)	(198.96)	0.02	0.01	0.00	0.04	(0.01)	0.14	0.08	276.18	7.53
Rate/Income Adjustments	2.45	(17.91)	1.74	1.84	0.52	1.10	0.25	(2.14)	0.46	0.82	2.87	2.15	5.40	0.06
TOTAL REVENUES	348.16	317.99	339.12	352.88	66.89	334.29	317.10	345.36	328.88	338.29	365.05	368.67	633.24	344.60
EXPENSES														
Medical Costs:														
Physician Services	57.05	49.10	48.53	45.48	51.04	49.61	52.19	51.96	50.41	45.63	53.52	53.21	53.22	50.86
Other Professional Services	16.00	15.45	13.62	13.04	16.89	17.45	17.41	13.97	15.96	17.79	15.88	17.64	17.84	16.10
Emergency Room	21.35	15.08	16.45	12.96	13.95	18.18	17.71	17.67	16.86	11.51	16.79	15.97	15.38	16.13
Inpatient	58.61	63.24	56.26	65.93	65.27	62.83	64.29	62.89	62.57	69.14	71.28	69.78	62.12	64.26
Reinsurance Expense	(0.00)	0.31	0.27	0.28	0.29	0.29	0.28	0.28	0.31	0.28	0.29	0.29	0.28	0.27
Outpatient Hospital	26.10	24.79	20.30	24.84	24.63	26.04	24.47	24.42	22.58	23.66	25.52	23.87	25.30	24.35
Other Medical	42.35	34.92	42.40	35.44	43.96	34.20	50.46	47.40	39.84	47.11	38.21	37.61	41.84	41.28
Pharmacy	40.99	34.27	33.64	32.03	33.55	34.68	35.34	33.98	31.69	34.79	32.67	32.68	36.40	34.34
Pay for Performance Quality Incentive	2.00	2.02	1.98	2.00	2.00	2.00	1.90	2.04	1.98	0.00	1.90	1.91	1.86	1.81
Risk Corridor Expense	0.00	0.00	0.00	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hospital Directed Payments	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	36.85
Hospital Directed Payment Adjustment	0.17	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	0.02	(0.00)	0.14	0.08	273.37	7.23
Non-Claims Expense Adjustment	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	0.01	1.03	0.84	0.75	(0.58)
IBNR, Incentive, Paid Claims Adjustment	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	1.14	0.02	3.10	6.01	(2.44)
Total Medical Costs	293.50	267.65	279.64	293.97	12.34	278.36	268.81	291.15	276.06	286.15	311.55	311.99	580.14	290.45
GROSS MARGIN	54.66	50.34	59.47	58.91	54.55	55.93	48.29	54.21	52.82	52.14	53.50	56.67	53.10	54.16
Administrative:														
Compensation	9.73	10.59	9.28	10.92	10.44	9.81	9.48	9.59	8.93	9.97	9.95	10.50	8.68	9.83
Purchased Services	3.45	2.55	3.53	4.40	3.29	3.10	1.52	2.53	2.71	4.23	2.94	2.98	3.33	3.11
Supplies	0.40	0.24	0.23	0.11	0.27	0.24	0.26	0.13	0.39	0.14	0.21	0.21	0.02	0.22
Depreciation	1.19	1.19	3.61	1.61	1.60	1.58	1.51	1.54	1.53	1.52	1.52	1.53	1.51	1.64
Other Administrative Expenses	1.07	1.75	0.87	1.33	0.92	0.96	1.07	0.51	0.88	1.27	1.00	0.97	0.36	0.99
Administrative Expense Adjustment	0.00	0.00	0.00	(0.82)	0.00	0.00	0.00	0.00	0.00	5.07	0.07	(0.98)	0.20	0.29
Total Administrative Expenses	15.84	16.31	17.51	17.56	16.51	15.69	13.83	14.30	14.44	22.20	15.68	15.20	14.10	16.07
TOTAL EXPENSES	309.34	283.96	297.16	311.53	28.85	294.05	282.64	305.45	290.50	308.34	327.23	327.19	594.24	306.52
OPERATING INCOME (LOSS) BEFORE TAX	38.82	34.03	41.96	41.35	38.04	40.24	34.46	39.91	38.39	29.94	37.82	41.48	39.00	38.08
MCO TAX	30.16	31.29	30.90	30.49	34.02	33.64	32.02	32.68	32.37	32.09	31.97	32.16	31.57	31.97
OPERATING INCOME (LOSS) NET OF TAX	8.66	2.73	11.05	10.86	4.02	6.60	2.44	7.23	6.01	(2.15)	5.85	9.31	7.43	6.12
TOTAL NONOPERATING REVENUE (EXPENSE)	(4.28)	1.68	(2.29)	(1.85)	1.77	(2.60)	(0.64)	(4.36)	(3.39)	5.16	(0.49)	(0.55)	(0.31)	(0.91)
NET INCREASE (DECREASE) IN NET POSITION	4.38	4.41	8.76	9.01	5.78	4.01	1.81	2.87	2.63	3.01	5.36	8.77	7.12	5.20
MEDICAL LOSS RATIO	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	91.9%
ADMINISTRATIVE EXPENSE RATIO	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	6.0%

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED MARCH 31, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			REVENUES			
			Title XIX - Medicaid - Family & Other			
26,506,668	24,914,403	1,592,265	Premium - Medi-Cal	78,808,523	74,642,830	4,165,693
2,065,441	2,520,887	(455,446)	Premium - Maternity Kick	6,906,912	7,562,661	(655,749)
39,314	79,533	(40,219)	Premium - Hep C Kick	117,942	238,095	(120,153)
714,038	486,968	227,070	Premium - BHT Kick	1,680,163	1,457,816	222,347
143,222	176,135	(32,913)	Premium - Health Home Kick	427,473	527,287	(99,814)
3,577,688	3,470,164	107,524	Premium - Provider Enhancement	10,649,275	10,392,948	256,327
177,991	168,685	9,306	Premium - Ground Emergency Medical Transportation	529,319	505,382	23,937
252,803	273,811	(21,008)	Premium - Behavorial Health Integration Program	760,601	819,696	(59,095)
110,485	91,766	18,719	Other	327,636	275,238	52,398
33,587,650	32,182,352	1,405,298	Total Title XIX - Medicaid - Family & Other	100,207,844	96,421,953	3,785,891
			Title XIX - Medicaid - Expansion Members			
25,403,025	24,339,803	1,063,222	Premium - Medi-Cal	75,455,389	73,019,409	2,435,980
410,271	214,253	196,018	Premium - Maternity Kick	1,141,921	642,759	499,162
190,018	202,017	(11,999)	Premium - Hep C Kick	596,262	606,051	(9,789)
257,294	356,121	(98,827)	Premium - Health Home Kick	776,119	1,068,363	(292,244)
1,499,239	1,455,050	44,189	Premium - Provider Enhancement	4,455,248	4,365,150	90,098
179,260	165,235	14,025	Premium - Ground Emergency Medical Transportation	532,677	495,705	36,972
93,593	102,122	(8,529)	Premium - Behavorial Health Integration Program	282,467	306,366	(23,899)
31,251	26,600	4,651	Other	92,755	79,800	12,955
28,063,951	26,861,201	1,202,750	Total Title XIX - Medicaid - Expansion Members	83,332,838	80,583,603	2,749,235
			Title XIX - Medicaid - SPD Members			
13,948,804	13,653,527	295,277	Premium - Medi-Cal	42,011,993	40,960,581	1,051,412
26,210	100,288	(74,078)	Premium - Hep C Kick	69,892	300,864	(230,972)
600,359	763,566	(163,207)	Premium - BHT Kick	1,502,299	2,290,698	(788,399)
220,439	351,842	(131,403)	Premium - Health Home Kick	679,766	1,055,526	(375,760)
455,449	454,632	817	Premium - Provider Enhancement	1,371,753	1,363,896	7,857
131,367	127,475	3,892	Premium - Ground Emergency Medical Transportation	395,662	382,425	13,237
25,275	22,041	3,234	Premium - Behavorial Health Integration Program	71,947	66,123	5,824
15,407,903	15,473,370	(65,467)	Total Title XIX - Medicaid - SPD Members	46,103,312	46,420,112	(316,800)

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED MARCH 31, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
3,567,494	3,053,602	(513,892)	Primary Care Physician Services	9,492,818	9,148,332	(344,486)
9,997,168	10,546,692	549,524	Referral Specialty Services	30,681,234	31,611,091	929,857
1,484,832	1,493,401	8,569	Urgent Care & After Hours Advise	4,496,442	4,474,337	(22,105)
9,300	9,300	-	Hospital Admitting Team	27,000	27,000	-
15,058,794	15,102,995	44,201	TOTAL PHYSICIAN SERVICES	44,697,494	45,260,760	563,266
			OTHER PROFESSIONAL SERVICES			
292,443	293,807	1,364	Vision Service Capitation	878,939	880,142	1,203
197,310	212,115	14,805	221 - Business Intelligence	630,388	636,345	5,957
605,345	597,920	(7,425)	310 - Health Services - Utilization Management - UM Allocation *	1,764,255	1,793,760	29,505
154,295	189,152	34,857	311 - Health Services - Quality Improvement - UM Allocation *	416,126	567,456	151,330
95,259	123,337	28,078	312 - Health Services - Education - UM Allocation *	340,029	370,009	29,980
75,552	80,283	4,731	313 - Health Services - Pharmacy - UM Allocation *	225,967	240,849	14,882
173,098	210,465	37,367	314 - Health Homes - UM Allocation *	412,585	631,395	218,810
281,125	270,692	(10,433)	315 - Case Management - UM Allocation *	813,616	812,076	(1,540)
72,219	56,773	(15,446)	616 - Disease Management - UM Allocation *	193,281	170,319	(22,962)
1,407,309	1,250,534	(156,775)	Behavior Health Treatment	3,222,770	3,748,513	525,743
96,618	189,045	92,427	Mental Health Services	570,884	566,680	(4,204)
1,598,054	1,244,662	(353,392)	Other Professional Services	4,885,280	3,730,987	(1,154,293)
5,048,627	4,718,785	(329,842)	TOTAL OTHER PROFESSIONAL SERVICES	14,354,120	14,148,532	(205,588)
4,353,449	5,546,154	1,192,705	EMERGENCY ROOM	13,450,213	16,617,676	3,167,463
17,577,565	15,367,571	(2,209,994)	INPATIENT HOSPITAL	56,752,278	46,066,126	(10,686,152)
80,461	79,749	(712)	REINSURANCE EXPENSE PREMIUM	242,446	238,898	(3,548)
7,160,111	6,973,161	(186,950)	OUTPATIENT HOSPITAL SERVICES	20,879,207	20,903,595	24,388
			OTHER MEDICAL			
1,444,178	1,545,289	101,111	Ambulance and NEMT	4,053,188	4,630,664	577,476
853,147	424,739	(428,408)	Home Health Services & CBAS	1,926,451	1,273,245	(653,206)
688,633	491,325	(197,308)	Utilization and Quality Review Expenses	1,289,828	1,473,975	184,147
1,933,711	1,298,856	(634,855)	Long Term/SNF/Hospice	4,683,120	3,894,911	(788,209)
334,675	393,824	59,149	Health Home Capitation & Incentive	839,820	1,180,524	340,704
5,265,692	5,105,480	(160,212)	Provider Enhancement Expense - Prop. 56	15,682,846	15,295,169	(387,677)
265,311	461,395	196,084	Provider Enhancement Expense - GEMT	1,178,072	1,383,512	205,440
683,880	-	(683,880)	Provider COVID-19 Expenes	2,125,900	-	(2,125,900)
371,672	397,974	26,302	Behaviorial Health Integration Program	1,115,016	1,192,185	77,169
11,840,899	10,118,882	(1,722,017)	TOTAL OTHER MEDICAL	32,894,241	30,324,185	(2,570,056)
			PHARMACY SERVICES			
9,316,542	9,352,351	35,809	RX - Drugs & OTC	25,571,388	28,039,050	2,467,662
249,449	381,838	132,389	RX - HEP-C	759,408	1,145,008	385,600
868,236	768,566	(99,670)	Rx - DME	2,523,411	2,304,190	(219,221)
(135,000)	(33,355)	101,645	RX - Pharmacy Rebates	(405,000)	(100,000)	305,000
10,299,227	10,469,400	170,173	TOTAL PHARMACY SERVICES	28,449,207	31,388,249	2,939,042
526,070	522,491	(3,580)	PAY FOR PERFORMANCE QUALITY INCENTIVE	1,584,435	1,565,192	(19,244)
	-	-	RISK CORRIDOR EXPENSE	-	-	-
12,949,303	9,474,380	(3,474,923)	HOSPITAL DIRECTED PAYMENTS	43,301,488	28,412,759	(14,888,729)
77,356,953	-	(77,356,953)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	77,418,821	-	(77,418,821)
212,564	-	(212,564)	NON-CLAIMS EXPENSE ADJUSTMENT	732,999	-	(732,999)
1,700,070	-	(1,700,070)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	2,563,515	-	(2,563,515)
164,164,093	78,373,566	(85,790,527)	Total Medical Costs	337,320,464	234,925,971	(102,394,493)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM
FOR THE MONTH ENDED MARCH 31, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
12.61	11.10	(1.50)	Primary Care Physician Services	11.32	11.11	(0.22)
35.33	38.35	3.02	Referral Specialty Services	36.60	38.37	1.78
5.25	5.43	0.18	Urgent Care & After Hours Advise	5.36	5.43	0.07
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
53.22	54.92	1.70	TOTAL PHYSICIAN SERVICES	53.31	54.94	1.63
			OTHER PROFESSIONAL SERVICES			
1.03	1.07	0.03	Vision Service Capitation	1.05	1.07	0.02
0.70	0.77	0.07	221 - Business Intelligence	0.75	0.77	0.02
2.14	2.17	0.04	310 - Health Services - Utilization Management - UM Allocation *	2.10	2.18	0.07
0.55	0.69	0.14	311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.69	0.19
0.34	0.45	0.11	312 - Health Services - Education - UM Allocation *	0.41	0.45	0.04
0.27	0.29	0.02	313 - Health Services - Pharmacy - UM Allocation *	0.27	0.29	0.02
0.61	0.77	0.15	314 - Health Homes - UM Allocation *	0.49	0.77	0.27
0.99	0.98	(0.01)	315 - Case Management - UM Allocation *	0.97	0.99	0.02
0.26	0.21	(0.05)	616 - Disease Management - UM Allocation *	0.23	0.21	(0.02)
4.97	4.55	(0.43)	Behavior Health Treatment	3.84	4.55	0.71
0.34	0.69	0.35	Mental Health Services	0.68	0.69	0.01
5.65	4.53	(1.12)	Other Professional Services	5.83	4.53	(1.30)
17.84	17.16	(0.68)	TOTAL OTHER PROFESSIONAL SERVICES	17.12	17.18	0.05
15.38	20.17	4.78	EMERGENCY ROOM	16.04	20.17	4.13
62.12	55.88	(6.23)	INPATIENT HOSPITAL	67.69	55.92	(11.77)
0.28	0.29	0.01	REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.00
25.30	25.36	0.05	OUTPATIENT HOSPITAL SERVICES	24.90	25.38	0.47
			OTHER MEDICAL			
5.10	5.62	0.52	Ambulance and NEMT	4.83	5.62	0.79
3.01	1.54	(1.47)	Home Health Services & CBAS	2.30	1.55	(0.75)
2.43	1.79	(0.65)	Utilization and Quality Review Expenses	1.54	1.79	0.25
6.83	4.72	(2.11)	Long Term/SNF/Hospice	5.59	4.73	(0.86)
1.18	1.43	0.25	Health Home Capitation & Incentive	1.00	1.43	0.43
18.61	18.57	(0.04)	Provider Enhancement Expense - Prop. 56	18.71	18.57	(0.14)
0.94	1.68	0.74	Provider Enhancement Expense - GEMT	1.41	1.68	0.27
2.42	0.00	(2.42)	Provider COVID-19 Expenes	2.54	0.00	(2.54)
1.31	1.45	0.13	Behaviorial Health Integration Program	1.33	1.45	0.12
41.84	36.80	(5.05)	TOTAL OTHER MEDICAL	39.24	36.81	(2.43)
			PHARMACY SERVICES			
32.92	34.01	1.09	RX - Drugs & OTC	30.50	34.04	3.54
0.88	1.39	0.51	RX - HEP-C	0.91	1.39	0.48
3.07	2.79	(0.27)	Rx - DME	3.01	2.80	(0.21)
(0.48)	(0.12)	0.36	RX - Pharmacy Rebates	(0.48)	(0.12)	0.36
36.40	38.07	1.67	TOTAL PHARMACY SERVICES	33.93	38.10	4.17
1.86	1.90	0.04	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.89	1.90	0.01
0.00	0.00	0.00	RISK CORRIDOR EXPENSE	0.00	0.00	0.00
45.76	34.45	(11.31)	HOSPITAL DIRECTED PAYMENTS	51.65	34.49	(17.16)
273.37	0.00	(273.37)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	92.34	0.00	(92.34)
0.75	0.00	(0.75)	NON-CLAIMS EXPENSE ADJUSTMENT	0.87	0.00	(0.87)
6.01	0.00	(6.01)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	3.06	0.00	(3.06)
580.14	285.00	(295.14)	Total Medical Costs	402.35	285.18	(117.17)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH MARCH 31, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES				
Primary Care Physician Services	2,962,264	2,963,060	3,567,494	9,492,818
Referral Specialty Services	10,512,215	10,171,851	9,997,168	30,681,234
Urgent Care & After Hours Advise	1,423,381	1,588,229	1,484,832	4,496,442
Hospital Admitting Team	9,300	8,400	9,300	27,000
TOTAL PHYSICIAN SERVICES	14,907,160	14,731,540	15,058,794	44,697,494
OTHER PROFESSIONAL SERVICES				
Vision Service Capitation	294,054	292,442	292,443	878,939
221 - Business Intelligence	210,663	222,415	197,310	630,388
310 - Health Services - Utilization Management - UM Allocation *	595,003	563,907	605,345	1,764,255
311 - Health Services - Quality Improvement - UM Allocation *	138,388	123,443	154,295	416,126
312 - Health Services - Education - UM Allocation *	120,621	124,149	95,259	340,029
313 - Health Services - Pharmacy - UM Allocation *	75,046	75,369	75,552	225,967
314 - Health Homes - UM Allocation *	120,170	119,317	173,098	412,585
315 - Case Management - UM Allocation *	270,657	261,834	281,125	813,616
616 - Disease Management - UM Allocation *	62,998	58,064	72,219	193,281
Behavior Health Treatment	867,517	947,944	1,407,309	3,222,770
Mental Health Services	292,517	181,749	96,618	570,884
Other Professional Services	1,373,918	1,913,308	1,598,054	4,885,280
TOTAL OTHER PROFESSIONAL SERVICES	4,421,552	4,883,941	5,048,627	14,354,120
EMERGENCY ROOM	4,676,327	4,420,437	4,353,449	13,450,213
INPATIENT HOSPITAL	19,853,180	19,321,533	17,577,565	56,752,278
REINSURANCE EXPENSE PREMIUM	81,215	80,770	80,461	242,446
OUTPATIENT HOSPITAL SERVICES	7,108,674	6,610,422	7,160,111	20,879,207
OTHER MEDICAL				
Ambulance and NEMT	1,400,971	1,208,039	1,444,178	4,053,188
Home Health Services & CBAS	490,933	582,371	853,147	1,926,451
Utilization and Quality Review Expenses	228,696	372,499	688,633	1,289,828
Long Term/SNF/Hospice	1,616,577	1,132,832	1,933,711	4,683,120
Health Home Capitation & Incentive	211,140	294,005	334,675	839,820
Provider Enhancement Expense - Prop. 56	5,190,164	5,226,990	5,265,692	15,682,846
Provider Enhancement Expense - GEMT	456,380	456,381	265,311	1,178,072
Provider COVID-19 Expenes	674,580	767,440	683,880	2,125,900
Behaviorial Health Integration Program	371,672	371,672	371,672	1,115,016
TOTAL OTHER MEDICAL	10,641,113	10,412,229	11,840,899	32,894,241
PHARMACY SERVICES				
RX - Drugs & OTC	8,174,252	8,080,594	9,316,542	25,571,388
RX - HEP-C	245,144	264,815	249,449	759,408
Rx - DME	815,963	839,212	868,236	2,523,411
RX - Pharmacy Rebates	(135,000)	(135,000)	(135,000)	(405,000)
TOTAL PHARMACY SERVICES	9,100,359	9,049,621	10,299,227	28,449,207
PAY FOR PERFORMANCE QUALITY INCENTIVE	529,182	529,183	526,070	1,584,435
RISK CORRIDOR EXPENSE	-	-	-	-
HOSPITAL DIRECTED PAYMENTS	15,121,903	15,230,282	12,949,303	43,301,488
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	39,990	21,878	77,356,953	77,418,821
NON-CLAIMS EXPENSE ADJUSTMENT	287,063	233,372	212,564	732,999
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	4,787	858,658	1,700,070	2,563,515
Total Medical Costs	86,772,505	86,383,866	164,164,093	337,320,464

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH MARCH 31, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES				
Primary Care Physician Services	10.64	10.70	12.61	11.32
Referral Specialty Services	37.74	36.74	35.33	36.60
Urgent Care & After Hours Advise	5.11	5.74	5.25	5.36
Hospital Admitting Team	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	53.52	53.21	53.22	53.31
OTHER PROFESSIONAL SERVICES				
Vision Service Capitation	1.06	1.06	1.03	1.05
221 - Business Intelligence	0.76	0.80	0.70	0.75
310 - Health Services - Utilization Management - UM Allocation *	2.14	2.04	2.14	2.10
311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.45	0.55	0.50
312 - Health Services - Education - UM Allocation *	0.43	0.45	0.34	0.41
313 - Health Services - Pharmacy - UM Allocation *	0.27	0.27	0.27	0.27
314 - Health Homes - UM Allocation *	0.43	0.43	0.61	0.49
315 - Case Management - UM Allocation *	0.97	0.95	0.99	0.97
616 - Disease Management - UM Allocation *	0.23	0.21	0.26	0.23
Behavior Health Treatment	3.11	3.42	4.97	3.84
Mental Health Services	1.05	0.66	0.34	0.68
Other Professional Services	4.93	6.91	5.65	5.83
TOTAL OTHER PROFESSIONAL SERVICES	15.88	17.64	17.84	17.12
EMERGENCY ROOM	16.79	15.97	15.38	16.04
INPATIENT HOSPITAL	71.28	69.78	62.12	67.69
REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.28	0.29
OUTPATIENT HOSPITAL SERVICES	25.52	23.87	25.30	24.90
OTHER MEDICAL				
Ambulance and NEMT	5.03	4.36	5.10	4.83
Home Health Services & CBAS	1.76	2.10	3.01	2.30
Utilization and Quality Review Expenses	0.82	1.35	2.43	1.54
Long Term/SNF/Hospice	5.80	4.09	6.83	5.59
Health Home Capitation & Incentive	0.76	1.06	1.18	1.00
Provider Enhancement Expense - Prop. 56	18.63	18.88	18.61	18.71
Provider Enhancement Expense - GEMT	1.64	1.65	0.94	1.41
Provider COVID-19 Expenes	2.42	2.77	2.42	2.54
Behaviorial Health Integration Program	1.33	1.34	1.31	1.33
TOTAL OTHER MEDICAL	38.21	37.61	41.84	39.24
PHARMACY SERVICES				
RX - Drugs & OTC	29.35	29.18	32.92	30.50
RX - HEP-C	0.88	0.96	0.88	0.91
Rx - DME	2.93	3.03	3.07	3.01
RX - Pharmacy Rebates	(0.48)	(0.49)	(0.48)	(0.48)
TOTAL PHARMACY SERVICES	32.67	32.68	36.40	33.93
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.90	1.91	1.86	1.89
RISK CORRIDOR EXPENSE	0.00	0.00	0.00	0.00
HOSPITAL DIRECTED PAYMENTS	54.29	55.01	45.76	51.65
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.14	0.08	273.37	92.34
NON-CLAIMS EXPENSE ADJUSTMENT	1.03	0.84	0.75	0.87
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.02	3.10	6.01	3.06
Total Medical Costs	311.55	311.99	580.14	402.35

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED MARCH 31, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
293,288	377,031	83,743	110 - Executive	1,130,975	1,131,093	118
146,511	212,651	66,140	210 - Accounting	548,259	637,953	89,694
394,230	362,443	(31,787)	220 - Management Information Systems	1,080,161	1,087,330	7,169
-	64,468	64,468	221 - Business Intelligence	-	193,404	193,404
185,800	281,931	96,131	222 - Enterprise Development	705,342	845,793	140,451
345,070	448,524	103,454	225 - Infrastructure	1,047,582	1,345,571	297,989
460,086	576,323	116,237	230 - Claims	1,568,305	1,728,969	160,664
128,304	149,779	21,475	240 - Project Management	347,271	449,338	102,067
82,239	101,775	19,536	310 - Health Services - Utilization Management	306,612	305,325	(1,287)
21,040	27,902	6,862	311 - Health Services - Quality Improvement	56,743	83,706	26,963
-	55	55	312 - Health Services - Education	-	165	165
151,340	142,146	(9,194)	313- Pharmacy	430,578	426,437	(4,141)
4,225	6,642	2,417	314 - Health Homes	4,225	19,925	15,700
24,444	22,357	(2,087)	315 - Case Management	70,749	67,070	(3,679)
37,220	29,325	(7,895)	616 - Disease Management	99,585	87,976	(11,609)
231,758	323,502	91,744	320 - Provider Network Management	809,964	970,507	160,543
545,846	656,475	110,629	330 - Member Services	1,700,410	1,969,426	269,016
535,874	702,275	166,401	340 - Corporate Services	1,656,964	2,106,825	449,861
38,089	66,363	28,274	360 - Audit & Investigative Services	190,431	199,089	8,658
81,326	69,250	(12,076)	410 - Advertising Media	148,331	207,750	59,419
46,252	73,950	27,698	420 - Sales/Marketing/Public Relations	169,356	221,849	52,493
179,367	251,455	72,088	510 - Human Resourses	689,335	754,365	65,030
57,294	-	(57,294)	Administrative Expense Adjustment	(195,728)	-	195,728
3,989,603	4,946,622	957,019	Total Administrative Expenses	12,565,450	14,839,866	2,274,416

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED MARCH 31, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	YEAR TO DATE 2021
110 - Executive	353,943	483,744	293,288	1,130,975
210 - Accounting	203,619	198,129	146,511	548,259
220 - Management Information Systems (MIS)	340,212	345,719	394,230	1,080,161
221 - Business Intelligence	-	-	-	-
222 - Enterprise Development	250,306	269,236	185,800	705,342
225 - Infrastructure	365,340	337,172	345,070	1,047,582
230 - Claims	550,124	558,095	460,086	1,568,305
240 - Project Management	99,808	119,159	128,304	347,271
310 - Health Services - Utilization Management	103,641	120,732	82,239	306,612
311 - Health Services - Quality Improvement	18,870	16,833	21,040	56,743
312 - Health Services - Education	-	-	-	-
313- Pharmacy	141,859	137,379	151,340	430,578
314 - Health Homes	-	-	4,225	4,225
315 - Case Management	23,536	22,769	24,444	70,749
616 - Disease Management	32,453	29,912	37,220	99,585
320 - Provider Network Management	304,995	273,211	231,758	809,964
330 - Member Services	567,625	586,939	545,846	1,700,410
340 - Corporate Services	561,450	559,640	535,874	1,656,964
360 - Audit & Investigative Services	68,976	83,366	38,089	190,431
410 - Advertising Media	27,368	39,637	81,326	148,331
420 - Sales/Marketing/Public Relations	53,401	69,703	46,252	169,356
510 - Human Resourses	281,636	228,332	179,367	689,335
Total Department Expenses	4,349,162	4,479,707	3,932,309	12,761,178
ADMINISTRATIVE EXPENSE ADJUSTMENT	18,296	(271,318)	57,294	(195,728)
Total Administrative Expenses	4,367,458	4,208,389	3,989,603	12,565,450

KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
BALANCE SHEET STATEMENT
AS OF MARCH 31, 2021

ASSETS	MARCH 2021	FEBRUARY 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 1,135,503	$ 1,135,503	-
Interest Receivable	1,235	1,190	45
TOTAL CURRENT ASSETS	$ 1,136,738	$ 1,136,693	$ 45
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	$ -	$ -	$ -
NET POSITION:			
Net Position- Beg. of Year	1,138,066	1,138,066	-
Increase (Decrease) in Net Position - Current Year	(1,328)	(1,373)	45
Total Net Position	$ 1,136,738	$ 1,136,693	$ 45
TOTAL LIABILITIES AND NET POSITION	$ 1,136,738	$ 1,136,693	$ 45

KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE MONTH ENDED MARCH 31, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
-	-	-	Members	-	-	-
			REVENUES			
-	-	-	Premium	-	-	-
45	-	45	Interest	1,235	-	1,235
-	-	-	Other Investment Income	(2,563)	-	(2,563)
45	-	45	TOTAL REVENUES	(1,328)	-	(1,328)
			EXPENSES			
			Medical Costs			
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
45	-	45	GROSS MARGIN	(1,328)	-	(1,328)
			Administrative			
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	Total Administrative Expenses	-	-	-
-	-	-	TOTAL EXPENSES	-	-	-
45	-	45	OPERATING INCOME (LOSS)	(1,328)	-	(1,328)
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
45	-	45	NET INCREASE (DECREASE) IN NET POSITION	(1,328)	-	(1,328)
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	0%	0%	0%

KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

KERN HEALTH SYSTEMS

MEDI-CAL	2021 MEMBER MONTHS	JAN'21	FEB'21	MAR'21	APR'21	MAY'21	JUN'21	JUL'21	AUG'21	SEP'21	OCT'21	NOV'21	DEC'21
ADULT AND FAMILY													
ADULT	***157,938***	51,548	53,449	52,941	0	0	0	0	0	0	0	0	0
CHILD	***391,673***	131,669	126,764	133,240	0	0	0	0	0	0	0	0	0
SUB-TOTAL ADULT & FAMILY	***549,611***	***183,217***	***180,213***	***186,181***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
OTHER MEMBERS													
PARTIAL DUALS - FAMILY	***1,455***	403	523	529	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - CHILD	***-1***	0	-1	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	***6***	2	2	2	0	0	0	0	0	0	0	0	0
BCCTP - TABACCO SETTLEMENT	***0***	0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)													
SPD FULL DUALS	***22,580***	7,484	7,591	7,505	0	0	0	0	0	0	0	0	0
SUBTOTAL OTHER MEMBERS	***24,040***	***7,889***	***8,115***	***8,036***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
TOTAL FAMILY & OTHER	***573,651***	***191,106***	***188,328***	***194,217***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
SPD													
SPD (AGED AND DISABLED)	***50,168***	16,011	18,829	15,328	0	0	0	0	0	0	0	0	0
MEDI-CAL EXPANSION													
ACA Expansion Adult-Citizen	**212,432**	70,649	69,251	72,532	0	0	0	0	0	0	0	0	0
ACA Expansion Duals	**2,118**	751	472	895	0	0	0	0	0	0	0	0	0
SUB-TOTAL MED-CAL EXPANSION	***214,550***	***71,400***	***69,723***	***73,427***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
TOTAL KAISER	***33,592***	***11,047***	***11,196***	***11,349***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
TOTAL MEDI-CAL MEMBERS	***871,961***	***289,564***	***288,076***	***294,321***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***

KERN HEALTH SYSTEMS

To: KHS Board of Directors

From: Robert Landis, CFO

Date: June 10, 2021

Re: April 2021 Financial Results

The April results reflect a $2,305,329 Net Increase in Net Position which is a $2,743,051 favorable variance to the budget. Listed below are the major variances for the month:

1) Total Revenues reflect a $20.5 million favorable variance primarily due to:

   A) $4.0 million favorable variance primarily due to higher than expected budgeted membership.

   B) $10.1 million favorable variance in Pharmacy Revenue as there was not any Pharmacy Revenue budgeted since the Pharmacy Benefit was expected to be transitioned back to the State on April 1, 2021. This amount is partially offset against amounts included in 2C below. (There would have been a $.3 million favorable variance with the updated budgeted amounts in accordance with the 2021 Revised Budget)

   C) $.9 million favorable variance in MCO Tax Premiums primarily due to receiving revised MCO Tax rates for calendar year 2021 from DHCS.

   D) $5.3 million favorable variance in Premium-Hospital Directed Payments (Current Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 2D below. (There would have been a $.7 million favorable variance with the updated budgeted amounts in accordance with the 2021 Revised Budget)

   E) $.3 million favorable variance in Rate/Income Adjustments primarily due to retroactive revenue received for the prior year.

2) Total Medical Costs reflect a $18.2 million unfavorable variance primarily due to:

   A) $3.0 million unfavorable variance in Inpatient primarily due to higher than expected utilization.

   B) $1.7 million unfavorable variance in Outpatient Hospital due to higher than expected utilization.

   C) $8.6 million unfavorable variance Pharmacy Expense as there was not any Pharmacy Expense budgeted since the Pharmacy Benefit was expected to be transitioned back to the State on April 1, 2021. This amount is offset against amounts included in 1B above. (There would have been a $1.1 million favorable variance with the updated budgeted amounts in accordance with the 2021 Revised Budget)

D) $5.3 million unfavorable variance in Hospital Directed Payments (Current Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 1D above. (There would have been a $.7 million unfavorable variance with the updated budgeted amounts in accordance with the 2021 Revised Budget)

The April Medical Loss Ratio is 92.3% which is favorable to the 92.6% budgeted amount. The April Administrative Expense Ratio is 5.7% which is favorable to the 7.6% budgeted amount.

The results for the 4 months ended April 30, 2021 reflect a Net Increase in Net Position of $8,240,653. This is a $6,871,606 favorable variance to budget and includes approximately $.9 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.0% which is unfavorable to the 92.2% budgeted amount. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 6.8% budgeted amount.

Kern Health Systems
Financial Packet
April 2021

KHS – Medi-Cal Line of Business

KHS Group Health Plan – Healthy Families Line of Business

KHS Administrative Analysis and Other Reporting

KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF NET POSITION
AS OF APRIL 30, 2021

ASSETS	APRIL 2021	MARCH 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 140,721,084	$ 164,710,189	$ (23,989,105)
Short-Term Investments	89,951,219	90,684,951	(733,732)
Premiums Receivable - Net	102,839,001	102,225,983	613,018
Premiums Receivable - Hospital Direct Payments	294,625,083	279,887,335	14,737,748
Interest Receivable	87,840	78,095	9,745
Provider Advance Payment	5,506,518	5,506,518	-
Other Receivables	1,116,542	958,891	157,651
Prepaid Expenses & Other Current Assets	2,205,711	3,118,904	(913,193)
Total Current Assets	$ 637,052,998	$ 647,170,866	$ (10,117,868)
CAPITAL ASSETS - NET OF ACCUM DEPRE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,933,173	1,980,267	(47,094)
Computer Hardware and Software - Net	13,980,339	14,229,805	(249,466)
Building and Building Improvements - Net	35,045,504	35,121,198	(75,694)
Capital Projects in Progress	13,032,352	12,830,876	201,476
Total Capital Assets	$ 68,082,074	$ 68,252,852	$ (170,778)
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,556,621	1,556,621	-
Total Long Term Assets	$ 1,856,621	$ 1,856,621	$ -
DEFERRED OUTFLOWS OF RESOURCES	$ 3,018,341	$ 3,018,341	$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 710,010,034	$ 720,298,680	$ (10,288,646)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	$ 4,099,845	$ 3,838,557	261,288
Accrued Other Operating Expenses	1,466,394	1,310,747	155,647
Accrued Taxes and Licenses	8,754,282	26,563,149	(17,808,867)
Claims Payable (Reported)	26,958,004	24,068,549	2,889,455
IBNR - Inpatient Claims	36,006,825	38,257,461	(2,250,636)
IBNR - Physician Claims	14,854,906	14,248,031	606,875
IBNR - Accrued Other Medical	22,163,584	24,121,218	(1,957,634)
Risk Pool and Withholds Payable	6,433,771	5,893,055	540,716
Statutory Allowance for Claims Processing Expense	2,225,904	2,225,904	-
Other Liabilities	63,575,538	58,344,105	5,231,433
Accrued Hospital Directed Payments	279,625,083	279,887,335	(262,252)
Total Current Liabilities	$ 466,164,136	$ 478,758,111	$ (12,593,975)
NONCURRENT LIABILITIES:			
Net Pension Liability	8,432,377	8,432,377	-
TOTAL NONCURRENT LIABILITIES	$ 8,432,377	$ 8,432,377	$ -
DEFERRED INFLOWS OF RESOURCES	$ 86,684	$ 86,684	$ -
NET POSITION:			
Net Position - Beg. of Year	227,086,184	227,086,184	-
Increase (Decrease) in Net Position - Current Year	8,240,653	5,935,324	2,305,329
Total Net Position	$ 235,326,837	$ 233,021,508	$ 2,305,329
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 710,010,034	$ 720,298,680	$ (10,288,646)

KERN HEALTH SYSTEMS
MEDI-CAL - ALL COA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE MONTH ENDED APRIL 30, 2021

CURRENT MONTH MEMBERS				YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
186,606	182,600	4,006	Family Members	736,217	728,000	8,217
74,010	70,565	3,445	Expansion Members	288,560	282,260	6,300
15,870	15,230	640	SPD Members	66,038	60,920	5,118
8,101	7,000	1,101	Other Members	32,141	28,000	4,141
11,505	10,500	1,005	Kaiser Members	45,097	42,000	3,097
296,092	285,895	10,197	Total Members - MCAL	1,168,053	1,141,180	26,873
			REVENUES			
33,739,041	28,975,271	4,763,770	Title XIX - Medicaid - Family and Other	133,946,885	125,397,226	8,549,659
28,547,171	21,942,084	6,605,087	Title XIX - Medicaid - Expansion Members	111,880,009	102,525,686	9,354,323
15,527,562	12,832,874	2,694,688	Title XIX - Medicaid - SPD Members	61,630,874	59,252,985	2,377,889
9,805,142	8,904,649	900,493	Premium - MCO Tax	38,793,293	35,618,595	3,174,698
14,734,613	9,477,840	5,256,773	Premium - Hospital Directed Payments	58,036,101	37,890,598	20,145,503
205,894	165,792	40,102	Investment Earnings And Other Income	77,088	661,070	(583,982)
-	79,865	(79,865)	Reinsurance Recoveries	-	318,762	(318,762)
3,134	-	3,134	Rate Adjustments - Hospital Directed Payments	78,215,343	-	78,215,343
266,498	-	266,498	Rate/Income Adjustments	3,188,517	-	3,188,517
102,829,055	82,378,374	20,450,681	TOTAL REVENUES	485,768,110	361,664,923	124,103,187
			EXPENSES			
			Medical Costs:			
15,642,095	15,119,069	(523,026)	Physician Services	60,339,589	60,379,829	40,240
5,107,193	4,721,391	(385,802)	Other Professional Services	19,461,313	18,869,923	(591,390)
4,480,205	5,553,083	1,072,878	Emergency Room	17,930,418	22,170,759	4,240,341
18,419,878	15,379,766	(3,040,112)	Inpatient	75,172,156	61,445,892	(13,726,264)
80,129	79,865	(264)	Reinsurance Expense	322,575	318,762	(3,813)
8,681,740	6,978,458	(1,703,282)	Outpatient Hospital	29,560,947	27,882,053	(1,678,894)
9,883,445	10,129,702	246,257	Other Medical	42,777,686	40,453,887	(2,323,799)
9,412,697	769,068	(8,643,629)	Pharmacy	37,861,904	32,157,317	(5,704,587)
540,715	523,251	(17,465)	Pay for Performance Quality Incentive	2,125,150	2,088,442	(36,708)
-	-	-	Risk Corridor Expense	-	-	-
14,734,613	9,477,840	(5,256,773)	Hospital Directed Payments	58,036,101	37,890,598	(20,145,503)
3,134	-	(3,134)	Hospital Directed Payment Adjustment	77,421,955	-	(77,421,955)
71,855	-	(71,855)	Non-Claims Expense Adjustment	804,854	-	(804,854)
(85,946)	-	85,946	IBNR, Incentive, Paid Claims Adjustment	2,477,569	-	(2,477,569)
86,971,753	68,731,492	(18,240,261)	Total Medical Costs	424,292,217	303,657,463	(120,634,754)
15,857,302	13,646,882	2,210,420	GROSS MARGIN	61,475,893	58,007,460	3,468,433
			Administrative:			
2,691,957	2,856,030	164,073	Compensation	10,829,805	11,424,121	594,316
986,086	971,006	(15,080)	Purchased Services	3,570,346	4,184,024	613,678
131,712	133,106	1,394	Supplies	251,166	532,425	281,259
426,541	500,520	73,979	Depreciation	1,698,749	2,002,082	303,333
248,235	385,959	137,724	Other Administrative Expenses	895,643	1,543,837	648,194
(5,010)	-	5,010	Administrative Expense Adjustment	(200,738)	-	200,738
4,479,521	4,846,622	367,101	Total Administrative Expenses	17,044,971	19,686,488	2,641,517
91,451,274	73,578,114	(17,873,160)	TOTAL EXPENSES	441,337,188	323,343,951	(117,993,237)
11,377,781	8,800,260	2,577,521	OPERATING INCOME (LOSS) BEFORE TAX	44,430,922	38,320,972	6,109,950
8,905,080	8,904,649	(431)	MCO TAX	35,645,900	35,618,595	(27,305)
2,472,701	(104,389)	2,577,090	OPERATING INCOME (LOSS) NET OF TAX	8,785,022	2,702,377	6,082,645
			NONOPERATING REVENUE (EXPENSE)			
-	-	-	Gain on Sale of Assets	-	-	-
(81,397)	(166,667)	85,270	Provider Recruitment and Retention Grants	(168,440)	(666,666)	498,226
(85,975)	(166,666)	80,691	Health Home	(375,929)	(666,664)	290,735
(167,372)	(333,333)	165,961	TOTAL NONOPERATING REVENUE (EXPENSE)	(544,369)	(1,333,330)	788,961
2,305,329	(437,722)	2,743,051	NET INCREASE (DECREASE) IN NET POSITION	8,240,653	1,369,047	6,871,606
92.3%	92.6%	0.3%	MEDICAL LOSS RATIO	93.0%	92.2%	-0.7%
5.7%	7.6%	1.9%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.8%	1.3%

KERN HEALTH SYSTEMS
MEDI-CAL
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM
FOR THE MONTH ENDED APRIL 30, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
186,606	182,600	4,006	Family Members	736,217	728,000	8,217
74,010	70,565	3,445	Expansion Members	288,560	282,260	6,300
15,870	15,230	640	SPD Members	66,038	60,920	5,118
8,101	7,000	1,101	Other Members	32,141	28,000	4,141
11,505	10,500	1,005	Kaiser Members	45,097	42,000	3,097
296,092	285,895	10,197	Total Members - MCAL	1,168,053	1,141,180	26,873
			REVENUES			
173.28	152.82	20.46	Title XIX - Medicaid - Family and Other	174.33	165.87	8.46
385.72	310.95	74.77	Title XIX - Medicaid - Expansion Members	387.72	363.23	24.49
978.42	842.61	135.82	Title XIX - Medicaid - SPD Members	933.26	972.64	(39.37)
34.45	32.33	2.12	Premium - MCO Tax	34.55	32.40	2.14
51.78	34.42	17.36	Premium - Hospital Directed Payments	51.68	34.47	17.21
0.72	0.60	0.12	Investment Earnings And Other Income	0.07	0.60	(0.53)
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)
0.01	0.00	0.01	Rate Adjustments - Hospital Directed Payments	69.65	0.00	69.65
0.94	0.00	0.94	Rate/Income Adjustments	2.84	0.00	2.84
361.33	299.13	62.20	TOTAL REVENUES	432.58	329.03	103.55
			EXPENSES			
			Medical Costs:			
54.96	54.90	(0.06)	Physician Services	53.73	54.93	1.20
17.95	17.14	(0.80)	Other Professional Services	17.33	17.17	(0.16)
15.74	20.16	4.42	Emergency Room	15.97	20.17	4.20
64.72	55.85	(8.88)	Inpatient	66.94	55.90	(11.04)
0.28	0.29	0.01	Reinsurance Expense	0.29	0.29	0.00
30.51	25.34	(5.17)	Outpatient Hospital	26.32	25.37	(0.96)
34.73	36.78	2.05	Other Medical	38.09	36.80	(1.29)
33.07	2.79	(30.28)	Pharmacy	33.72	29.26	(4.46)
1.90	1.90	0.00	Pay for Performance Quality Incentive	1.89	1.90	0.01
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00
51.78	34.42	(17.36)	Hospital Directed Payments	51.68	34.47	(17.21)
0.01	0.00	(0.01)	Hospital Directed Payment Adjustment	68.94	0.00	(68.94)
0.25	0.00	(0.25)	Non-Claims Expense Adjustment	0.72	0.00	(0.72)
(0.30)	0.00	0.30	IBNR, Incentive, Paid Claims Adjustment	2.21	0.00	(2.21)
305.61	249.57	(56.03)	Total Medical Costs	377.84	276.26	(101.58)
55.72	49.55	6.17	GROSS MARGIN	54.74	52.77	1.97
			Administrative:			
9.46	10.37	0.91	Compensation	9.64	10.39	0.75
3.46	3.53	0.06	Purchased Services	3.18	3.81	0.63
0.46	0.48	0.02	Supplies	0.22	0.48	0.26
1.50	1.82	0.32	Depreciation	1.51	1.82	0.31
0.87	1.40	0.53	Other Administrative Expenses	0.80	1.40	0.61
(0.02)	0.00	0.02	Administrative Expense Adjustment	(0.18)	0.00	0.18
15.74	17.60	1.86	Total Administrative Expenses	15.18	17.91	2.73
321.35	267.17	(54.17)	TOTAL EXPENSES	393.01	294.17	(98.85)
39.98	31.96	8.02	OPERATING INCOME (LOSS) BEFORE TAX	39.57	34.86	4.70
31.29	32.33	1.04	MCO TAX	31.74	32.40	0.66
8.69	(0.38)	9.07	OPERATING INCOME (LOSS) NET OF TAX	7.82	2.46	5.36
			NONOPERATING REVENUE (EXPENSE)			
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00
(0.29)	(0.61)	0.32	Reserve Fund Projects/Community Grants	(0.15)	(0.61)	0.46
(0.30)	(0.61)	0.30	Health Home	(0.33)	(0.61)	0.27
(0.59)	(1.21)	0.62	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.48)	(1.21)	0.73
8.10	(1.59)	9.69	NET INCREASE (DECREASE) IN NET POSITION	7.34	1.25	6.09
92.3%	92.6%	0.3%	MEDICAL LOSS RATIO	93.0%	92.2%	-0.7%
5.7%	7.6%	1.9%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.8%	1.3%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH APRIL 30, 2021	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	284,587	3,521,226
REVENUES														
Title XIX - Medicaid - Family and Other	27,567,358	28,170,470	30,522,053	29,997,411	30,548,160	30,419,692	33,387,274	30,920,096	32,216,002	33,254,490	33,365,704	33,587,650	33,739,041	407,695,401
Title XIX - Medicaid - Expansion Members	22,679,789	23,386,527	24,776,875	24,533,357	24,848,094	25,069,155	27,568,938	25,504,052	27,197,954	27,548,311	27,720,576	28,063,951	28,547,171	337,444,750
Title XIX - Medicaid - SPD Members	14,884,891	14,967,019	15,603,750	15,224,387	15,192,022	15,191,965	14,457,143	16,007,482	15,504,966	15,326,978	15,368,431	15,407,903	15,527,562	198,664,499
Premium - MCO Tax	7,915,338	7,915,091	8,023,287	8,236,232	8,333,151	8,332,682	9,166,454	8,420,487	8,830,398	9,577,432	9,657,982	9,752,737	9,805,142	113,966,413
Premium - Hospital Directed Payments	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	14,734,613	131,786,183
Investment Earnings And Other Income	266,256	323,827	62,534	315,583	173,465	(14,474)	151,948	166,556	147,197	4,303	116,471	(249,580)	205,894	1,669,980
Reinsurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate Adjustments - Hospital Directed Payments	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	39,990	21,877	78,150,342	3,134	26,217,526
Rate/Income Adjustments	(4,529,302)	444,891	476,588	135,705	291,820	70,321	(582,499)	127,031	226,726	799,886	594,678	1,527,455	266,498	(150,202)
TOTAL REVENUES	80,435,517	86,859,012	91,604,031	17,506,553	88,503,816	88,185,134	94,104,369	90,469,419	93,858,589	101,673,293	102,076,001	179,189,761	102,829,055	1,217,294,550
EXPENSES														
Medical Costs:														
Physician Services	12,418,888	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	13,867,872	12,660,363	14,907,160	14,731,540	15,058,794	15,642,095	178,686,846
Other Professional Services	3,908,759	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	4,389,484	4,935,401	4,421,552	4,883,941	5,048,627	5,107,193	57,258,440
Emergency Room	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	4,814,428	4,638,713	3,194,257	4,676,327	4,420,437	4,353,449	4,480,205	55,358,532
Inpatient	15,995,368	14,410,696	17,115,732	17,082,368	16,635,497	17,879,275	17,137,251	17,212,070	19,183,080	19,853,180	19,321,533	17,577,565	18,419,878	227,823,493
Reinsurance Expense	77,341	69,310	73,356	75,202	76,284	76,523	77,652	84,521	77,390	81,215	80,770	80,461	80,129	1,010,154
Outpatient Hospital	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	6,653,372	6,209,999	6,565,195	7,108,674	6,610,422	7,160,111	8,681,740	87,053,069
Other Medical	8,832,073	10,860,308	9,199,742	11,504,806	9,055,443	14,033,235	12,916,278	10,958,385	13,070,247	10,641,113	10,412,229	11,840,899	9,883,445	143,208,203
Pharmacy	8,667,925	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	8,717,167	9,651,881	9,100,359	9,049,621	10,299,227	9,412,697	118,877,953
Pay for Performance Quality Incentive	509,814	508,354	519,184	523,464	529,498	529,498	556,200	544,962	-	529,182	529,183	526,070	540,715	6,346,124
Risk Corridor Expense	-	-	4,700,000	(2,000,000)	-	(2,700,000)	-	-	-	-	-	-	-	-
Hospital Directed Payments	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	14,734,613	131,786,183
Hospital Directed Payment Adjustment	36,523	36,524	(10,733)	(52,075,301)	(233,958)	4,234	77	6,596	(1,263)	39,990	21,878	77,356,953	3,134	25,184,654
Non-Claims Expense Adjustment	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	5,124	(209,309)	1,598	287,063	233,372	212,564	71,855	(354,897)
IBNR, Incentive, Paid Claims Adjustment	(4,444,586)	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(5,474)	205,986	316,193	4,787	858,658	1,700,070	(85,946)	(5,959,467)
Total Medical Costs	67,702,880	71,626,453	76,311,140	3,228,909	73,696,401	74,755,703	79,333,670	75,939,534	79,392,380	86,772,505	86,383,866	164,164,093	86,971,753	1,026,279,287
GROSS MARGIN	12,732,637	15,232,559	15,292,891	14,277,644	14,807,415	13,429,431	14,770,699	14,529,885	14,466,209	14,900,788	15,692,135	15,025,668	15,857,302	191,015,263
Administrative:														
Compensation	2,678,816	2,375,693	2,835,739	2,732,099	2,597,575	2,636,509	2,613,272	2,456,357	2,766,869	2,772,584	2,908,104	2,457,160	2,691,957	34,522,734
Purchased Services	644,717	903,379	1,142,683	859,845	819,771	421,612	689,841	745,537	1,172,530	818,908	824,152	941,200	986,086	10,970,261
Supplies	60,138	59,208	29,774	71,551	63,919	71,111	34,967	106,489	39,305	57,592	57,416	4,446	131,712	787,628
Depreciation	300,318	924,253	418,036	417,768	418,389	419,251	419,796	419,850	421,301	422,833	422,834	426,541	426,541	5,857,711
Other Administrative Expenses	441,804	223,548	345,337	240,778	254,091	296,858	137,960	242,696	351,189	277,245	267,201	102,962	248,235	3,429,904
Administrative Expense Adjustment	-	-	(212,229)	-	-	-	-	-	1,407,045	18,296	(271,318)	57,294	(5,010)	994,078
Total Administrative Expenses	4,125,793	4,486,081	4,559,340	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	4,367,458	4,208,389	3,989,603	4,479,521	56,562,316
TOTAL EXPENSES	71,828,673	76,112,534	80,870,480	7,550,950	77,850,146	78,601,044	83,229,506	79,910,463	85,550,619	91,139,963	90,592,255	168,153,696	91,451,274	1,082,841,603
OPERATING INCOME (LOSS) BEFORE TAX	8,606,844	10,746,478	10,733,551	9,955,603	10,653,670	9,584,090	10,874,863	10,558,956	8,307,970	10,533,330	11,483,746	11,036,065	11,377,781	134,452,947
MCO TAX	7,915,243	7,914,997	7,915,244	8,904,648	8,905,117	8,904,649	8,904,648	8,904,649	8,904,649	8,902,943	8,904,649	8,933,228	8,905,080	112,819,744
OPERATING INCOME (LOSS) NET OF TAX	691,601	2,831,481	2,818,307	1,050,955	1,748,553	679,441	1,970,215	1,654,307	(596,679)	1,630,387	2,579,097	2,102,837	2,472,701	21,633,203
TOTAL NONOPERATING REVENUE (EXPENSE)	424,682	(587,120)	(479,019)	462,756	(687,453)	(176,843)	(1,188,755)	(931,682)	1,433,032	(137,472)	(151,159)	(88,366)	(167,372)	(2,274,771)
NET INCREASE (DECREASE) IN NET POSITION	1,116,283	2,244,361	2,339,288	1,513,711	1,061,100	502,598	781,460	722,625	836,353	1,492,915	2,427,938	2,014,471	2,305,329	19,358,432
MEDICAL LOSS RATIO	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	92.3%	92.0%
ADMINISTRATIVE EXPENSE RATIO	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	5.7%	6.0%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH APRIL 30, 2021	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	284,587	3,521,226
REVENUES														
Title XIX - Medicaid - Family and Other	157.08	158.57	169.56	165.45	166.87	166.16	173.40	164.62	168.64	174.01	177.17	172.94	173.28	171.74
Title XIX - Medicaid - Expansion Members	369.04	373.98	388.48	377.98	376.19	379.54	393.46	371.41	384.47	385.83	397.58	382.20	385.72	380.57
Title XIX - Medicaid - SPD Members	930.77	938.61	987.39	981.08	972.23	972.22	945.03	1,012.68	989.03	957.28	816.21	1,005.21	978.42	958.41
Premium - MCO Tax	31.29	30.90	30.91	31.47	31.48	29.96	33.64	30.61	31.83	34.39	34.88	34.47	34.45	32.37
Premium - Hospital Directed Payments	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	51.78	37.43
Investment Earnings And Other Income	1.05	1.26	0.24	1.21	0.66	(0.05)	0.56	0.61	0.53	0.02	0.42	(0.88)	0.72	0.47
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.14	0.14	(0.04)	(198.96)	0.02	0.01	0.00	0.04	(0.01)	0.14	0.08	276.18	0.01	7.45
Rate/Income Adjustments	(17.91)	1.74	1.84	0.52	1.10	0.25	(2.14)	0.46	0.82	2.87	2.15	5.40	0.94	(0.04)
TOTAL REVENUES	317.99	339.12	352.88	66.89	334.29	317.10	345.36	328.88	338.29	365.05	368.67	633.24	361.33	345.70
EXPENSES														
Medical Costs:														
Physician Services	49.10	48.53	45.48	51.04	49.61	52.19	51.96	50.41	45.63	53.52	53.21	53.22	54.96	50.75
Other Professional Services	15.45	13.62	13.04	16.89	17.45	17.41	13.97	15.96	17.79	15.88	17.64	17.84	17.95	16.26
Emergency Room	15.08	16.45	12.96	13.95	18.18	17.71	17.67	16.86	11.51	16.79	15.97	15.38	15.74	15.72
Inpatient	63.24	56.26	65.93	65.27	62.83	64.29	62.89	62.57	69.14	71.28	69.78	62.12	64.72	64.70
Reinsurance Expense	0.31	0.27	0.28	0.29	0.29	0.28	0.28	0.31	0.28	0.29	0.29	0.28	0.28	0.29
Outpatient Hospital	24.79	20.30	24.84	24.63	26.04	24.47	24.42	22.58	23.66	25.52	23.87	25.30	30.51	24.72
Other Medical	34.92	42.40	35.44	43.96	34.20	50.46	47.40	39.84	47.11	38.21	37.61	41.84	34.73	40.67
Pharmacy	34.27	33.64	32.03	33.55	34.68	35.34	33.98	31.69	34.79	32.67	32.68	36.40	33.07	33.76
Pay for Performance Quality Incentive	2.02	1.98	2.00	2.00	2.00	1.90	2.04	1.98	0.00	1.90	1.91	1.86	1.90	1.80
Risk Corridor Expense	0.00	0.00	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hospital Directed Payments	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	51.78	37.43
Hospital Directed Payment Adjustment	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	0.02	(0.00)	0.14	0.08	273.37	0.01	7.15
Non-Claims Expense Adjustment	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	0.01	1.03	0.84	0.75	0.25	(0.10)
IBNR, Incentive, Paid Claims Adjustment	(17.57)	0.05	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	1.14	0.02	3.10	6.01	(0.30)	(1.69)
Total Medical Costs	267.65	279.64	293.97	12.34	278.36	268.81	291.15	276.06	286.15	311.55	311.99	580.14	305.61	291.46
GROSS MARGIN	50.34	59.47	58.91	54.55	55.93	48.29	54.21	52.82	52.14	53.50	56.67	53.10	55.72	54.25
Administrative:														
Compensation	10.59	9.28	10.92	10.44	9.81	9.48	9.59	8.93	9.97	9.95	10.50	8.68	9.46	9.80
Purchased Services	2.55	3.53	4.40	3.29	3.10	1.52	2.53	2.71	4.23	2.94	2.98	3.33	3.46	3.12
Supplies	0.24	0.23	0.11	0.27	0.24	0.26	0.13	0.39	0.14	0.21	0.21	0.02	0.46	0.22
Depreciation	1.19	3.61	1.61	1.60	1.58	1.51	1.54	1.53	1.52	1.52	1.53	1.51	1.50	1.66
Other Administrative Expenses	1.75	0.87	1.33	0.92	0.96	1.07	0.51	0.88	1.27	1.00	0.97	0.36	0.87	0.97
Administrative Expense Adjustment	0.00	0.00	(0.82)	0.00	0.00	0.00	0.00	0.00	5.07	0.07	(0.98)	0.20	(0.02)	0.28
Total Administrative Expenses	16.31	17.51	17.56	16.51	15.69	13.83	14.30	14.44	22.20	15.68	15.20	14.10	15.74	16.06
TOTAL EXPENSES	283.96	297.16	311.53	28.85	294.05	282.64	305.45	290.50	308.34	327.23	327.19	594.24	321.35	307.52
OPERATING INCOME (LOSS) BEFORE TAX	34.03	41.96	41.35	38.04	40.24	34.46	39.91	38.39	29.94	37.82	41.48	39.00	39.98	38.18
MCO TAX	31.29	30.90	30.49	34.02	33.64	32.02	32.68	32.37	32.09	31.97	32.16	31.57	31.29	32.04
OPERATING INCOME (LOSS) NET OF TAX	2.73	11.05	10.86	4.02	6.60	2.44	7.23	6.01	(2.15)	5.85	9.31	7.43	8.69	6.14
TOTAL NONOPERATING REVENUE (EXPENSE)	1.68	(2.29)	(1.85)	1.77	(2.60)	(0.64)	(4.36)	(3.39)	5.16	(0.49)	(0.55)	(0.31)	(0.59)	(0.65)
NET INCREASE (DECREASE) IN NET POSITION	4.41	8.76	9.01	5.78	4.01	1.81	2.87	2.63	3.01	5.36	8.77	7.12	8.10	5.50
MEDICAL LOSS RATIO	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	92.3%	92.0%
ADMINISTRATIVE EXPENSE RATIO	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	5.7%	6.0%

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED APRIL 30, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			REVENUES			
			Title XIX - Medicaid - Family & Other			
26,639,709	21,778,783	4,860,926	Premium - Medi-Cal	105,448,232	96,421,614	9,026,618
2,120,007	2,520,887	(400,880)	Premium - Maternity Kick	9,026,919	10,083,548	(1,056,629)
26,209	-	26,209	Premium - Hep C Kick	144,151	238,095	(93,944)
635,676	487,998	147,678	Premium - BHT Kick	2,315,839	1,945,814	370,025
170,849	176,507	(5,658)	Premium - Health Home Kick	598,322	703,794	(105,472)
3,599,987	3,476,012	123,975	Premium - Provider Enhancement	14,249,262	13,868,961	380,301
179,466	168,909	10,557	Premium - Ground Emergency Medical Transportation	708,785	674,291	34,494
255,096	274,390	(19,294)	Premium - Behavorial Health Integration Program	1,015,697	1,094,086	(78,389)
112,042	91,786	20,256	Other	439,678	367,024	72,654
33,739,041	28,975,271	4,763,770	Total Title XIX - Medicaid - Family & Other	133,946,885	125,397,226	8,549,659
			Title XIX - Medicaid - Expansion Members			
25,889,701	19,622,702	6,266,999	Premium - Medi-Cal	101,345,090	92,642,110	8,702,980
314,541	214,253	100,288	Premium - Maternity Kick	1,456,462	857,012	599,450
216,227	-	216,227	Premium - Hep C Kick	812,489	606,051	206,438
285,505	356,121	(70,616)	Premium - Health Home Kick	1,061,624	1,424,484	(362,860)
1,529,997	1,455,050	74,947	Premium - Provider Enhancement	5,985,245	5,820,200	165,045
182,908	165,235	17,673	Premium - Ground Emergency Medical Transportation	715,585	660,940	54,645
96,444	102,122	(5,678)	Premium - Behavorial Health Integration Program	378,911	408,488	(29,577)
31,848	26,600	5,248	Other	124,603	106,400	18,203
28,547,171	21,942,084	6,605,087	Total Title XIX - Medicaid - Expansion Members	111,880,009	102,525,686	9,354,323
			Title XIX - Medicaid - SPD Members			
14,026,710	11,113,319	2,913,391	Premium - Medi-Cal	56,038,703	52,073,899	3,964,804
52,418	-	52,418	Premium - Hep C Kick	122,310	300,864	(178,554)
580,558	763,566	(183,008)	Premium - BHT Kick	2,082,857	3,054,263	(971,406)
257,649	351,842	(94,193)	Premium - Health Home Kick	937,415	1,407,368	(469,953)
457,992	454,632	3,360	Premium - Provider Enhancement	1,829,745	1,818,528	11,217
132,102	127,475	4,627	Premium - Ground Emergency Medical Transportation	527,764	509,900	17,864
20,133	22,041	(1,908)	Premium - Behavorial Health Integration Program	92,080	88,164	3,916
15,527,562	12,832,874	2,694,688	Total Title XIX - Medicaid - SPD Members	61,630,874	59,252,985	2,377,889

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA
FOR THE MONTH ENDED APRIL 30, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
3,563,867	3,057,760	(506,107)	Primary Care Physician Services	13,056,685	12,206,092	(850,593)
11,114,617	10,556,354	(558,263)	Referral Specialty Services	41,795,851	42,167,444	371,593
954,611	1,495,955	541,344	Urgent Care & After Hours Advise	5,451,053	5,970,293	519,240
9,000	9,000	-	Hospital Admitting Team	36,000	36,000	-
15,642,095	15,119,069	(523,026)	TOTAL PHYSICIAN SERVICES	60,339,589	60,379,829	40,240
			OTHER PROFESSIONAL SERVICES			
289,005	294,234	5,229	Vision Service Capitation	1,167,944	1,174,376	6,432
217,207	212,115	(5,092)	221 - Business Intelligence	847,595	848,460	865
602,798	597,920	(4,878)	310 - Health Services - Utilization Management - UM Allocation *	2,367,053	2,391,680	24,627
136,098	189,152	53,054	311 - Health Services - Quality Improvement - UM Allocation *	552,224	756,608	204,384
119,982	123,337	3,355	312 - Health Services - Education - UM Allocation *	460,011	493,346	33,335
75,945	80,283	4,338	313 - Health Services - Pharmacy - UM Allocation *	301,912	321,132	19,220
121,413	210,465	89,052	314 - Health Homes - UM Allocation *	533,998	841,860	307,862
260,034	270,692	10,658	315 - Case Management - UM Allocation *	1,073,650	1,082,768	9,118
57,851	56,773	(1,078)	616 - Disease Management - UM Allocation *	251,132	227,092	(24,040)
1,506,149	1,251,563	(254,586)	Behavior Health Treatment	4,728,919	5,000,076	271,157
153,559	189,196	35,637	Mental Health Services	724,443	755,876	31,433
1,567,152	1,245,661	(321,491)	Other Professional Services	6,452,432	4,976,648	(1,475,784)
5,107,193	4,721,391	(385,802)	TOTAL OTHER PROFESSIONAL SERVICES	19,461,313	18,869,923	(591,390)
4,480,205	5,553,083	1,072,878	EMERGENCY ROOM	17,930,418	22,170,759	4,240,341
18,419,878	15,379,766	(3,040,112)	INPATIENT HOSPITAL	75,172,156	61,445,892	(13,726,264)
80,129	79,865	(264)	REINSURANCE EXPENSE PREMIUM	322,575	318,762	(3,813)
8,681,740	6,978,458	(1,703,282)	OUTPATIENT HOSPITAL SERVICES	29,560,947	27,882,053	(1,678,894)
			OTHER MEDICAL			
1,338,929	1,547,023	208,094	Ambulance and NEMT	5,392,117	6,177,687	785,570
657,817	425,063	(232,754)	Home Health Services & CBAS	2,584,268	1,698,308	(885,960)
430,683	491,325	60,642	Utilization and Quality Review Expenses	1,720,511	1,965,300	244,789
1,041,624	1,299,408	257,784	Long Term/SNF/Hospice	5,724,744	5,194,319	(530,425)
299,855	394,140	94,285	Health Home Capitation & Incentive	1,139,675	1,574,664	434,989
5,318,961	5,112,571	(206,390)	Provider Enhancement Expense - Prop. 56	21,001,807	20,407,740	(594,067)
423,904	461,619	37,715	Provider Enhancement Expense - GEMT	1,601,976	1,845,131	243,155
-	-	-	Provider COVID-19 Expenes	2,125,900	-	(2,125,900)
371,672	398,553	26,881	Behaviorial Health Integration Program	1,486,688	1,590,738	104,050
9,883,445	10,129,702	246,257	TOTAL OTHER MEDICAL	42,777,686	40,453,887	(2,323,799)
			PHARMACY SERVICES			
8,462,224	-	(8,462,224)	RX - Drugs & OTC	34,033,612	28,039,050	(5,994,562)
260,020	-	(260,020)	RX - HEP-C	1,019,428	1,145,008	125,580
825,453	769,068	(56,385)	Rx - DME	3,348,864	3,073,259	(275,605)
(135,000)	0	135,000	RX - Pharmacy Rebates	(540,000)	(100,000)	440,000
9,412,697	769,068	(8,643,629)	TOTAL PHARMACY SERVICES	37,861,904	32,157,317	(5,704,587)
540,715	523,251	(17,465)	PAY FOR PERFORMANCE QUALITY INCENTIVE	2,125,150	2,088,442	(36,708)
	-	-	RISK CORRIDOR EXPENSE	-	-	-
14,734,613	9,477,840	(5,256,773)	HOSPITAL DIRECTED PAYMENTS	58,036,101	37,890,598	(20,145,503)
3,134	-	(3,134)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	77,421,955	-	(77,421,955)
71,855	-	(71,855)	NON-CLAIMS EXPENSE ADJUSTMENT	804,854	-	(804,854)
(85,946)	-	85,946	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	2,477,569	-	(2,477,569)
86,971,753	68,731,492	(18,240,261)	Total Medical Costs	424,292,217	303,657,463	(120,634,754)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM
FOR THE MONTH ENDED APRIL 30, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
12.52	11.10	(1.42)	Primary Care Physician Services	11.63	11.10	(0.52)
39.06	38.33	(0.72)	Referral Specialty Services	37.22	38.36	1.14
3.35	5.43	2.08	Urgent Care & After Hours Advise	4.85	5.43	0.58
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
54.96	54.90	(0.06)	TOTAL PHYSICIAN SERVICES	53.73	54.93	1.20
			OTHER PROFESSIONAL SERVICES			
1.02	1.07	0.05	Vision Service Capitation	1.04	1.07	0.03
0.76	0.77	0.01	221 - Business Intelligence	0.75	0.77	0.02
2.12	2.17	0.05	310 - Health Services - Utilization Management - UM Allocation *	2.11	2.18	0.07
0.48	0.69	0.21	311 - Health Services - Quality Improvement - UM Allocation *	0.49	0.69	0.20
0.42	0.45	0.03	312 - Health Services - Education - UM Allocation *	0.41	0.45	0.04
0.27	0.29	0.02	313 - Health Services - Pharmacy - UM Allocation *	0.27	0.29	0.02
0.43	0.76	0.34	314 - Health Homes - UM Allocation *	0.48	0.77	0.29
0.91	0.98	0.07	315 - Case Management - UM Allocation *	0.96	0.99	0.03
0.20	0.21	0.00	616 - Disease Management - UM Allocation *	0.22	0.21	(0.02)
5.29	4.54	(0.75)	Behavior Health Treatment	4.21	4.55	0.34
0.54	0.69	0.15	Mental Health Services	0.65	0.69	0.04
5.51	4.52	(0.98)	Other Professional Services	5.75	4.53	(1.22)
17.95	17.14	(0.80)	TOTAL OTHER PROFESSIONAL SERVICES	17.33	17.17	(0.16)
15.74	20.16	4.42	EMERGENCY ROOM	15.97	20.17	4.20
64.72	55.85	(8.88)	INPATIENT HOSPITAL	66.94	55.90	(11.04)
0.28	0.29	0.01	REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.00
30.51	25.34	(5.17)	OUTPATIENT HOSPITAL SERVICES	26.32	25.37	(0.96)
			OTHER MEDICAL			
4.70	5.62	0.91	Ambulance and NEMT	4.80	5.62	0.82
2.31	1.54	(0.77)	Home Health Services & CBAS	2.30	1.55	(0.76)
1.51	1.78	0.27	Utilization and Quality Review Expenses	1.53	1.79	0.26
3.66	4.72	1.06	Long Term/SNF/Hospice	5.10	4.73	(0.37)
1.05	1.43	0.38	Health Home Capitation & Incentive	1.01	1.43	0.42
18.69	18.56	(0.13)	Provider Enhancement Expense - Prop. 56	18.70	18.57	(0.14)
1.49	1.68	0.19	Provider Enhancement Expense - GEMT	1.43	1.68	0.25
0.00	0.00	0.00	Provider COVID-19 Expenes	1.89	0.00	(1.89)
1.31	1.45	0.14	Behaviorial Health Integration Program	1.32	1.45	0.12
34.73	36.78	2.05	TOTAL OTHER MEDICAL	38.09	36.80	(1.29)
			PHARMACY SERVICES			
29.74	0.00	(29.74)	RX - Drugs & OTC	30.31	25.51	(4.80)
0.91	0.00	(0.91)	RX - HEP-C	0.91	1.04	0.13
2.90	2.79	(0.11)	Rx - DME	2.98	2.80	(0.19)
(0.47)	0.00	0.47	RX - Pharmacy Rebates	(0.48)	(0.09)	0.39
33.07	2.79	(30.28)	TOTAL PHARMACY SERVICES	33.72	29.26	(4.46)
1.90	1.90	0.00	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.89	1.90	0.01
0.00	0.00	0.00	RISK CORRIDOR EXPENSE	0.00	0.00	0.00
51.78	34.42	(17.36)	HOSPITAL DIRECTED PAYMENTS	51.68	34.47	(17.21)
0.01	0.00	(0.01)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	68.94	0.00	(68.94)
0.25	0.00	(0.25)	NON-CLAIMS EXPENSE ADJUSTMENT	0.72	0.00	(0.72)
(0.30)	0.00	0.30	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	2.21	0.00	(2.21)
305.61	249.57	(56.03)	Total Medical Costs	377.84	276.26	(101.58)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH APRIL 30, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES					
Primary Care Physician Services	2,962,264	2,963,060	3,567,494	3,563,867	13,056,685
Referral Specialty Services	10,512,215	10,171,851	9,997,168	11,114,617	41,795,851
Urgent Care & After Hours Advise	1,423,381	1,588,229	1,484,832	954,611	5,451,053
Hospital Admitting Team	9,300	8,400	9,300	9,000	36,000
TOTAL PHYSICIAN SERVICES	14,907,160	14,731,540	15,058,794	15,642,095	60,339,589
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	294,054	292,442	292,443	289,005	1,167,944
221 - Business Intelligence	210,663	222,415	197,310	217,207	847,595
310 - Health Services - Utilization Management - UM Allocation *	595,003	563,907	605,345	602,798	2,367,053
311 - Health Services - Quality Improvement - UM Allocation *	138,388	123,443	154,295	136,098	552,224
312 - Health Services - Education - UM Allocation *	120,621	124,149	95,259	119,982	460,011
313 - Health Services - Pharmacy - UM Allocation *	75,046	75,369	75,552	75,945	301,912
314 - Health Homes - UM Allocation *	120,170	119,317	173,098	121,413	533,998
315 - Case Management - UM Allocation *	270,657	261,834	281,125	260,034	1,073,650
616 - Disease Management - UM Allocation *	62,998	58,064	72,219	57,851	251,132
Behavior Health Treatment	867,517	947,944	1,407,309	1,506,149	4,728,919
Mental Health Services	292,517	181,749	96,618	153,559	724,443
Other Professional Services	1,373,918	1,913,308	1,598,054	1,567,152	6,452,432
TOTAL OTHER PROFESSIONAL SERVICES	4,421,552	4,883,941	5,048,627	5,107,193	19,461,313
EMERGENCY ROOM	4,676,327	4,420,437	4,353,449	4,480,205	17,930,418
INPATIENT HOSPITAL	19,853,180	19,321,533	17,577,565	18,419,878	75,172,156
REINSURANCE EXPENSE PREMIUM	81,215	80,770	80,461	80,129	322,575
OUTPATIENT HOSPITAL SERVICES	7,108,674	6,610,422	7,160,111	8,681,740	29,560,947
OTHER MEDICAL					
Ambulance and NEMT	1,400,971	1,208,039	1,444,178	1,338,929	5,392,117
Home Health Services & CBAS	490,933	582,371	853,147	657,817	2,584,268
Utilization and Quality Review Expenses	228,696	372,499	688,633	430,683	1,720,511
Long Term/SNF/Hospice	1,616,577	1,132,832	1,933,711	1,041,624	5,724,744
Health Home Capitation & Incentive	211,140	294,005	334,675	299,855	1,139,675
Provider Enhancement Expense - Prop. 56	5,190,164	5,226,990	5,265,692	5,318,961	21,001,807
Provider Enhancement Expense - GEMT	456,380	456,381	265,311	423,904	1,601,976
Provider COVID-19 Expenes	674,580	767,440	683,880	-	2,125,900
Behaviorial Health Integration Program	371,672	371,672	371,672	371,672	1,486,688
TOTAL OTHER MEDICAL	10,641,113	10,412,229	11,840,899	9,883,445	42,777,686
PHARMACY SERVICES					
RX - Drugs & OTC	8,174,252	8,080,594	9,316,542	8,462,224	34,033,612
RX - HEP-C	245,144	264,815	249,449	260,020	1,019,428
Rx - DME	815,963	839,212	868,236	825,453	3,348,864
RX - Pharmacy Rebates	(135,000)	(135,000)	(135,000)	(135,000)	(540,000)
TOTAL PHARMACY SERVICES	9,100,359	9,049,621	10,299,227	9,412,697	37,861,904
PAY FOR PERFORMANCE QUALITY INCENTIVE	529,182	529,183	526,070	540,715	2,125,150
RISK CORRIDOR EXPENSE	-	-	-	-	-
HOSPITAL DIRECTED PAYMENTS	15,121,903	15,230,282	12,949,303	14,734,613	58,036,101
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	39,990	21,878	77,356,953	3,134	77,421,955
NON-CLAIMS EXPENSE ADJUSTMENT	287,063	233,372	212,564	71,855	804,854
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	4,787	858,658	1,700,070	(85,946)	2,477,569
Total Medical Costs	86,772,505	86,383,866	164,164,093	86,971,753	424,292,217

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH APRIL 30, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES					
Primary Care Physician Services	10.64	10.70	12.61	12.52	11.63
Referral Specialty Services	37.74	36.74	35.33	39.06	37.22
Urgent Care & After Hours Advise	5.11	5.74	5.25	3.35	4.85
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	53.52	53.21	53.22	54.96	53.73
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	1.06	1.06	1.03	1.02	1.04
221 - Business Intelligence	0.76	0.80	0.70	0.76	0.75
310 - Health Services - Utilization Management - UM Allocation *	2.14	2.04	2.14	2.12	2.11
311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.45	0.55	0.48	0.49
312 - Health Services - Education - UM Allocation *	0.43	0.45	0.34	0.42	0.41
313 - Health Services - Pharmacy - UM Allocation *	0.27	0.27	0.27	0.27	0.27
314 - Health Homes - UM Allocation *	0.43	0.43	0.61	0.43	0.48
315 - Case Management - UM Allocation *	0.97	0.95	0.99	0.91	0.96
616 - Disease Management - UM Allocation *	0.23	0.21	0.26	0.20	0.22
Behavior Health Treatment	3.11	3.42	4.97	5.29	4.21
Mental Health Services	1.05	0.66	0.34	0.54	0.65
Other Professional Services	4.93	6.91	5.65	5.51	5.75
TOTAL OTHER PROFESSIONAL SERVICES	15.88	17.64	17.84	17.95	17.33
EMERGENCY ROOM	16.79	15.97	15.38	15.74	15.97
INPATIENT HOSPITAL	71.28	69.78	62.12	64.72	66.94
REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.28	0.28	0.29
OUTPATIENT HOSPITAL SERVICES	25.52	23.87	25.30	30.51	26.32
OTHER MEDICAL					
Ambulance and NEMT	5.03	4.36	5.10	4.70	4.80
Home Health Services & CBAS	1.76	2.10	3.01	2.31	2.30
Utilization and Quality Review Expenses	0.82	1.35	2.43	1.51	1.53
Long Term/SNF/Hospice	5.80	4.09	6.83	3.66	5.10
Health Home Capitation & Incentive	0.76	1.06	1.18	1.05	1.01
Provider Enhancement Expense - Prop. 56	18.63	18.88	18.61	18.69	18.70
Provider Enhancement Expense - GEMT	1.64	1.65	0.94	1.49	1.43
Provider COVID-19 Expenes	2.42	2.77	2.42	0.00	1.89
Behaviorial Health Integration Program	1.33	1.34	1.31	1.31	1.32
TOTAL OTHER MEDICAL	38.21	37.61	41.84	34.73	38.09
PHARMACY SERVICES					
RX - Drugs & OTC	29.35	29.18	32.92	29.74	30.31
RX - HEP-C	0.88	0.96	0.88	0.91	0.91
Rx - DME	2.93	3.03	3.07	2.90	2.98
RX - Pharmacy Rebates	(0.48)	(0.49)	(0.48)	(0.47)	(0.48)
TOTAL PHARMACY SERVICES	32.67	32.68	36.40	33.07	33.72
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.90	1.91	1.86	1.90	1.89
RISK CORRIDOR EXPENSE	0.00	0.00	0.00	0.00	0.00
HOSPITAL DIRECTED PAYMENTS	54.29	55.01	45.76	51.78	51.68
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.14	0.08	273.37	0.01	68.94
NON-CLAIMS EXPENSE ADJUSTMENT	1.03	0.84	0.75	0.25	0.72
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.02	3.10	6.01	(0.30)	2.21
Total Medical Costs	311.55	311.99	580.14	305.61	377.84

KERN HEALTH SYSTEMS
MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED APRIL 30, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
272,219	377,031	104,812	110 - Executive	1,403,194	1,508,125	104,931
287,032	212,651	(74,381)	210 - Accounting	835,291	850,604	15,313
384,019	362,443	(21,576)	220 - Management Information Systems	1,464,180	1,449,773	(14,407)
12,308	64,468	52,160	221 - Business Intelligence	12,308	257,872	245,564
249,199	281,931	32,732	222 - Enterprise Development	954,541	1,127,724	173,183
407,880	448,524	40,644	225 - Infrastructure	1,455,462	1,794,094	338,632
554,302	576,323	22,021	230 - Claims	2,122,607	2,305,292	182,685
121,381	149,779	28,398	240 - Project Management	468,652	599,117	130,465
113,686	101,775	(11,911)	310 - Health Services - Utilization Management	420,298	407,100	(13,198)
18,597	27,902	9,305	311 - Health Services - Quality Improvement	75,340	111,609	36,269
59	55	(4)	312 - Health Services - Education	59	220	161
147,394	42,146	(105,248)	313- Pharmacy	577,972	468,583	(109,389)
-	6,642	6,642	314 - Health Homes	4,225	26,567	22,342
22,612	22,357	(255)	315 - Case Management	93,361	89,427	(3,934)
29,802	29,325	(477)	616 - Disease Management	129,387	117,301	(12,086)
274,082	323,502	49,420	320 - Provider Network Management	1,084,046	1,294,010	209,964
622,842	656,475	33,633	330 - Member Services	2,323,252	2,625,901	302,649
586,682	702,275	115,593	340 - Corporate Services	2,243,646	2,809,099	565,453
60,406	66,363	5,957	360 - Audit & Investigative Services	250,837	265,452	14,615
55,258	69,250	13,992	410 - Advertising Media	203,589	277,000	73,411
65,999	73,950	7,951	420 - Sales/Marketing/Public Relations	235,355	295,799	60,444
198,772	251,455	52,683	510 - Human Resourses	888,107	1,005,820	117,713
(5,010)	-	5,010	Administrative Expense Adjustment	(200,738)	-	200,738
4,479,521	4,846,622	367,101	Total Administrative Expenses	17,044,971	19,686,488	2,641,517

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED APRIL 30, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	YEAR TO DATE 2021
110 - Executive	353,943	483,744	293,288	272,219	1,403,194
210 - Accounting	203,619	198,129	146,511	287,032	835,291
220 - Management Information Systems (MIS)	340,212	345,719	394,230	384,019	1,464,180
221 - Business Intelligence	-	-	-	12,308	12,308
222 - Enterprise Development	250,306	269,236	185,800	249,199	954,541
225 - Infrastructure	365,340	337,172	345,070	407,880	1,455,462
230 - Claims	550,124	558,095	460,086	554,302	2,122,607
240 - Project Management	99,808	119,159	128,304	121,381	468,652
310 - Health Services - Utilization Management	103,641	120,732	82,239	113,686	420,298
311 - Health Services - Quality Improvement	18,870	16,833	21,040	18,597	75,340
312 - Health Services - Education	-	-	-	59	59
313- Pharmacy	141,859	137,379	151,340	147,394	577,972
314 - Health Homes	-	-	4,225	-	4,225
315 - Case Management	23,536	22,769	24,444	22,612	93,361
616 - Disease Management	32,453	29,912	37,220	29,802	129,387
320 - Provider Network Management	304,995	273,211	231,758	274,082	1,084,046
330 - Member Services	567,625	586,939	545,846	622,842	2,323,252
340 - Corporate Services	561,450	559,640	535,874	586,682	2,243,646
360 - Audit & Investigative Services	68,976	83,366	38,089	60,406	250,837
410 - Advertising Media	27,368	39,637	81,326	55,258	203,589
420 - Sales/Marketing/Public Relations	53,401	69,703	46,252	65,999	235,355
510 - Human Resourses	281,636	228,332	179,367	198,772	888,107
Total Department Expenses	4,349,162	4,479,707	3,932,309	4,484,531	17,245,709
ADMINISTRATIVE EXPENSE ADJUSTMENT	18,296	(271,318)	57,294	(5,010)	(200,738)
Total Administrative Expenses	4,367,458	4,208,389	3,989,603	4,479,521	17,044,971

KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
BALANCE SHEET STATEMENT
AS OF APRIL 30, 2021

ASSETS	APRIL 2021	MARCH 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 1,136,738	$ 1,135,503	1,235
Interest Receivable	411	1,235	(824)
TOTAL CURRENT ASSETS	$ 1,137,149	$ 1,136,738	$ 411
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	$ -	$ -	$ -
NET POSITION:			
Net Position- Beg. of Year	1,138,066	1,138,066	-
Increase (Decrease) in Net Position - Current Year	(917)	(1,328)	411
Total Net Position	$ 1,137,149	$ 1,136,738	$ 411
TOTAL LIABILITIES AND NET POSITION	$ 1,137,149	$ 1,136,738	$ 411

KERN HEALTH SYSTEMS
GROUP HEALTH PLAN - HFAM
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE MONTH ENDED APRIL 30, 2021

CURRENT MONTH				YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			ENROLLMENT			
-	-	-	Members	-	-	-
			REVENUES			
-	-	-	Premium	-	-	-
411	-	411	Interest	1,646	-	1,646
-	-	-	Other Investment Income	(2,563)	-	(2,563)
411	-	411	TOTAL REVENUES	(917)	-	(917)
			EXPENSES			
			Medical Costs			
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
411	-	411	GROSS MARGIN	(917)	-	(917)
			Administrative			
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	Total Administrative Expenses	-	-	-
-	-	-	TOTAL EXPENSES	-	-	-
411	-	411	OPERATING INCOME (LOSS)	(917)	-	(917)
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
411	-	411	NET INCREASE (DECREASE) IN NET POSITION	(917)	-	(917)
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	0%	0%	0%

KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT

KERN HEALTH SYSTEMS

MEDI-CAL	2021 MEMBER MONTHS	JAN'21	FEB'21	MAR'21	APR'21	MAY'21	JUN'21	JUL'21	AUG'21	SEP'21	OCT'21	NOV'21	DEC'21
ADULT AND FAMILY													
ADULT	***211,316***	51,548	53,449	52,941	53,378	0	0	0	0	0	0	0	0
CHILD	***524,901***	131,669	126,764	133,240	133,228	0	0	0	0	0	0	0	0
SUB-TOTAL ADULT & FAMILY	***736,217***	***183,217***	***180,213***	***186,181***	***186,606***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
OTHER MEMBERS													
PARTIAL DUALS - FAMILY	***2,031***	403	523	529	576	0	0	0	0	0	0	0	0
PARTIAL DUALS - CHILD	***-1***	0	-1	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	***8***	2	2	2	2	0	0	0	0	0	0	0	0
BCCTP - TABACCO SETTLEMENT	***0***	0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)													
SPD FULL DUALS	***30,103***	7,484	7,591	7,505	7,523	0	0	0	0	0	0	0	0
SUBTOTAL OTHER MEMBERS	***32,141***	***7,889***	***8,115***	***8,036***	***8,101***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
TOTAL FAMILY & OTHER	***768,358***	***191,106***	***188,328***	***194,217***	***194,707***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
SPD													
SPD (AGED AND DISABLED)	***66,038***	16,011	18,829	15,328	15,870	0	0	0	0	0	0	0	0
MEDI-CAL EXPANSION													
ACA Expansion Adult-Citizen	**285,521**	70,649	69,251	72,532	73,089	0	0	0	0	0	0	0	0
ACA Expansion Duals	**3,039**	751	472	895	921	0	0	0	0	0	0	0	0
SUB-TOTAL MED-CAL EXPANSION	***288,560***	***71,400***	***69,723***	***73,427***	***74,010***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
TOTAL KAISER	***45,097***	***11,047***	***11,196***	***11,349***	***11,505***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
TOTAL MEDI-CAL MEMBERS	***1,168,053***	***289,564***	***288,076***	***294,321***	***296,092***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***

KERN·HEALTH SYSTEMS

February AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2704	MCG HEALTH LLC*****	742,147.77	742,147.77	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T1045	KAISER FOUNDATION HEALTH - HMO	434,259.86	866,270.78	FEB., 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T5005	CRAYON SOFTWARE EXPERTS LLC	363,225.96	678,636.45	2020 ANNUAL SOFTWARE LICENSE TRUE UP AND DEC. ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T2726	DST PHARMACY SOLUTIONS, INC.*****	223,699.76	223,699.76	DEC., 2020 & JAN., 2021 PHARMACY CLAIMS	PHARMACY
T4982	NGC US, LLC	189,366.29	200,366.29	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER & DISEASE MANAGEMENT & QUALITY IMPROVEMENT INCENTIVES	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	138,408.90	364,323.50	JAN., 2021 PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T2850	QUEST SOFTWARE INC.*****	99,995.00	99,995.00	SQL LICENSE / SPOTLIGHT SOFTWARE	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	66,911.02	108,196.57	JAN., 2021 PROFESSIONAL SERVICES	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	56,027.21	88,104.70	DEC., 2020 & JAN., 2021 TEMPORARY HELP & ACA INSURANCE - (7) MIS; (1) UM; (1) CM; (1) HHP; (1) HE	VARIOUS
T4391	OMNI FAMILY HEALTH	42,872.22	82,981.42	NOV., 2020 SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.*****	41,600.00	41,600.00	DEC., 2020 & JAN., 2021 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4582	HEALTHX, INC.	41,576.00	83,152.00	FEB., 2021 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE

KERN · HEALTH SYSTEMS

February AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4237	FLUIDEDGE CONSULTING, INC.	37,125.00	93,155.00	JAN., & FEB., 2021 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T4193	STRIA LLC	34,572.33	68,756.75	JAN., & FEB., 2021 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS*****	33,199.00	33,199.00	2021 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T1861	CERIDIAN HCM, INC.	33,161.20	45,011.20	FEB., 2021 MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T3448	SYNERGY HEALTHCARE, INC.*****	24,700.00	24,700.00	NOV., & DEC., 2020 ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T5022	SVAM INTERNATIONAL INC	21,336.00	65,976.00	JAN., 2021 PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T4483	INFUSION AND CLINICAL SERVICES, INC.*****	21,024.67	21,024.67	DEC., 2020 HEALTH HOMES GRANT	COMMUNITY GRANT
T4960	ZELIS CLAIMS INTEGRITY, LLC*****	20,182.89	21,234.08	DEC., 2020 POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T2458	HEALTHCARE FINANCIAL, INC.	20,000.00	52,500.00	DEC., 2020 PROFESSIONAL SERVICES	ADMINISTRATION
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	19,630.01	42,153.46	JAN., 2021 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T5145	CCS ENGINEERING FRESNO INC.,*****	18,865.64	21,465.64	JAN., 2021 JANITORIAL SERVICES	CORPORATE SERVICES
T2167	PG&E	18,015.21	34,180.22	DEC., 2020/JAN., 2021 - USAGE/UTILITIES	CORPORATE SERVICES
T4733	UNITED STAFFING ASSOCIATES	17,766.44	35,282.07	JAN. 2021 TEMPORARY HELP & ACA INSURANCE - (1) BI; (1) HH; (1) HR; (1) HE; (1) PHARMACY; (1) MS	VARIOUS
T3011	OFFICE ALLY, INC.	17,165.75	35,717.25	JAN., 2021 EDI CLAIM PROCESSING	CLAIMS
T4731	LOGMEIN USA, INC.*****	14,009.27	15,535.27	JAN., 2021 INTERNET SERVICES	MIS INFRASTRUCTURE

KERN • HEALTH SYSTEMS

February AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5334	PACIFIC INTERPRETERS, INCORPORATED*****	13,377.98	13,377.98	DEC., 2020 INTERPRETATION SERVICES	HEALTH EDUCATION
T3449	CDW GOVERNMENT*****	12,369.93	15,340.75	2021 ANNUAL ADOBE TEAM LICENSING	MIS INFRASTRUCTURE
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	12,119.42	24,221.95	JAN., 2021 EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T4563	SPH ANALYTICS*****	11,041.20	11,041.20	2020 KFHC MEMBER SATISFACTION SURVEY	MEMBER SERVICES
T5292	ALL'S WELL HEALTH CARE SERVICES*****	11,016.00	11,016.00	JAN., 2021 TEMPORARY HELP - (1) DM	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO	10,699.21	21,398.42	FEB., 2021 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4182	THE LAMAR COMPANIES*****	10,630.00	16,210.00	JAN./FEB., 2021 OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T4967	ADMINISTRATIVE SOLUTIONS, INC.	10,017.30	38,434.19	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
		2,882,114.44			
	TOTAL VENDORS OVER $10,000	2,882,114.44			
	TOTAL VENDORS UNDER $10,000	246,132.08			
	TOTAL VENDOR EXPENSES- FEBRUARY	$ 3,128,246.52			

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

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	866,270.78	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T2704	MCG HEALTH LLC*****	742,147.77	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T5005	CRAYON SOFTWARE EXPERTS LLC	678,636.45	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T3130	OPTUMINSIGHT, INC.	630,066.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4350	COMPUTER ENTERPRISE INC.	364,323.50	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T2726	DST PHARMACY SOLUTIONS, INC.*****	223,699.76	PHARMACY CLAIMS	PHARMACY
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	217,442.81	HEALTH HOME GRANT	COMMUNITY GRANTS
T4982	NGC US, LLC	200,366.29	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	HEALTH EDUCATION
T2584	UNITED STATES POSTAL SVC.-HASLER	150,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	108,196.57	PROFESSIONAL SERVICES	VARIOUS
T2850	QUEST SOFTWARE INC.*****	99,995.00	SQL LICENSE / SPOTLIGHT SOFTWARE	MIS INFRASTRUCTURE
T4237	FLUIDEDGE CONSULTING, INC.	93,155.00	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	88,104.70	TEMPORARY HELP & ACA INSURANCE	VARIOUS

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4582	HEALTHX, INC.	83,152.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4391	OMNI FAMILY HEALTH	82,981.42	SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	68,879.40	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE PREMIUM	VARIOUS
T4193	STRIA LLC	68,756.75	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T5022	SVAM INTERNATIONAL INC	65,976.00	PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4963	LINKEDIN CORPORATION	55,250.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T2458	HEALTHCARE FINANCIAL, INC.	52,500.00	PROFESSIONAL SERVICES	ADMINISTRATION
T1861	CERIDIAN HCM, INC.	45,011.20	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	42,153.46	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.*****	41,600.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4967	ADMINISTRATIVE SOLUTIONS, INC.	38,434.19	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T3011	OFFICE ALLY, INC.	35,717.25	EDI CLAIM PROCESSING	CLAIMS
T4733	UNITED STAFFING ASSOCIATES	35,282.07	TEMPORARY HELP & ACA INSURANCE	VARIOUS

KERN · HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T2167	PG&E	34,180.22	USAGE/UTILITIES	CORPORATE SERVICES
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS*****	33,199.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5325	WADE A MCNAIR	32,995.00	LEADABILITY PROGRAM FACILITATION-CONSULTING SERVICES/ONSITE TRAINING	HUMAN RESOURCES
T4501	ALLIED UNIVERSAL SECURITY SERVICES	29,872.44	ONSITE SECURITY	CORPORATE SERVICES
T4792	KP LLC	26,091.91	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY
T4781	EDRINGTON HEALTH CONSULTING, LLC	25,793.75	CONSULTING SERVICES	ADMINISTRATION
T5298	TOTALMED, INC.	25,591.00	DIRECT PLACEMENT FEES	HUMAN RESOURCES
T3448	SYNERGY HEALTHCARE, INC.*****	24,700.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	24,221.95	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T5145	CCS ENGINEERING FRESNO INC.,*****	21,465.64	JANITORIAL SERVICES	CORPORATE SERVICES
T4396	KAISER FOUNDATION HEALTH-DHMO	21,398.42	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4960	ZELIS CLAIMS INTEGRITY, LLC*****	21,234.08	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T4483	INFUSION AND CLINICAL SERVICES, INC.*****	21,024.67	HEALTH HOMES GRANT	COMMUNITY GRANT
T4460	PAYSPAN, INC	17,984.49	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T4182	THE LAMAR COMPANIES*****	16,210.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING

KERN · HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T2413	TREK IMAGING INC*****	15,797.30	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4731	LOGMEIN USA, INC *****	15,535.27	INTERNET SERVICES	MIS INFRASTRUCTURE
T3449	CDW GOVERNMENT*****	15,340.75	ANNUAL ADOBE TEAM LICENSING	MIS INFRASTRUCTURE
T1189	APPLE ONE INC, EMPLOYMENT SERVICES*****	15,049.06	TEMPORARY HELP	MIS ADMINISTRATION
T4785	COMMGAP*****	14,868.75	INTERPRETATION SERVICES	HEALTH EDUCATION
T4261	KAISER FOUNDATION HEALTH PLAN - TX PPO*****	14,735.00	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4657	DAPONDE SIMPSON ROWE PC	14,289.50	LEGAL FEES	VARIOUS
T5121	TPx COMMUNICATIONS	13,902.81	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T4353	TWE SOLUTIONS, INC.	13,803.42	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T5201	JAC SERVICES, INC.	13,732.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T5334	PACIFIC INTERPRETERS, INCORPORATED*****	13,377.98	INTERPRETATION SERVICES	HEALTH EDUCATION
T1022	UNUM LIFE INSURANCE CO.*****	13,338.80	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T5329	RELAY NETWORK, LLC*****	13,333.34	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T5132	TIME WARNER CABLE LLC*****	12,975.82	INTERNET SERVICES	MIS INFRASTRUCTURE

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T2790	KERN COUNTY DEPT OF PUBLIC HEALTH	12,915.00	INFLUENZA VACCINATION SPONSORSHIP	MARKETING
T4503	VISION SERVICE PLAN*****	11,190.70	EMPLOYEE HEALTH BENEFITS	VARIOUS
T1272	COFFEY COMMUNICATIONS INC.*****	11,106.53	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T4563	SPH ANALYTICS*****	11,041.20	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T5292	ALL'S WELL HEALTH CARE SERVICES*****	11,016.00	TEMPORARY HELP	VARIOUS
T2407	KAISER FOUNDATION HEALTH -COBRA*****	10,709.25	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T2840	ATALASOFT, INC.	10,254.00	ANNUAL DOTIMAGE DOCUMENT IMAGING MAINTENANCE	MIS INFRASTRUCTURE
		5,897,373.42		
	TOTAL VENDORS OVER $10,000	5,897,373.42		
	TOTAL VENDORS UNDER $10,000	271,540.31		
	TOTAL VENDOR EXPENSES- February	**$6,168,913.73**		

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

KERN • HEALTH SYSTEMS

March AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	864,771.49	1,731,042.27	MAR. & APR., 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4982	NGC US, LLC	410,279.59	610,645.88	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER & DISEASE MANAGEMENT & QUALITY IMPROVEMENT INCENTIVES	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	255,648.08	619,971.58	JAN., & FEB., 2021 PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T2726	DST PHARMACY SOLUTIONS, INC.	105,077.09	328,776.85	FEB., 2021 PHARMACY CLAIMS	PHARMACY
T5111	ENTISYS 360*****	99,999.00	100,206.28	ANNUAL DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T5109	RAND EMPLOYMENT SOLUTIONS	92,423.93	180,528.63	FEB., 2021 & MAR., 2021 TEMPORARY HELP & ACA INSURANCE - MS (7), MIS; (1) UM; (1) CM; (1) HHP; (1) HE	VARIOUS
T4391	OMNI FAMILY HEALTH	79,423.62	162,405.04	DEC., & JAN., - SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY*****	75,925.82	75,925.82	DEC., 2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T1180	LANGUAGE LINE SERVICES INC.*****	71,241.34	72,993.33	JAN., & FEB., 2021 INTERPRETATION SERVICES	MEMBER SERVICES
T2488	THE LINCOLN NATIONAL LIFE INSURANCE*****	68,961.14	137,840.54	FEB., 2021 VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4483	INFUSION AND CLINICAL SERVICES, INC.	49,576.27	70,600.94	JAN., & FEB., 2021 HEALTH HOMES GRANT	COMMUNITY GRANT
T4237	FLUIDEDGE CONSULTING, INC.	42,795.00	135,950.00	JAN., & FEB., 2021 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T4582	HEALTHX, INC.	41,576.00	124,728.00	MAR., 2021 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4193	STRIA LLC	39,935.27	108,692.02	FEB., & MAR., 2021 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T5340	GARTNER INC*****	38,500.00	38,500.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION

KERN · HEALTH SYSTEMS

March AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5145	CCS ENGINEERING FRESNO INC.,	36,016.92	57,482.56	JAN., MAR., & APR., 2021 JANITORIAL SERVICES	CORPORATE SERVICES
T3448	SYNERGY HEALTHCARE, INC.	35,900.00	60,600.00	JAN., & FEB., 2021 ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T2167	PG&E	31,947.04	66,127.26	JAN., & FEB., 2021 - USAGE/UTILITIES	CORPORATE SERVICES
T4460	PAYSPAN, INC*****	30,560.23	48,544.72	JAN., & FEB., 2021 ELECTRONIC CLAIMS/PAYMENTS & PPD REIMBURSEMENTS	FINANCE
T4967	ADMINISTRATIVE SOLUTIONS, INC.	29,201.90	67,636.09	FEB/MAR FSA EMPLOYEE PREMIUM & FEB., 2021 SECTION 125 ADMINISTRATION	VARIOUS
T5269	KERN COMMUNITY FOUNDATION*****	26,311.00	26,311.00	2021 ANNUAL CONTRIBUTION - KERN CONNECTED COMMUNITY NETWORK MGMT FEE	UTILIZATION MANAGEMENT- UM OUTREACH
T5185	HOUSING AUTHORITY COUNTY OF KERN*****	26,300.00	26,300.00	NOVEMBER & DECEMBER 2020 HOUSING AUTHORITY GRANT	UTILIZATION MANAGEMENT - UM WELLNESS
T1655	KERN,KKXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG, KVEC,KSTT,KRQK,KPAT,*****	26,000.00	26,000.00	FEB., MAR., APR., & JUN., 2021 DIGITAL ADS	MARKETING
T5005	CRAYON SOFTWARE EXPERTS LLC	25,643.04	704,279.49	JAN., & FEB., 2021 ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	24,150.10	48,372.05	FEB., & MAR., 2021 EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.*****	24,075.03	24,075.03	HARDWARE BOARD ROOM REMOTE VIDEO CONFERENCING	MIS INFRASTRUCTURE
T2458	HEALTHCARE FINANCIAL, INC.	23,500.00	76,000.00	JAN., 2021 PROFESSIONAL SERVICES	ADMINISTRATION
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	22,331.96	64,485.42	FEB., 2021 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4733	UNITED STAFFING ASSOCIATES	21,563.81	56,845.88	FEB., & MAR., 2021 TEMPORARY HELP & ACA INSURANCE - (1) BI; (1) HH; (1) HR; (1) HE; (1) PHARMACY; (1) MS	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO	20,884.04	42,282.46	MAR., & APR., 2021 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4873	L5 HEALTHCARE SOLUTIONS, INC.*****	19,415.00	23,115.00	2021 LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	CLAIMS
T4501	ALLIED UNIVERSAL SECURITY SERVICES*****	19,069.73	48,942.17	FEB., & MAR., 2021 ONSITE SECURITY	CORPORATE SERVICES
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	18,980.00	60,580.00	FEB., 2021 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT

KERN·HEALTH SYSTEMS

March AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T3011	OFFICE ALLY, INC.	17,515.50	53,232.75	FEB., 2021 EDI CLAIM PROCESSING	CLAIMS
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS*****	17,500.00	17,500.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T1861	CERIDIAN HCM, INC.	17,420.00	62,431.20	MAR., 2021 MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK*****	16,500.00	16,950.00	2020 AUDIT FEES	FINANCE
T5022	SVAM INTERNATIONAL INC	15,200.00	81,176.00	FEB., 2021 PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T4261	KAISER FOUNDATION HEALTH PLAN -TX PPO*****	14,735.00	29,470.00	MAR., & APR., 2021 TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4960	ZELIS CLAIMS INTEGRITY, LLC	13,616.45	34,850.53	FEB, 2021 POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T1022	UNUM LIFE INSURANCE CO.*****	13,451.20	26,790.00	MAR., & APR., 2021 EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T5292	ALL'S WELL HEALTH CARE SERVICES	13,311.00	24,327.00	FEB., & MAR., 2021 TEMPORARY HELP - (1) DM	UM-DISEASE MANAGEMENT
T1189	APPLE ONE INC, EMPLOYMENT SERVICES*****	13,001.93	28,050.99	FEB., & MAR., 2021 TEMPORARY HELP - (1) MIS	IT- ADMINISTRATION
T2961	SOLUTION BENCH, LLC*****	12,600.00	12,600.00	2021/2022 ANNUAL M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	12,414.44	120,611.01	FEB., 2021 PROFESSIONAL SERVICES	VARIOUS
T4781	EDRINGTON HEALTH CONSULTING, LLC*****	11,543.75	37,337.50	JAN. 2021 CONSULTING SERVICES	ADMINISTRATION
T2407	KAISER FOUNDATION HEALTH -COBRA*****	11,351.80	22,061.05	MAR., & APR., 2021 COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T1128	HALL LETTER SHOP, INC.*****	11,044.05	19,243.24	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, NEW MEMBER PACKETS & ID CARD SURVEY	VARIOUS
T5344	SIGNATURE STAFF RESOURCES LLC*****	11,040.00	11,040.00	FEB., 2021 PROFESSIONAL SERVICES	PROJECT MANAGEMENT
		3,020,228.56			
	TOTAL VENDORS OVER $10,000	3,020,228.56			
	TOTAL VENDORS UNDER $10,000	273,341.40			
	TOTAL VENDOR EXPENSES- MARCH	$ 3,293,569.96			

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

KERN · HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	1,731,042.27	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T2704	MCG HEALTH LLC*****	742,147.77	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T5005	CRAYON SOFTWARE EXPERTS LLC	704,279.49	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T3130	OPTUMINSIGHT, INC.	630,066.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4350	COMPUTER ENTERPRISE INC.	619,971.58	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T4982	NGC US, LLC	610,645.88	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	HEALTH EDUCATION
T2726	DST PHARMACY SOLUTIONS, INC.	328,776.85	PHARMACY CLAIMS	PHARMACY
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	217,442.81	HEALTH HOME GRANT	COMMUNITY GRANTS
T5109	RAND EMPLOYMENT SOLUTIONS	180,528.63	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T4391	OMNI FAMILY HEALTH	162,405.04	SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T2584	UNITED STATES POSTAL SVC.-HASLER	150,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	137,840.54	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE PREMIUM	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	135,950.00	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T4582	HEALTHX, INC.	124,728.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	120,611.01	PROFESSIONAL SERVICES	VARIOUS
T4193	STRIA LLC	108,692.02	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T5111	ENTISYS 360*****	100,206.28	ANNUAL DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T2850	QUEST SOFTWARE INC.	99,995.00	SQL LICENSE / SPOTLIGHT SOFTWARE	MIS INFRASTRUCTURE
T5022	SVAM INTERNATIONAL INC	81,176.00	PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T2458	HEALTHCARE FINANCIAL, INC.	76,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY*****	75,925.82	2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T1180	LANGUAGE LINE SERVICES INC.*****	72,993.33	INTERPRETATION SERVICES	MEMBER SERVICES
T4483	INFUSION AND CLINICAL SERVICES, INC.*****	70,600.94	HEALTH HOMES GRANT	COMMUNITY GRANT
T4967	ADMINISTRATIVE SOLUTIONS, INC.	67,636.09	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T2167	PG&E	66,127.26	USAGE/UTILITIES	CORPORATE SERVICES
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	64,485.42	EDI CLAIM PROCESSING (EMDEON)	CLAIMS

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1861	CERIDIAN HCM, INC.	62,431.20	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T3448	SYNERGY HEALTHCARE, INC.	60,600.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	60,580.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T5145	CCS ENGINEERING FRESNO INC.,	57,462.56	JANITORIAL SERVICES	CORPORATE SERVICES
T4733	UNITED STAFFING ASSOCIATES	56,845.88	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T4963	LINKEDIN CORPORATION	55,250.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T3011	OFFICE ALLY, INC.	53,232.75	EDI CLAIM PROCESSING	CLAIMS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	48,942.17	ONSITE SECURITY	CORPORATE SERVICES
T4460	PAYSPAN, INC	48,544.72	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	48,372.05	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO	42,282.46	EMPLOYEE HEALTH BENEFITS	VARIOUS
T5340	GARTNER INC*****	38,500.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T4781	EDRINGTON HEALTH CONSULTING, LLC	37,337.50	CONSULTING SERVICES	ADMINISTRATION

KERN · HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4960	ZELIS CLAIMS INTEGRITY, LLC	34,850.53	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	33,199.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5325	WADE A MCNAIR	32,995.00	LEADABILITY PROGRAM FACILITATION-CONSULTING SERVICES/ONSITE TRAINING	HUMAN RESOURCES
T4261	KAISER FOUNDATION HEALTH PLAN - TX PPO	29,470.00	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	28,050.99	TEMPORARY HELP	MIS ADMINISTRATION
T1022	UNUM LIFE INSURANCE CO.	26,790.00	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4792	KP LLC	26,691.91	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY
T5269	KERN COMMUNITY FOUNDATION*****	26,311.00	ANNUAL CONTRIBUTION - KERN CONNECTED COMMUNITY NETWORK MGMT FEE	UTILIZATION MANAGEMENT-OUTREACH
T5185	HOUSING AUTHORITY COUNTY OF KERN*****	26,300.00	2020 HOUSING AUTHORITY GRANT	UTILIZATION MANAGEMENT - UM WELLNESS
T1655	KERN,KKXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG,KVEC,KSTT,KRQK,KPAT,*****	26,000.00	DIGITAL ADS	MARKETING
T5298	TOTALMED, INC.	25,591.00	DIRECT PLACEMENT FEES	HUMAN RESOURCES
T5292	ALL'S WELL HEALTH CARE SERVICES	24,327.00	TEMPORARY HELP	VARIOUS
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.*****	24,075.03	HARDWARE BOARD ROOM REMOTE VIDEO CONFERENCING	MIS INFRASTRUCTURE

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4182	THE LAMAR COMPANIES	23,290.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T4873	L5 HEALTHCARE SOLUTIONS, INC.*****	23,115.00	ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	CLAIMS
T2407	KAISER FOUNDATION HEALTH -COBRA	22,061.05	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T4657	DAPONDE SIMPSON ROWE PC	21,093.50	LEGAL FEES	VARIOUS
T5121	TPx COMMUNICATIONS	20,916.27	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T5334	PACIFIC INTERPRETERS, INCORPORATED	20,785.11	INTERPRETATION SERVICES	HEALTH EDUCATION
T4785	COMMGAP	20,452.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T5132	TIME WARNER CABLE LLC	19,464.09	INTERNET SERVICES	MIS INFRASTRUCTURE
T4563	SPH ANALYTICS	19,417.20	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T1128	HALL LETTER SHOP, INC.*****	19,243.24	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PACKETS & POSTERS	VARIOUS
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC*****	17,855.86	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T2413	TREK IMAGING INC	17,739.02	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 $10,000.00

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS*****	17,500.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK*****	16,950.00	2020 AUDIT FEES	FINANCE
T4652	BAKERSFIELD SYMPHONY ORCHESTRA*****	16,666.68	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4503	VISION SERVICE PLAN	16,660.63	EMPLOYEE HEALTH BENEFITS	VARIOUS
T3449	CDW GOVERNMENT	16,395.07	ANNUAL ADOBE TEAM LICENSING	MIS INFRASTRUCTURE
T4731	LOGMEIN USA, INC.	15,535.27	INTERNET SERVICES	MIS INFRASTRUCTURE
T1272	COFFEY COMMUNICATIONS INC.	15,429.65	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T2441	LAURA J. BREZINSKI*****	14,950.00	MARKETING MATERIALS	MARKETING
T5201	JAC SERVICES, INC.	14,730.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T3986	JACQUELYN S. JANS*****	14,600.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T4353	TWE SOLUTIONS, INC.	14,353.01	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T5329	RELAY NETWORK, LLC	13,333.34	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T2790	KERN COUNTY DEPT OF PUBLIC HEALTH	12,915.00	INFLUENZA VACCINATION SPONSORSHIP	MARKETING
T4389	EXACT STAFF, INC.*****	12,799.96	TEMPORARY HELP	VARIOUS
T2961	SOLUTION BENCH, LLC*****	12,600.00	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T2446	AT&T MOBILITY*****	12,315.57	CELLULAR PHONE / INTERNET USAGE	MIS INFRASTRUCTURE

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4607	AGILITY RECOVERY SOLUTIONS INC.*****	11,481.00	PROFESSIONAL SERVICES	ADMINISTRATION
T5344	SIGNATURE STAFF RESOURCES LLC*****	11,040.00	CONSULTING SERVICES	PROJECT MANAGEMENT
T2840	ATALASOFT, INC.	10,254.00	ANNUAL DOTIMAGE DOCUMENT IMAGING MAINTENANCE	MIS INFRASTRUCTURE
		9,096,268.80		
	TOTAL VENDORS OVER $10,000	9,096,268.80		
	TOTAL VENDORS UNDER $10,000	363,888.37		
	TOTAL VENDOR EXPENSES- MARCH	**$9,460,157.17**		

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

KERN • HEALTH SYSTEMS

April AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4350	COMPUTER ENTERPRISE INC.	167,867.64	787,839.22	FEB. & MAR. 2021 PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T4982	NGC US, LLC	161,100.00	771,745.88	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER & DISEASE MANAGEMENT & QUALITY IMPROVEMENT INCENTIVES	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	139,500.00	275,450.00	MAR. & APR. 2021 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T2726	DST PHARMACY SOLUTIONS, INC.	118,959.74	447,736.59	MAR 2021 PHARMACY CLAIMS	PHARMACY
T2458	HEALTHCARE FINANCIAL, INC	99,000.00	175,000.00	FEB. 2021 PROFESSIONAL SERVICES	ADMINISTRATION
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	69,198.81	207,039.35	MAR. 2021 VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T3449	CDW GOVERNMENT****	54,476.10	70,871.17	HARDWARE - 25 DELL CTO 5420 LAPTOPS	MIS INFRASTRUCTURE
T4165	SHI INTERNATIONAL CO.****	53,750.86	55,343.70	SOFTWARE LICENSES - CISCO IVR LICENSES, PROOFPOINT LICENSES	MIS INFRASTRUCTURE
T1180	LANGUAGE LINE SERVICES INC.	51,169.47	124,162.80	MAR. 2021 INTERPRETATION SERVICES	MEMBER SERVICES
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	50,171.85	170,782.86	MAR. 2021 PROFESSIONAL SERVICES	VARIOUS
T4582	HEALTHX, INC.	49,576.00	174,304.00	APR. 2021 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T5109	RAND EMPLOYMENT SOLUTIONS	44,237.36	224,765.99	MAR. & APR. 2021 TEMPORARY HELP - MS (7), MIS; (1) UM; (1) CM; (1) HHP; (1) HE	VARIOUS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	33,000.00	49,950.00	2020 AUDIT FEES	FINANCE
T1861	CERIDIAN HCM, INC.	29,207.52	91,638.72	MAR. & APR. 2021 MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	26,982.07	91,467.49	MAR. 2021 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T3448	SYNERGY HEALTHCARE, INC.	23,500.00	84,100.00	MAR. 2021 ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T4193	STRIA LLC	22,484.56	131,176.58	MAR. & APR. 2021 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T5344	SIGNATURE STAFF RESOURCES LLC	21,942.00	32,982.00	MAR. 2021 PROFESSIONAL SERVICES	PROJECT MANAGEMENT
T3011	OFFICE ALLY, INC.	20,284.25	73,517.00	MAR. 2021 EDI CLAIM PROCESSING	CLAIMS

KERN • HEALTH SYSTEMS

April AP Vendor Report
Amounts over $10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4967	ADMINISTRATIVE SOLUTIONS, INC.	19,168.60	86,804.69	MAR. & APR. 2021 FSA EMPLOYEE PREMIUM & FEB., 2021 SECTION 125 ADMINISTRATION	HUMAN RESOURCES
T4563	SPH ANALYTICS****	18,691.00	38,108.20	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T5022	SVAM INTERNATIONAL INC	18,400.00	99,576.00	MAR. 2021 PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T5145	CCS ENGINEERING FRESNO INC.,	18,025.64	75,508.20	MAR., APR. & MAY 2021 JANITORIAL SERVICES	CORPORATE SERVICES
T4460	PAYSPAN, INC	16,075.46	64,620.18	MAR. 2021 ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T2167	PG&E	15,375.34	81,502.60	MAR. 2021 - USAGE/UTILITIES	CORPORATE SERVICES
T4731	LOGMEIN USA, INC.****	14,059.08	29,594.35	2021-2022 ANNUAL INTERNET SUBSCRIPTIONS	MIS INFRASTRUCTURE
T5329	RELAY NETWORK, LLC****	13,333.34	26,666.68	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T1128	HALL LETTER SHOP, INC.	12,361.33	31,604.57	MEMBER COVID -19 FLYER & MAIL PREP	VARIOUS
T2938	SAP AMERICA, INC****	12,308.32	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T4501	ALLIED UNIVERSAL SECURITY SERVICES	12,010.50	60,952.67	MAR. & APR. 2021 ONSITE SECURITY	CORPORATE SERVICES
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	11,966.64	60,338.69	APR. 2021 EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T5099	PROGRESS SOFTWARE CORPORATION****	10,968.02	10,968.02	TELERIK LICENSES ANNUAL RENEWAL	MIS INFRASTRUCTURE
T4733	UNITED STAFFING ASSOCIATES	10,758.16	67,604.04	MAR. & APR. 2021 TEMPORARY HELP - (1) HH; (1) HR; (1) HE	VARIOUS
		1,439,909.66			
	TOTAL VENDORS OVER $10,000	1,439,909.66			
	TOTAL VENDORS UNDER $10,000	236,549.43			
	TOTAL VENDOR EXPENSES- APRIL	$ 1,676,459.09			

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

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	1,731,042.27	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	787,839.22	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T4982	NGC US, LLC	771,745.88	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	HEALTH EDUCATION
T2704	MCG HEALTH LLC	742,147.77	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T5005	CRAYON SOFTWARE EXPERTS LLC	704,279.49	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T3130	OPTUMINSIGHT, INC.	630,066.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T2726	DST PHARMACY SOLUTIONS, INC.	447,736.59	PHARMACY CLAIMS	PHARMACY
T4237	FLUIDEDGE CONSULTING, INC.	275,450.00	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	224,765.99	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	217,442.81	HEALTH HOME GRANT	COMMUNITY GRANTS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	207,039.35	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE PREMIUM	VARIOUS
T2458	HEALTHCARE FINANCIAL, INC.	175,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T4582	HEALTHX, INC.	174,304.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	170,782.86	PROFESSIONAL SERVICES	VARIOUS
T4391	OMNI FAMILY HEALTH	162,405.04	SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T2564	UNITED STATES POSTAL SVC.-HASLER	150,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T4193	STRIA LLC	131,176.58	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1180	LANGUAGE LINE SERVICES INC.	124,162.80	INTERPRETATION SERVICES	MEMBER SERVICES
T5111	ENTISYS 360	100,206.28	ANNUAL DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T2850	QUEST SOFTWARE INC.	99,995.00	SQL LICENSE / SPOTLIGHT SOFTWARE	MIS INFRASTRUCTURE
T5022	SVAM INTERNATIONAL INC	99,576.00	PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T1861	CERIDIAN HCM, INC.	91,638.72	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	91,467.49	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4967	ADMINISTRATIVE SOLUTIONS, INC.	86,804.69	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T3448	SYNERGY HEALTHCARE, INC.	84,100.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T2167	PG&E	81,502.60	USAGE/UTILITIES	CORPORATE SERVICES
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY	75,925.82	2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5145	CCS ENGINEERING FRESNO INC.,	75,508.20	JANITORIAL SERVICES	CORPORATE SERVICES
T3011	OFFICE ALLY, INC.	73,517.00	EDI CLAIM PROCESSING	CLAIMS
T3449	CDW GOVERNMENT	70,871.17	ANNUAL ADOBE TEAM LICENSING	MIS INFRASTRUCTURE
T4483	INFUSION AND CLINICAL SERVICES, INC.	70,855.94	HEALTH HOMES GRANT	COMMUNITY GRANT
T4733	UNITED STAFFING ASSOCIATES	67,604.04	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	65,000.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4460	PAYSPAN, INC	64,620.18	ELECTRONIC CLAIMS/PAYMENTS	FINANCE

KERN · HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4501	ALLIED UNIVERSAL SECURITY SERVICES	60,952.67	ONSITE SECURITY	CORPORATE SERVICES
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	60,338.69	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T4165	SHI INTERNATIONAL CO.*****	55,343.70	SOFTWARE LICENSES	MIS INFRASTRUCTURE
T4963	LINKEDIN CORPORATION	58,250.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	49,950.00	2020 AUDIT FEES	FINANCE
T4960	ZELIS CLAIMS INTEGRITY, LLC	43,701.73	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T4396	KAISER FOUNDATION HEALTH-DHMO	42,282.46	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4781	EDRINGTON HEALTH CONSULTING, LLC	41,275.00	CONSULTING SERVICES	ADMINISTRATION
T5340	GARTNER INC	38,500.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T4563	SPH ANALYTICS	38,108.20	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	33,199.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4182	THE LAMAR COMPANIES	33,185.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T5325	WADE A MCNAIR	32,995.00	LEADABILITY PROGRAM FACILITATION-CONSULTING SERVICES/ONSITE TRAINING	HUMAN RESOURCES
T5344	SIGNATURE STAFF RESOURCES LLC*****	32,982.00	PROJECT MANAGEMENT CONSULTING	PROJECT MANAGEMENT
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	32,486.30	TEMPORARY HELP	MIS ADMINISTRATION
T1128	HALL LETTER SHOP, INC.	31,604.57	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PACKETS & POSTERS	VARIOUS
T4731	LOGMEIN USA, INC.	29,594.35	INTERNET SERVICES	MIS INFRASTRUCTURE
T4261	KAISER FOUNDATION HEALTH PLAN - TX PPO	29,470.00	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4785	COMMGAP	28,565.00	INTERPRETATION SERVICES	HEALTH EDUCATION
T5292	ALL'S WELL HEALTH CARE SERVICES	28,458.00	TEMPORARY HELP	VARIOUS
T5121	TPx COMMUNICATIONS	27,818.00	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T4792	KP LLC	27,291.91	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY
T1022	UNUM LIFE INSURANCE CO.	26,790.00	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4657	DAPONDE SIMPSON ROWE PC	26,786.50	LEGAL FEES	VARIOUS
T5329	RELAY NETWORK, LLC	26,666.68	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T5269	KERN COMMUNITY FOUNDATION	26,311.00	ANNUAL CONTRIBUTION - KERN CONNECTED COMMUNITY NETWORK MGMT FEE	UTILIZATION MANAGEMENT-OUTREACH
T5185	HOUSING AUTHORITY COUNTY OF KERN	26,300.00	2020 HOUSING AUTHORITY GRANT	UTILIZATION MANAGEMENT - UM WELLNESS
T1656	KERN,KKXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG,KVEC,KSTT,KRQK,KPAT,	26,000.00	DIGITAL ADS	MARKETING
T5296	TOTALMED, INC.	25,591.00	DIRECT PLACEMENT FEES	HUMAN RESOURCES
T5132	TIME WARNER CABLE LLC	25,503.36	INTERNET SERVICES	MIS INFRASTRUCTURE
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	25,000.01	COMMUNITY SPONSORSHIP	ADMINISTRATION
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.	24,075.03	HARDWARE BOARD ROOM REMOTE VIDEO CONFERENCING	MIS INFRASTRUCTURE
T2407	KAISER FOUNDATION HEALTH -COBRA	23,667.42	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T4873	LS HEALTHCARE SOLUTIONS, INC.	23,115.00	ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	CLAIMS

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T2413	TREK IMAGING INC	21,830.46	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T5334	PACIFIC INTERPRETERS, INCORPORATED	20,785.11	INTERPRETATION SERVICES	HEALTH EDUCATION
T3986	JACQUELYN S. JANS	19,600.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T1272	COFFEY COMMUNICATIONS INC.	18,809.18	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T2441	LAURA J. BREZINSKI	18,800.00	MARKETING MATERIALS	MARKETING
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	17,855.86	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS	17,500.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T2446	AT&T MOBILITY	16,699.79	CELLULAR PHONE / INTERNET USAGE	MIS INFRASTRUCTURE
T4503	VISION SERVICE PLAN	16,660.63	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.*****	15,936.00	CONSULTING SERVICES	ADMINISTRATION
T4607	AGILITY RECOVERY SOLUTIONS INC.	15,268.00	PROFESSIONAL SERVICES	ADMINISTRATION
T5201	JAC SERVICES, INC.	14,730.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T4353	TWE SOLUTIONS, INC.	14,353.01	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T4389	EXACT STAFF, INC.	13,998.52	TEMPORARY HELP	VARIOUS
T2790	KERN COUNTY DEPT OF PUBLIC HEALTH	12,915.00	INFLUENZA VACCINATION SPONSORSHIP	MARKETING
T2961	SOLUTION BENCH, LLC	12,600.00	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T2938	SAP AMERICA, INC*****	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T2969	AMERICAN BUSINESS MACHINES INC*****	11,540.51	HARDWARE AND MAINTENANCE	CORPORATE SERVICES

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1326	WALKER-LEWIS RENTS*****	11,096.68	COVID-19 TESTING SITE EQUIPMENT	MARKETING
T5099	PROGRESS SOFTWARE CORPORATION*****	10,968.02	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO., INC.*****	10,745.45	2021 BUILDING MAINTENANCE	CORPORATE SERVICE
T2840	ATALASOFT, INC.	10,254.00	ANNUAL DOTIMAGE DOCUMENT IMAGING MAINTENANCE	MIS INFRASTRUCTURE
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC*****	10,025.00	ADVERTISEMENT - TELEVISION	MARKETING
		10,699,016.90		
	TOTAL VENDORS OVER $10,000	10,699,016.90		
	TOTAL VENDORS UNDER $10,000	437,599.36		
	TOTAL VENDOR EXPENSES- APRIL	$11,136,616.26		

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

6 of 6

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

2021 TECHNOLOGY CONSULTING RESOURCES																	
ITEM	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD TOTAL	REMAINING BALANCE
#	Project Name																
1	*Project Portfolio Management System*	*CA*	$154,562	$0	$0	$0	$0									$0	$154,562
2	*Community Based Organization Referral System*	*CA*	$159,653	$0	$0	$0	$0									$0	$159,653
3	*Provider Credentialing System*	*CA*	$139,231													$0	$139,231
4	*Managed Care Accountabilty System Replacement*	*CA*	$20,355	$0	$0	$0	$0									$0	$20,355
5	*Enterprise Logging System*	*CA*	$333,996	$12,036	$15,200	$18,400	$17,600									$63,236	$270,760
6	*Interoperability*	*CA*	$162,044	$4,944	$0	$0	$0									$4,944	$157,100
7	*Enterprise Data Warehouse System*	*CA*	$673,553	$87,957	$94,932	$105,147	$111,364									$399,400	$274,153
8	*Staff Augmentation*	*EXP*	$1,918,488	$142,543	$140,996	$171,335	$156,367									$611,241	$1,307,247
	Totals:	**Totals**	**$3,561,882**	**$247,480**	**$251,128**	**$294,882**	**$285,331**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**		**$1,078,821**	**$2,483,061**

Updated 5/18/21

KERN HEALTH SYSTEMS

To: KHS Board of Directors

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

Date: June 10, 2021

Re: CMO BOARD REPORT

Medical Cost and Utilization Trend Analyses: (Attachment A)

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

For the combined population, per member cost has increased slightly to budget for March and April showing recovery from earlier months and all of 2020 when members were more apt to stay at home and not go to their doctor.

Physician Services now relate more to the management of Diabetes, Hypertension and chronic kidney disease accounting for the highest percentage of Physician Service's utilization by all AID groups. This is followed by general exam without complaint. Although cost is slightly over budget, we are encouraged with members seeking routine care again. This is emphasized whenever we have an opportunity to speak with members through member services calls or case management discussion.

Pharmacy

The monthly cost and utilization per enrollee for all aid categories was at or below budget through April 2021. We see a slight pickup in the cost per script PMPM for the SPD Aid code. We will be watching this trend and analyzing available data to determine the cause of the increase. The Flu season was mild and did have had a major increase in utilization of Pharmacy services. We continue to analyze utilization patterns and Rx costs to identify ways to better manage this benefit. Initially, some of our programs will increase use of appropriate medications where we see a pattern of non-compliance, Correcting this means, in the long-term, we should see a reduction in high

cost medical services from patients better able to control their medical condition when they stay with their Rx treatment plan.

Inpatient Services

Plan-wide, per member cost for inpatient services is running close or at budget for the past 3 months. Bed-days incurred and average length of stay in the acute hospital for all aide codes is at or below budget. Only the cost per day is running over budget.

The PMPM inpatient cost for the SPD population continues to run higher than budget. KHS Case Managers continue to focus on our members who are at risk of hospitalization in 6 months and other populations that are at risk of incurring high cost health care services. We are developing and implementing different programs that focus on better management of specific patient populations in compliance with evidenced based guidelines. These programs are voluntary. So far data analysis is showing a reduction in hospital utilization in members who accept to enroll in the special programs including case management. We are hopeful that the implementation of the CalAim initiatives would enhance care management of these very ill members and reduce the overall cost of their care. The top hospital used for inpatient services remains Bakersfield Memorial Hospital **(Attachment B).**

A trend occurring in hospital related care is treating patients in their home. We have implemented a hospital at home program with one of our hospital partners, Bakersfield Adventist Hospital. This will allow patients to be treated at home for conditions that would respond similarly were they admitted to the hospital.

Hospital Outpatient

PMPM cost for hospital outpatient utilization services plan-wide is stable. The cost per hospital outpatient visit for the SPDs is higher than budget. Because Observation status involving an inpatient admission is classified as an Outpatient Service, cost per service can run high when Observation beds increase. However, Observation beds are less expensive than inpatient beds, so we continue to work with our hospitalist teams to encourage use of the Observation Units where appropriate. While PMPM for outpatient services show stability, utilization of outpatient services has increased. This could be a result of more patients being treated for elective procedures postponed during the pandemic.

Emergency Room (ER)

The overall utilization of ER services continues to be lower than budget for all Aid codes. Despite being below budget for both utilization and cost, trends show increase utilization of the ER occurring since February. We are looking at ways to provide other access points for care for members to support the new behavior related to ER utilization. The top diagnosis for ER utilization

is Urinary Tract Infection (URI) followed by Chest Pain and Headache. Prior to the pandemic, the most frequent diagnosis for the ER for all Aid codes was Upper Respiratory Infection. We are looking at maintaining some of the telemedicine access that was put in place during the pandemic and we hope there will be a high adoption rate in our member population so they will use it for URI treatment instead of emergency rooms. One of the ways we determine whether our specialty care programs are working effectively to stabilize patients with chronic conditions is to look at their ER utilization patterns pre and post entering the program. We are seeing significant reduction in ER utilization in members participating in these specialty care programs. Most of the ER visits are occurring at BMH **(Attachment D).**

Obstetrics Metrics:

When we look at our obstetrics metrics, it looks like there is a drop in deliveries in January and February 21. Since the basis for these data are provider claims, it's likely this reflects the delay between date of delivery and when KHS receives the obstetric claim. Because it may take 30-45 days from the delivery date before KHS receives an obstetric claim, a better indicator of birth trend would be to look back one or two months. When doing so it shows February and March births below the December peak but not out of line with patterns for similar months in 2020. C - sections remain consistent for vaginal vs. C- section deliveries with C-section rates running around 15% of total births **(Attachment C).**

Managed Care Accountability Set (MCAS)

Attachment E shows the most recent MCAS Performance Trending Metrics derived from claims data. Given the lag between dates of service and when claims are received, the data presented does not reflect dates of service more recent then 45 days.

The boxes in red show measures where our performance will not meet the Minimum Performance Level (MPL). The yellow boxes are measures where we need less than 5% improvement to meet the MPL. The green boxes show measures that we are on track to meet the MPL.

The Department of Health Care Services (DHCS) will not hold health plans accountable to meet the MPL for any hybrid measure for RY 2020, due to the COVID-19 public health crisis. Similarly, DHCS has elected not to impose sanctions or require corrective action plans for failing to meet the MPL for any measure, administrative or hybrid, for recording year 2020.

Although, given a "pass" for 2020, staff sees this time as an opportunity to undertake an internal assessment of the MCAS Program to develop new insight on what may be done to improve our performance and achieve target levels above the new minimum performance levels imposed by DHCS. Under Agenda item (CA-6) you will find a presentation of the Quality Improvement Department's plans for achieving the State's new, more robust minimum performance levels.

KERN HEALTH SYSTEMS

Attachment A

Governed Reporting System

Kern Health Systems

KHS Medical Management Performance Dashboard (Critical Performance Measurements)

KERN HEALTH SYSTEMS

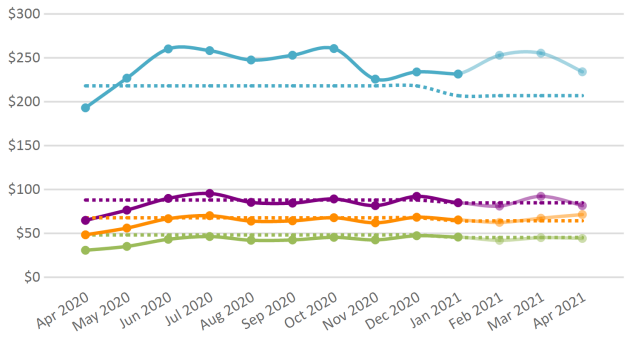
Governed Reporting System

Physician Services

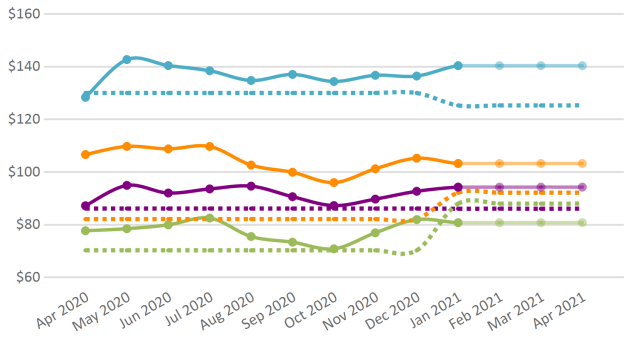
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

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

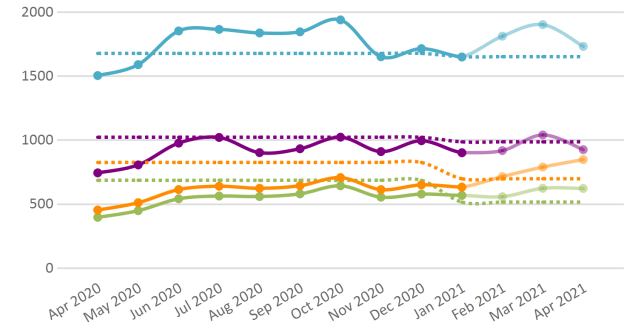
Professional Services Incurred by Aid Group PMPM



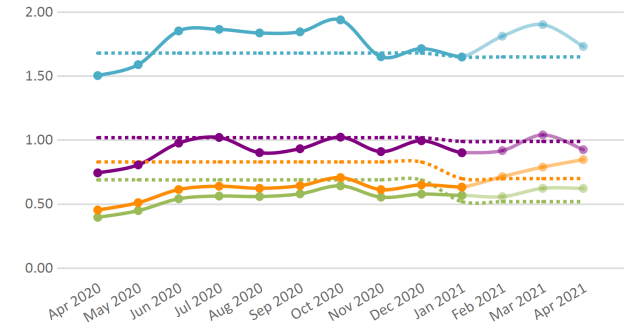
Cost per Professional Service Visit by Aid Group



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



Professional Service Visits per Member per Month by Aid Group

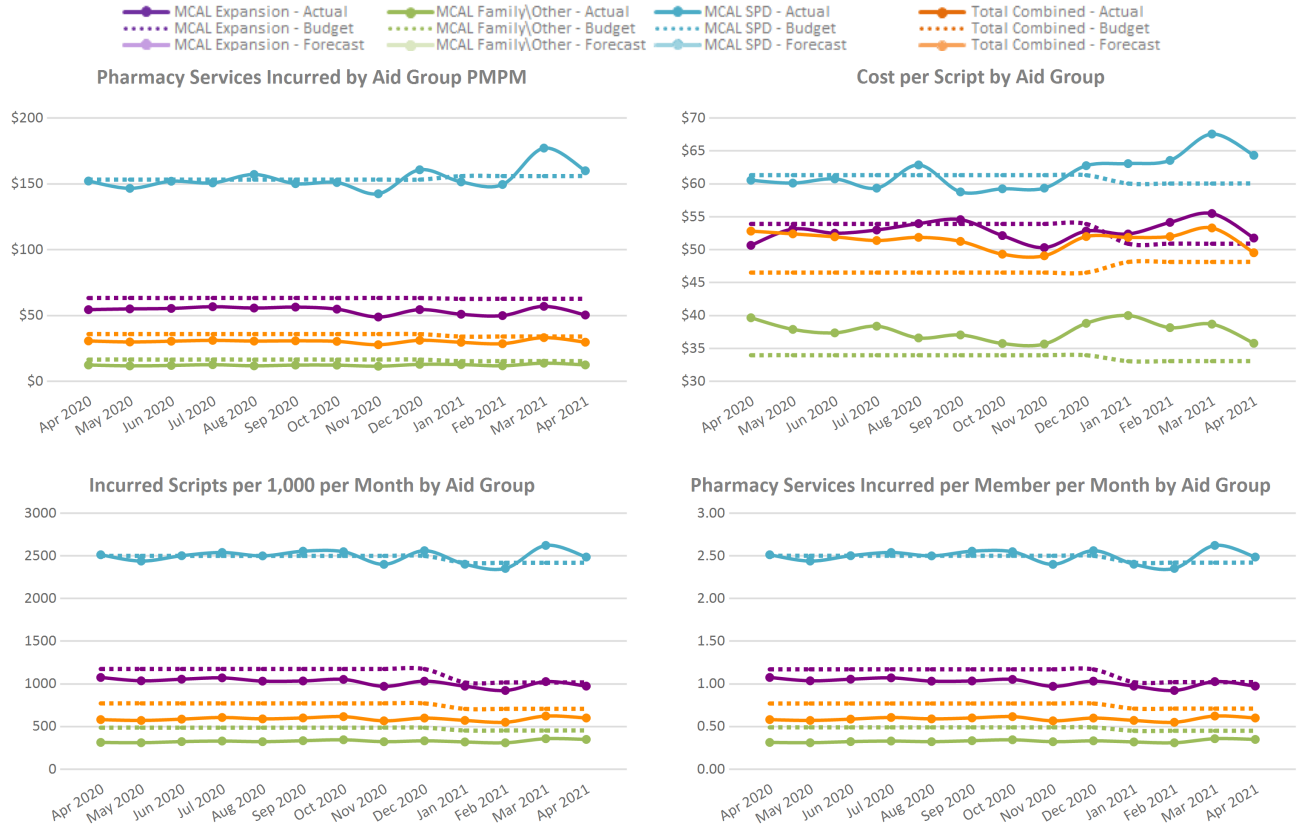


KERN HEALTH SYSTEMS

Governed Reporting System

Pharmacy

(Includes: Claims paid by PBM)



KERN HEALTH SYSTEMS

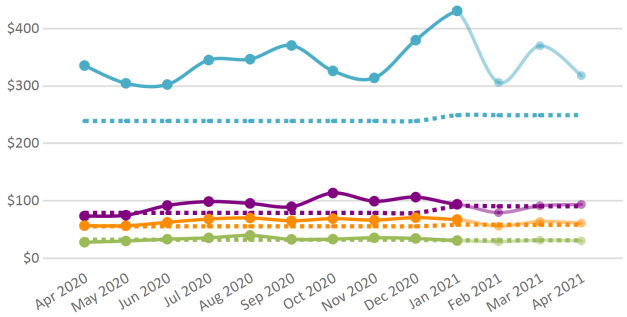
Governed Reporting System

Inpatient

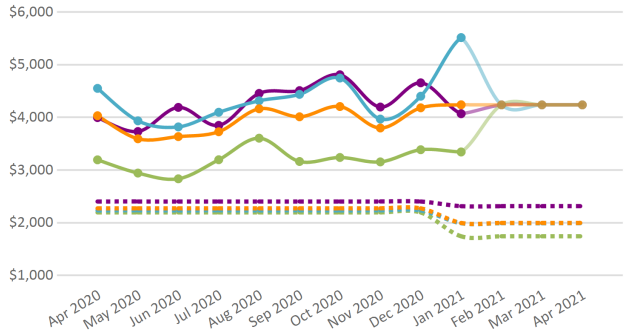
(Includes: Inpatient Hospital Claims)

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

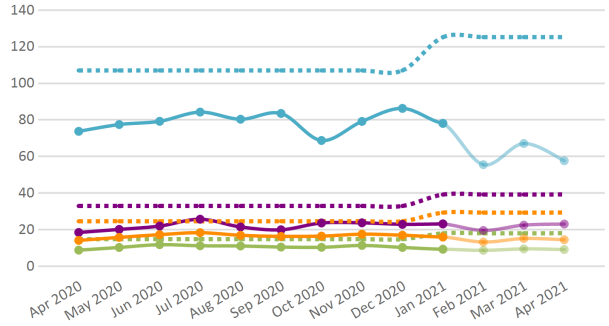
Inpatient Services Incurred by Aid Group PMPM



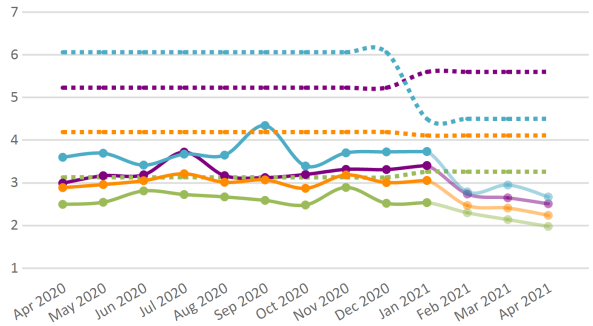
Cost Per Bed Day by Aid Group



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



Average Length of Stay in Days by Aid Group

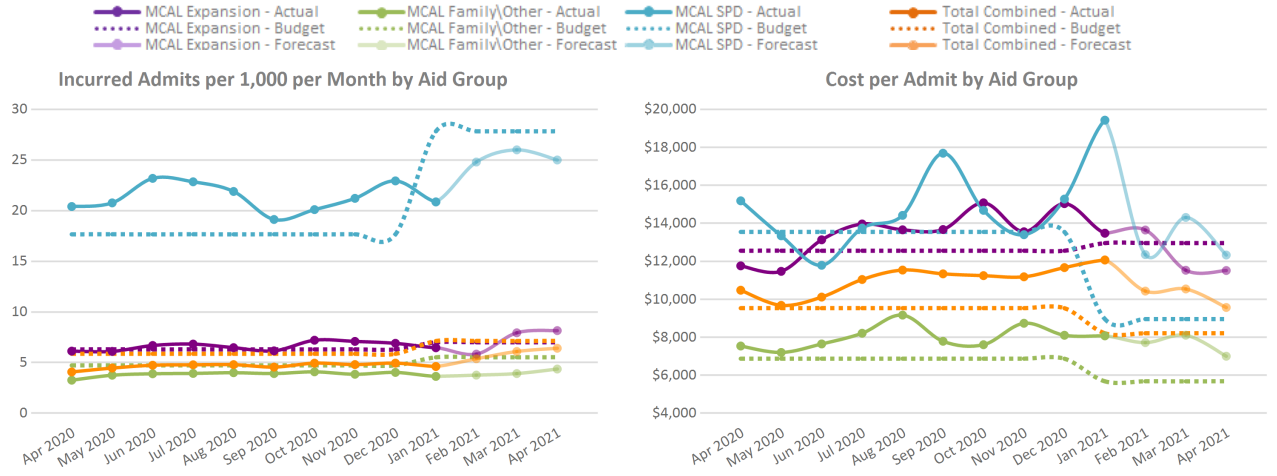


KERN HEALTH SYSTEMS

Governed Reporting System

Inpatient

(Includes: Inpatient Hospital Claims)



KERN HEALTH SYSTEMS

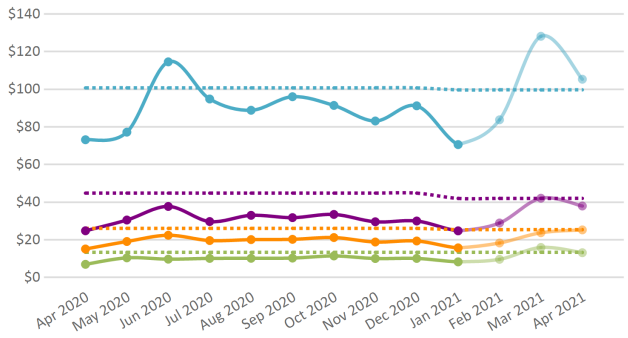
Governed Reporting System

Outpatient Hospital

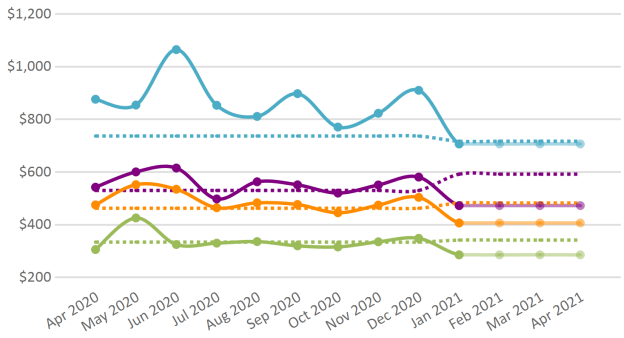
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

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

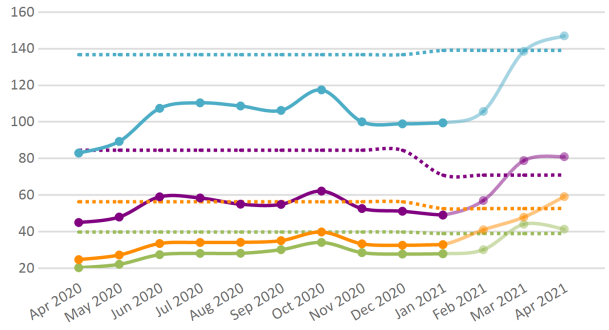
Outpatient Services Incurred by Aid Group PMPM



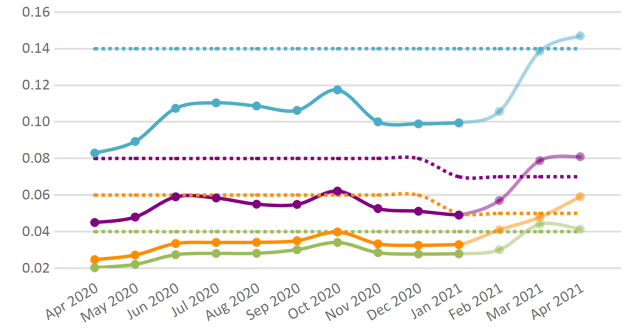
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



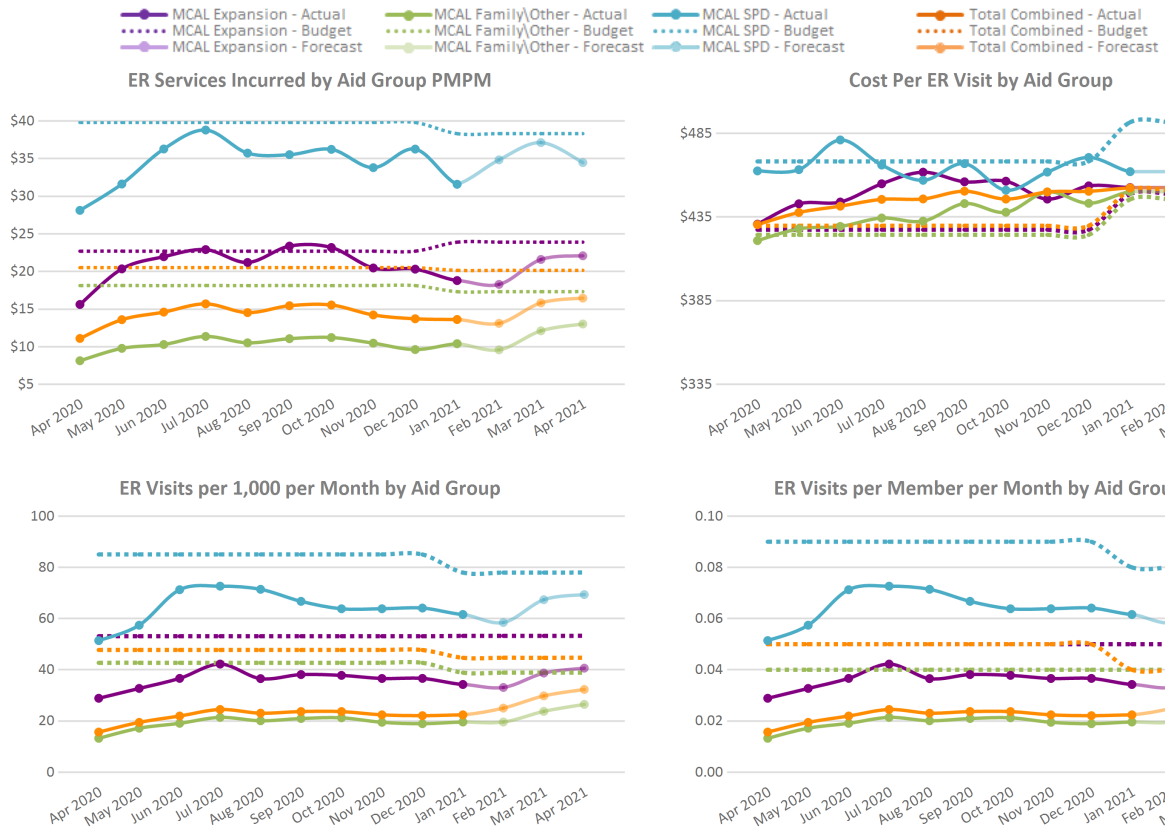
Outpatient Visits per Member per Month by Aid Group



KERN HEALTH SYSTEMS

Governed Reporting System

Emergency Room

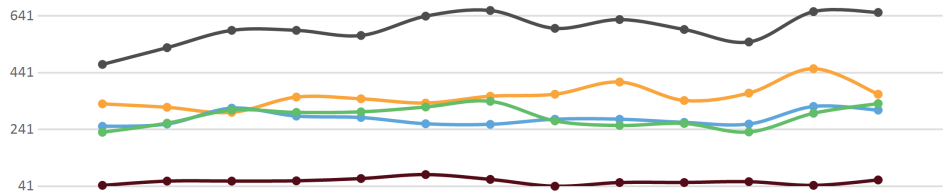


Attachment B

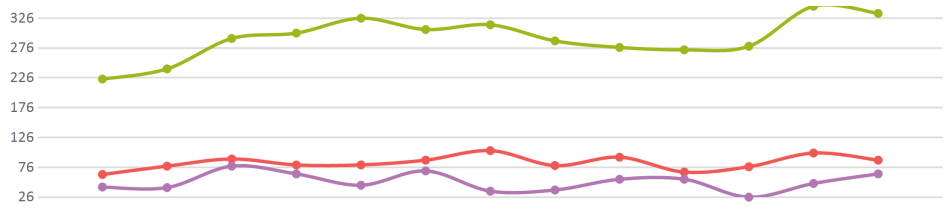
KERN HEALTH SYSTEMS

Governed Reporting System

Inpatient Admits by Hospital



	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
BAKERSFIELD MEMORIAL	470	529	590	590	572	640	660	597	628	593	549	656	653
KERN MEDICAL	331	319	301	355	349	334	358	365	408	343	369	455	365
MERCY HOSPITAL	231	263	309	301	303	320	340	271	255	262	232	298	332
ADVENTIST HEALTH	252	260	316	288	283	261	259	277	277	266	260	322	309
BAKERSFIELD HEART HOSP	44	59	59	60	68	82	65	41	54	54	57	44	63



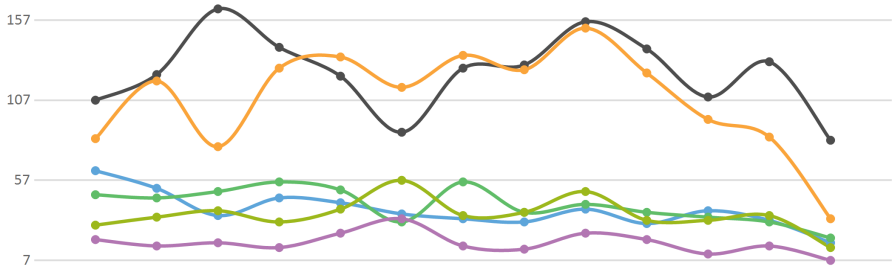
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
GOOD SAMARITAN HOSPITAL	64	78	90	80	80	88	104	79	93	68	77	100	88
DELANO REGIONAL HOSPITAL	43	42	78	65	46	70	36	38	56	56	26	49	65
OUT OF AREA	224	241	292	301	326	307	315	288	277	273	279	346	334

KERN HEALTH SYSTEMS

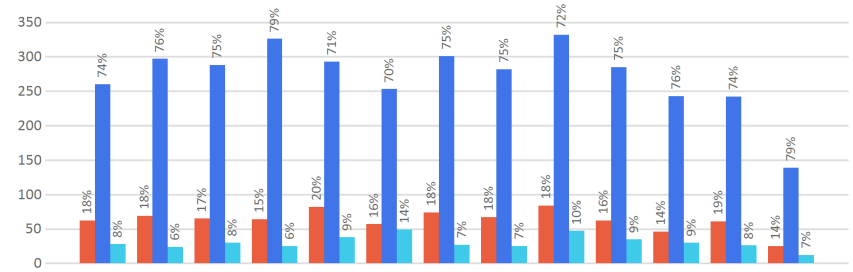
Governed Reporting System

Attachment C

Obstetrics Metrics



	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
BAKERSFIELD MEMORIAL	107	123	164	140	122	87	127	129	156	139	109	131	82
KERN MEDICAL	83	119	78	127	134	115	135	126	152	124	95	84	33
ADVENTIST HEALTH	63	52	35	46	43	36	33	31	39	30	38	32	18
MERCY HOSPITAL	48	46	50	56	51	31	56	37	42	37	34	31	21
DELANO REGIONAL HOSPITAL	20	16	18	15	24	33	16	14	24	20	11	16	7
OTHER	29	34	38	31	39	57	35	37	50	32	32	35	15



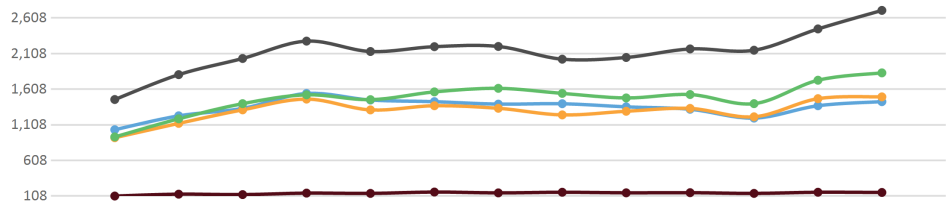
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
VAGINAL DELIVERY	260	297	288	326	293	253	301	282	332	285	243	242	139
C-SECTION DELIVERY	62	69	65	64	82	57	74	67	84	62	46	61	25
PREVIOUS C-SECTION DELIVERY	28	24	30	25	38	49	27	25	47	35	30	26	12

Attachment D

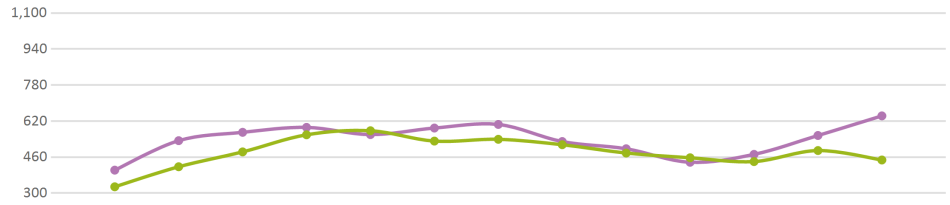
KERN HEALTH SYSTEMS

Governed Reporting System

Emergency Visits by Hospital



	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
BAKERSFIELD MEMORIAL	1,463	1,812	2,039	2,283	2,137	2,205	2,208	2,029	2,053	2,173	2,155	2,454	2,714
ADVENTIST HEALTH	1,039	1,234	1,338	1,548	1,456	1,433	1,398	1,404	1,360	1,326	1,202	1,376	1,433
MERCY HOSPITAL	938	1,192	1,405	1,529	1,461	1,570	1,620	1,549	1,485	1,533	1,405	1,734	1,837
KERN MEDICAL	927	1,128	1,318	1,469	1,317	1,376	1,340	1,247	1,298	1,338	1,220	1,475	1,500
BAKERSFIELD HEART HOSP	108	134	128	149	145	164	152	161	153	155	145	161	158



	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
DELANO REGIONAL HOSPITAL	402	533	570	592	560	589	605	529	497	437	472	556	643
OUT OF AREA	328	417	483	559	577	531	539	515	478	457	440	489	447

KERN HEALTH SYSTEMS *Governed Reporting System*

Attachment E

MCAS Performance Trending Metrics

AMM - Acute	AMM - Cont	AMR	APM - Cholesterol	APM - Glucose
74.76 %	55.82 %	58.17 %	0.00 %	0.00 %
Prior Year 53.30%	Prior Year 30.36%	Prior Year 55.73%	Prior Year 8.33%	Prior Year 33.33%
% Change 40.26%	% Change 83.86%	% Change 4.38%	% Change -100.00%	% Change -100.00%

APM - Glucose Cholesterol	BCS	CBP	CCS	CDC - BP
0.00 %	40.67 %	4.97 %	43.29 %	4.76 %
Prior Year 8.33%	Prior Year 45.82%	Prior Year 3.11%	Prior Year 44.10%	Prior Year 2.90%
% Change -100.00%	% Change -11.24%	% Change 59.81%	% Change -1.84%	% Change 64.14%

CDC - Eye Exam	CDC - HBA1C <7%	CDC - HBA1C <8%	CDC - HBA1C >9%	CDC - HBa1C Test
42.24 %	7.44 %	12.49 %	82.91 %	60.01 %
Prior Year 48.67%	Prior Year 7.02%	Prior Year 11.58%	Prior Year 84.38%	Prior Year 57.98%
% Change -13.21%	% Change 5.98%	% Change 7.86%	% Change -1.74%	% Change 3.50%

KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

CDC - Nephropathy	CHL - Adults	CHL	CHL - Peds	CIS - Combo 10
73.56 %	46.55 %	43.30 %	38.94 %	16.48 %
Prior Year 75.84%	Prior Year 45.75%	Prior Year 41.73%	Prior Year 36.79%	Prior Year 14.59%
% Change -3.01%	% Change 1.75%	% Change 3.76%	% Change 5.84%	% Change 12.95%

IMA - Combo 2	LSC	PPC - Postpartum	PPC - Prenatal	SSD
25.73 %	0.00 %	59.66 %	36.03 %	55.87 %
Prior Year 30.06%	Prior Year 57.72%	Prior Year 58.38%	Prior Year 39.82%	Prior Year 40.88%
% Change -14.40%	% Change -100.00%	% Change 2.19%	% Change -9.52%	% Change 36.67%

WCC - BMI	WCC - NC	WCC - PAC
21.64 %	14.43 %	13.31 %
Prior Year 13.97%	Prior Year 6.31%	Prior Year 5.27%
% Change 54.90%	% Change 128.68%	% Change 152.56%

KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Adult BMI Assessment

The percentage of members 18–74 years of age who had an outpatient visit and whose body mass index (BMI) was documented during the measurement year or the year prior to the measurement year.

ABA

0.00 %

No Data Available

Goal

Numerator

Denominator

No Data Available

No Data Available

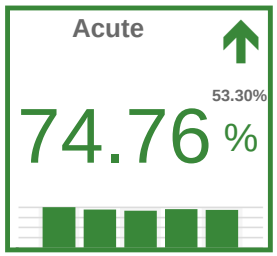
No Data Available

KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

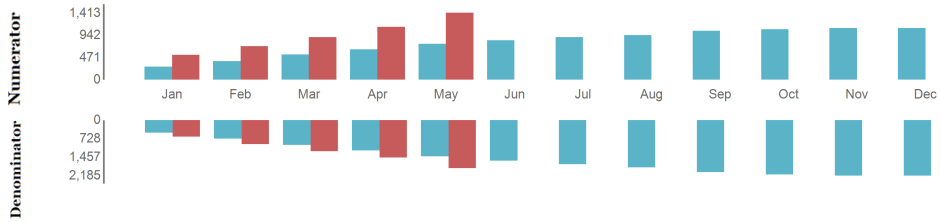
Antidepressant Medication Management

The percentage of members 18 years of age and older who were treated with antidepressant medication, had a diagnosis of major depression and who remained on an antidepressant medication treatment for at least 84 days.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	56.39%	54.77%	54.73%	53.74%	53.30%	52.67%	51.82%	51.05%	50.22%	50.12%	50.14%	50.11%
2021	79.91%	75.40%	73.59%	76.05%	74.76%							
Goal	53.57%	53.57%	53.57%	53.57%	53.57%	53.57%	53.57%	53.57%	53.57%	53.57%	53.57%	53.57%

1,413
1,890

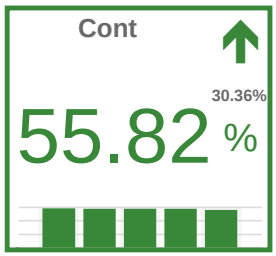


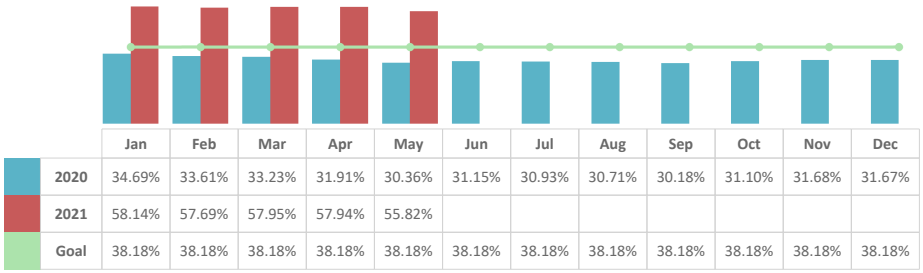
KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Antidepressant Medication Management

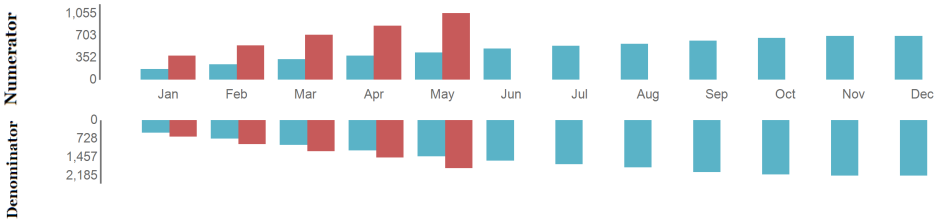
The percentage of members 18 years of age and older who were treated with antidepressant medication, had a diagnosis of major depression and who remained on an antidepressant medication treatment for at least 180 days.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	34.69%	33.61%	33.23%	31.91%	30.36%	31.15%	30.93%	30.71%	30.18%	31.10%	31.68%	31.67%
2021	58.14%	57.69%	57.95%	57.94%	55.82%							
Goal	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%	38.18%

1,055
1,890

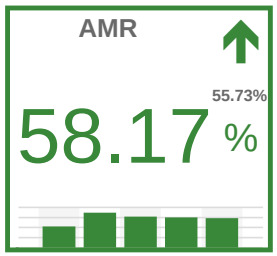


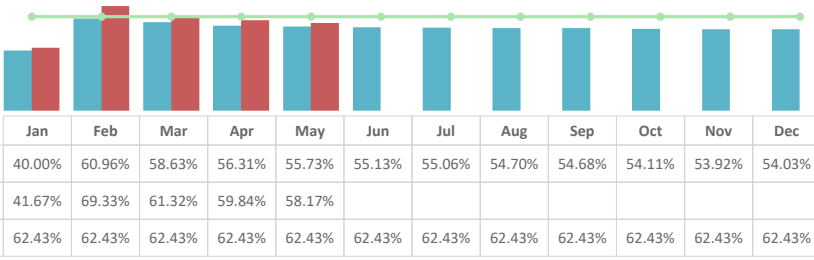
KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Asthma Medication Ratio

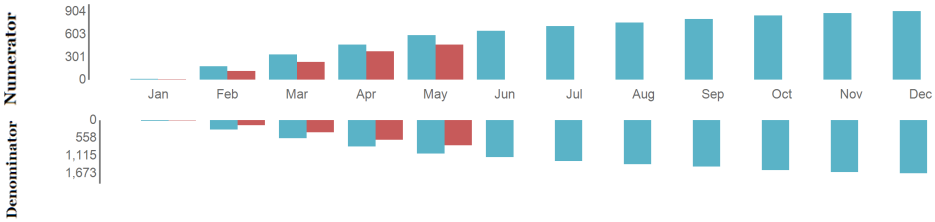
The percentage of members 5–64 years of age who were identified as having persistent asthma and had a ratio of controller medications to total asthma medications of 0.50 or greater during the measurement year.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	40.00%	60.96%	58.63%	56.31%	55.73%	55.13%	55.06%	54.70%	54.68%	54.11%	53.92%	54.03%
2021	41.67%	69.33%	61.32%	59.84%	58.17%							
Goal	62.43%	62.43%	62.43%	62.43%	62.43%	62.43%	62.43%	62.43%	62.43%	62.43%	62.43%	62.43%

463
796



KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Metabolic Monitoring for Children and Adolescents on Antipsychotics

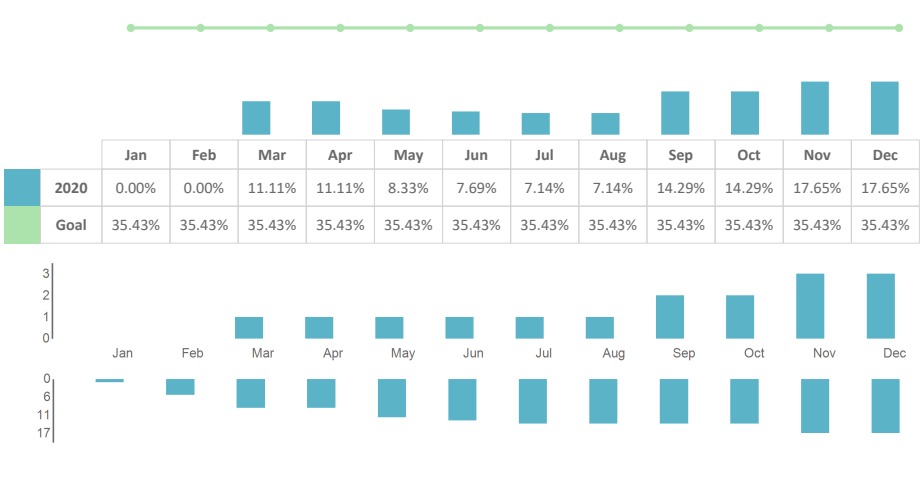
The percentage of children and adolescents on antipsychotics 1–17 years who received cholesterol testing.

Cholesterol

8.33%

0.00 %

No Data Available



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	0.00%	0.00%	11.11%	11.11%	8.33%	7.69%	7.14%	7.14%	14.29%	14.29%	17.65%	17.65%
Goal	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%

KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Metabolic Monitoring for Children and Adolescents on Antipsychotics

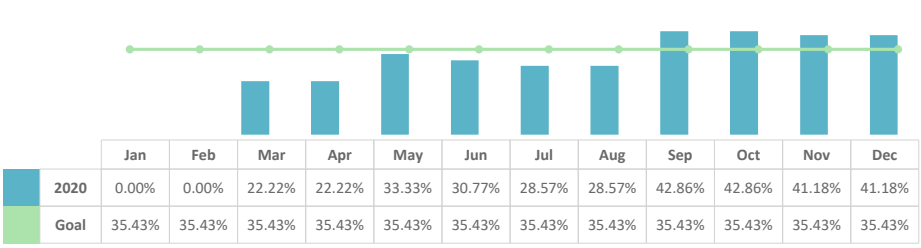
The percentage of children and adolescents 1–17 years on antipsychotics who received blood glucose testing.

Glucose

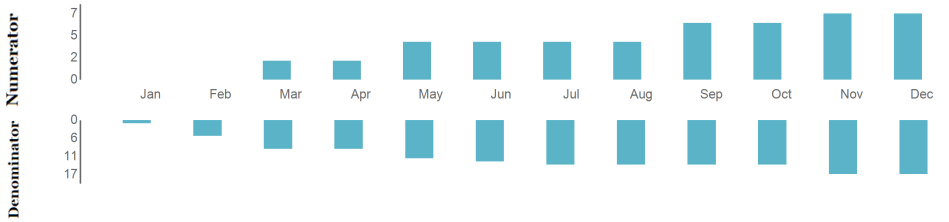
33.33%

0.00 %

No Data Available



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	0.00%	0.00%	22.22%	22.22%	33.33%	30.77%	28.57%	28.57%	42.86%	42.86%	41.18%	41.18%
Goal	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%	35.43%



KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Adolescent Well-Care Visits

The percentage of enrolled members 12–21 years of age who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year.

AWC

0.00 %

No Data Available

Goal

No Data Available

Numerator

No Data Available

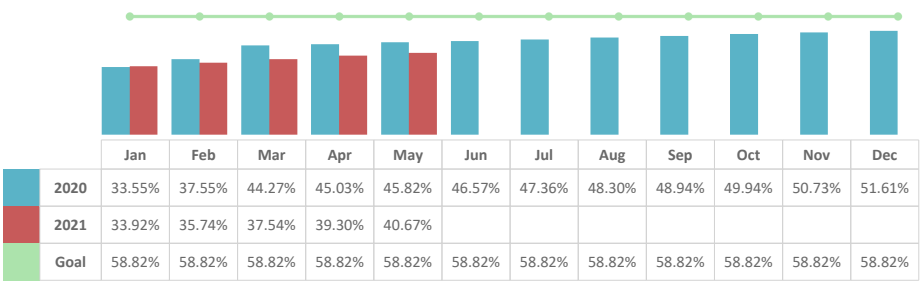
Denominator

KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

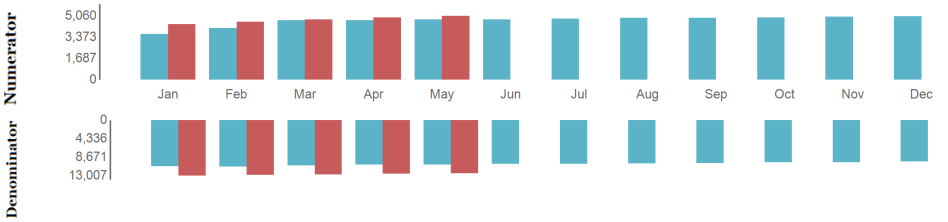
Breast Cancer Screening

One or more mammograms any time on or between October 1 two years prior to the measurement year and December 31 of the measurement year.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	33.55%	37.55%	44.27%	45.03%	45.82%	46.57%	47.36%	48.30%	48.94%	49.94%	50.73%	51.61%
2021	33.92%	35.74%	37.54%	39.30%	40.67%							
Goal	58.82%	58.82%	58.82%	58.82%	58.82%	58.82%	58.82%	58.82%	58.82%	58.82%	58.82%	58.82%

5,060
12,443

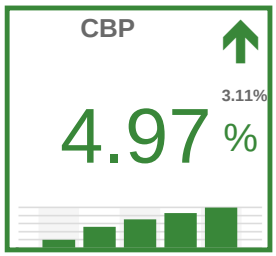


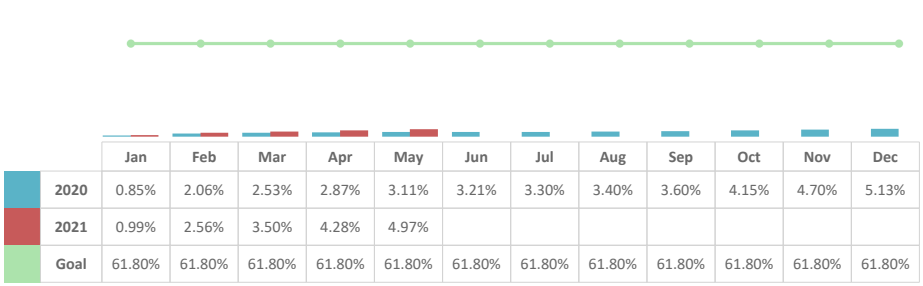
KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

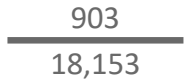
Controlling High Blood Pressure

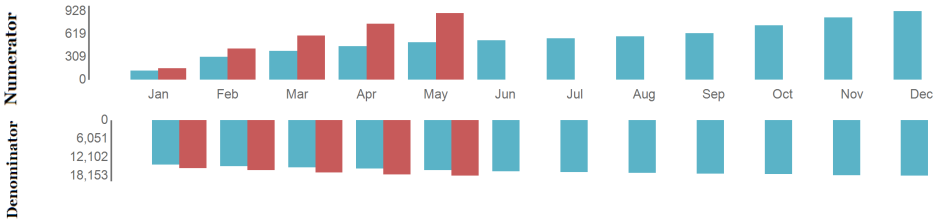
The percentage of members 18–85 years of age who had a diagnosis of hypertension (HTN) and whose BP was adequately controlled (<140/90 mm Hg) during the measurement year.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	0.85%	2.06%	2.53%	2.87%	3.11%	3.21%	3.30%	3.40%	3.60%	4.15%	4.70%	5.13%
2021	0.99%	2.56%	3.50%	4.28%	4.97%							
Goal	61.80%	61.80%	61.80%	61.80%	61.80%	61.80%	61.80%	61.80%	61.80%	61.80%	61.80%	61.80%



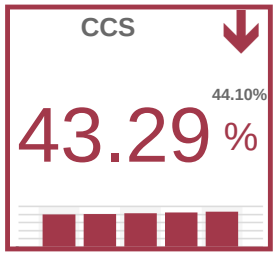


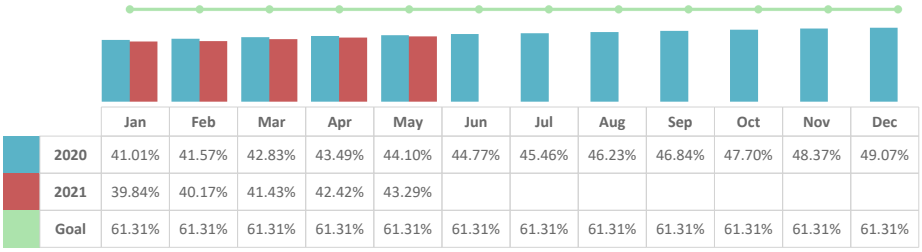
KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Cervical Cancer Screening

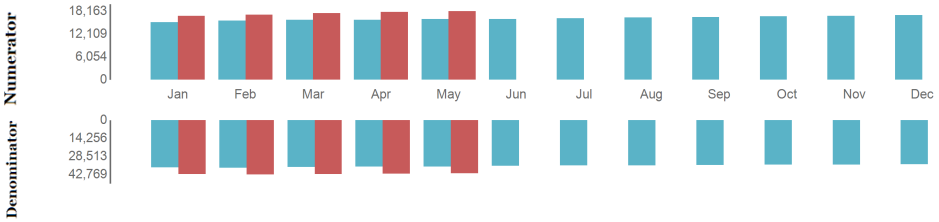
The percentage of women 21–64 years of age who were screened for cervical cancer using either of the following criteria:
• Women 21–64 years of age who had cervical cytology performed within the last 3 years.
• Women 30–64 years of age who had cervical high-risk human papillomavirus (hrHPV) testing performed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





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	41.01%	41.57%	42.83%	43.49%	44.10%	44.77%	45.46%	46.23%	46.84%	47.70%	48.37%	49.07%
2021	39.84%	40.17%	41.43%	42.42%	43.29%							
Goal	61.31%	61.31%	61.31%	61.31%	61.31%	61.31%	61.31%	61.31%	61.31%	61.31%	61.31%	61.31%

18,163
41,960



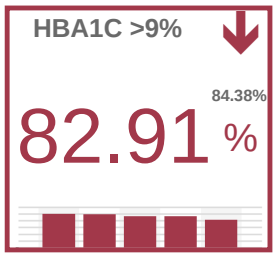
KERN HEALTH SYSTEMS

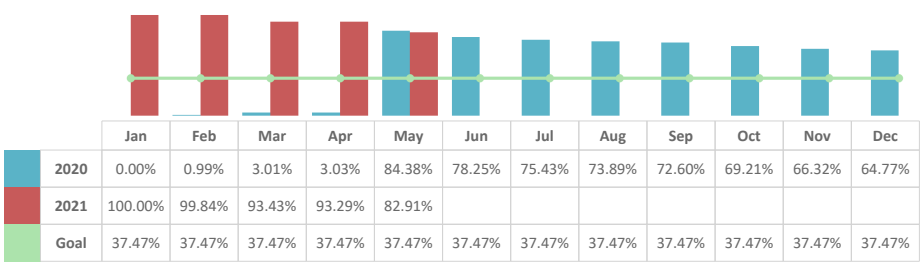
Governed Reporting System

MCAS Performance Trending Metrics

Comprehensive Diabetes Care

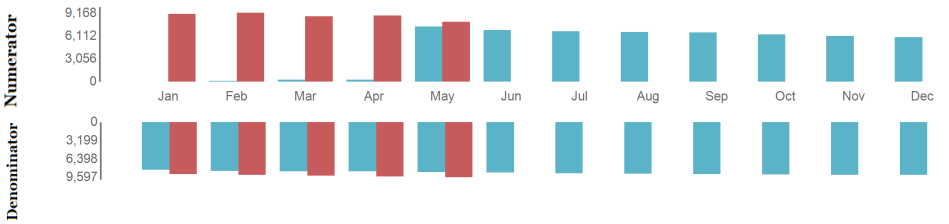
The percentage of members 18–75 years of age with diabetes (type 1 and type 2) who had recent HBA1C Test Result > 9 %.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	0.00%	0.99%	3.01%	3.03%	84.38%	78.25%	75.43%	73.89%	72.60%	69.21%	66.32%	64.77%
2021	100.00%	99.84%	93.43%	93.29%	82.91%							
Goal	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%

7,957
9,597

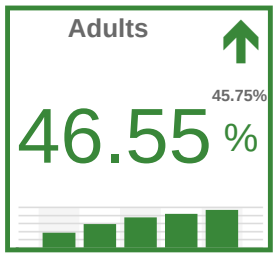


KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

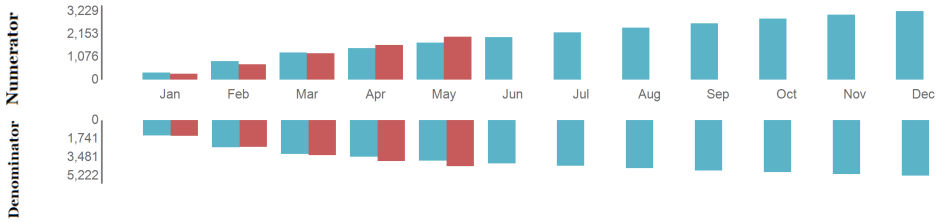
Chlamydia Screening in Women

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.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	23.57%	33.63%	40.07%	42.83%	45.75%	48.90%	51.53%	54.00%	56.02%	58.55%	59.88%	61.83%
2021	18.64%	28.94%	37.58%	42.02%	46.55%							
Goal	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%

2,022
4,344



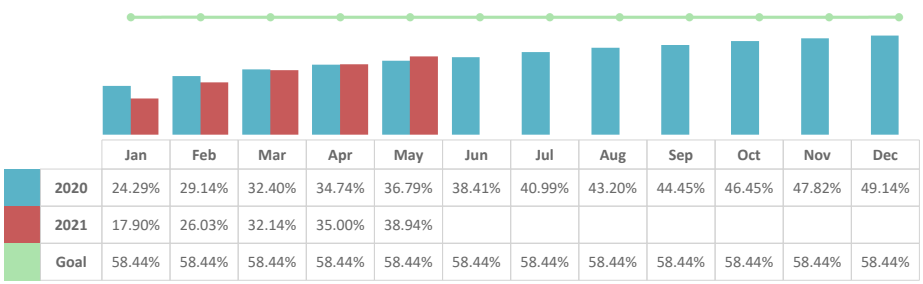
KERN HEALTH SYSTEMS

Governed Reporting System

MCAS Performance Trending Metrics

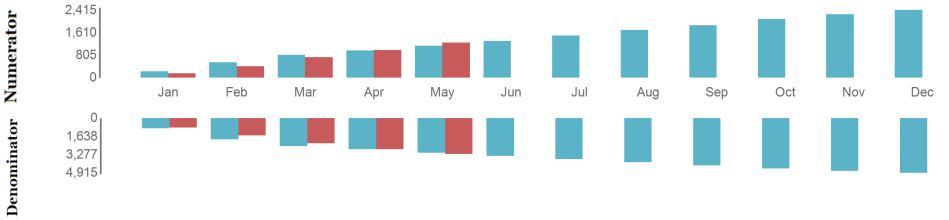
Chlamydia Screening in Women

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.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	24.29%	29.14%	32.40%	34.74%	36.79%	38.41%	40.99%	43.20%	44.45%	46.45%	47.82%	49.14%
2021	17.90%	26.03%	32.14%	35.00%	38.94%							
Goal	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%	58.44%

1,257
3,228

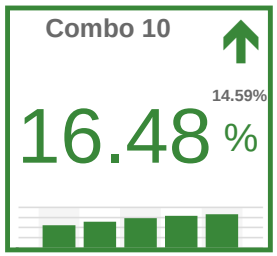


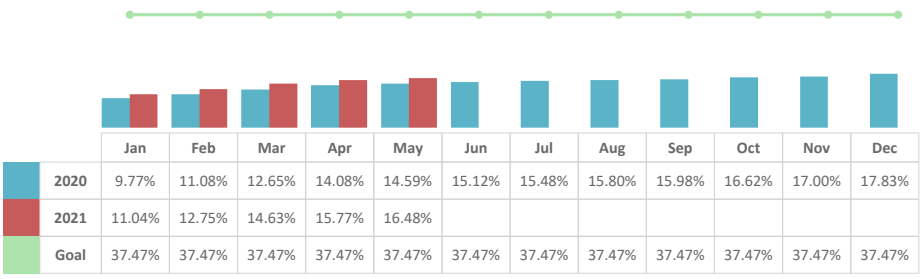
KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Childhood Immunization Status

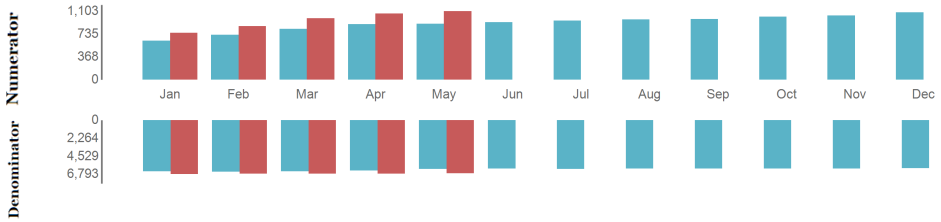
The percentage of members who turned 15 months old during the measurement year and who had the at least 6 well-child visits with a PCP during their first 15 months of life.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	9.77%	11.08%	12.65%	14.08%	14.59%	15.12%	15.48%	15.80%	15.98%	16.62%	17.00%	17.83%
2021	11.04%	12.75%	14.63%	15.77%	16.48%							
Goal	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%	37.47%

1,103
6,693

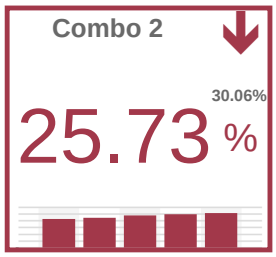


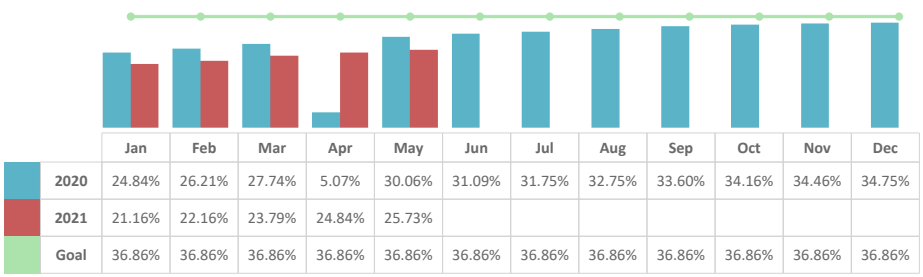
KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Immunizations for Adolescents

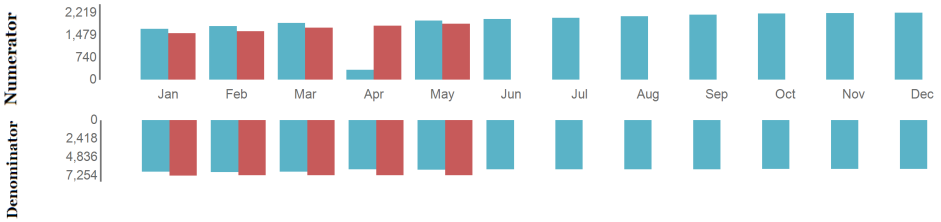
The percentage of adolescents 13 years of age who had one dose of meningococcal vaccine, one tetanus, diphtheria toxoids and acellular pertussis (Tdap) vaccine, and have completed the human papillomavirus (HPV) vaccine series by their 13th birthday. The measure calculates a rate for each vaccine and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





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	24.84%	26.21%	27.74%	5.07%	30.06%	31.09%	31.75%	32.75%	33.60%	34.16%	34.46%	34.75%
2021	21.16%	22.16%	23.79%	24.84%	25.73%							
Goal	36.86%	36.86%	36.86%	36.86%	36.86%	36.86%	36.86%	36.86%	36.86%	36.86%	36.86%	36.86%

1,846
7,174



KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

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.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	51.82%	54.27%	56.10%	57.19%	57.72%	58.31%	59.11%	59.73%	60.12%	60.54%	60.81%	61.02%
2021	41.44%	43.72%	45.52%	46.85%								
Goal	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%	73.11%

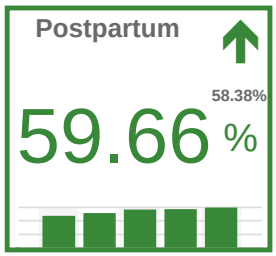
KERN HEALTH SYSTEMS

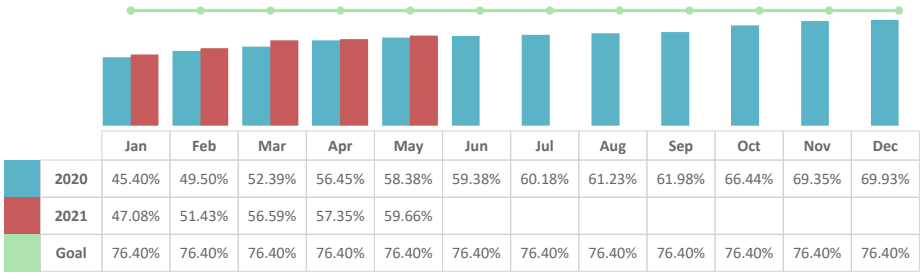
Governed Reporting System

MCAS Performance Trending Metrics

Postpartum Care

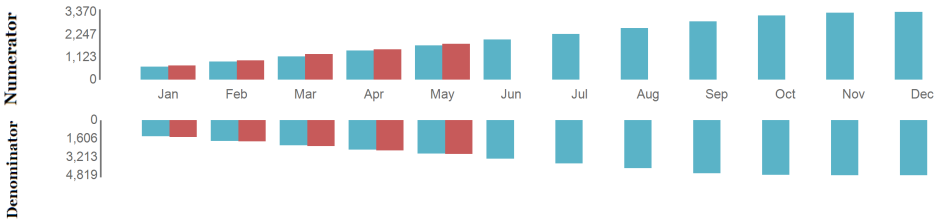
The percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year. Postpartum Care. The percentage of deliveries that had a postpartum visit on or between 7 and 84 days after delivery.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	45.40%	49.50%	52.39%	56.45%	58.38%	59.38%	60.18%	61.23%	61.98%	66.44%	69.35%	69.93%
2021	47.08%	51.43%	56.59%	57.35%	59.66%							
Goal	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%	76.40%

1,775
2,975

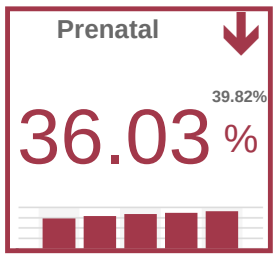


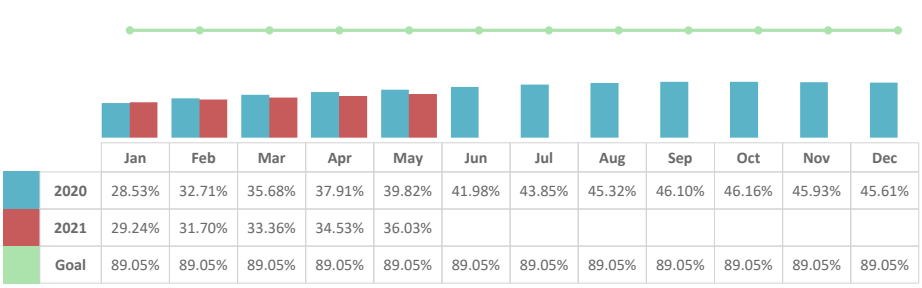
KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Prenatal Care

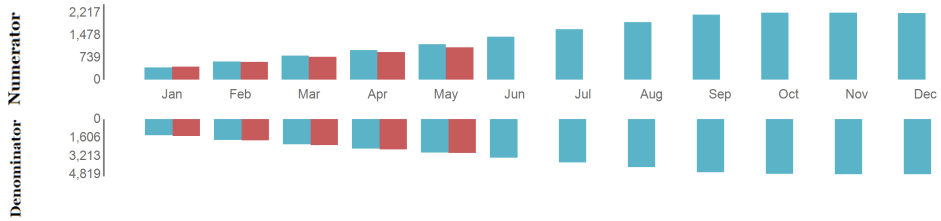
The percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year.
Timeliness of Prenatal Care. The percentage of deliveries that received a prenatal care visit in the first trimester, on or before the enrollment start date or within 42 days of enrollment in the organization.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	28.53%	32.71%	35.68%	37.91%	39.82%	41.98%	43.85%	45.32%	46.10%	46.16%	45.93%	45.61%
2021	29.24%	31.70%	33.36%	34.53%	36.03%							
Goal	89.05%	89.05%	89.05%	89.05%	89.05%	89.05%	89.05%	89.05%	89.05%	89.05%	89.05%	89.05%

1,072
2,975

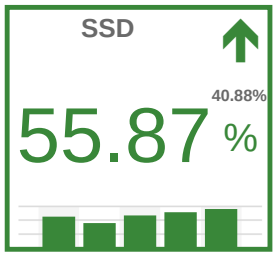


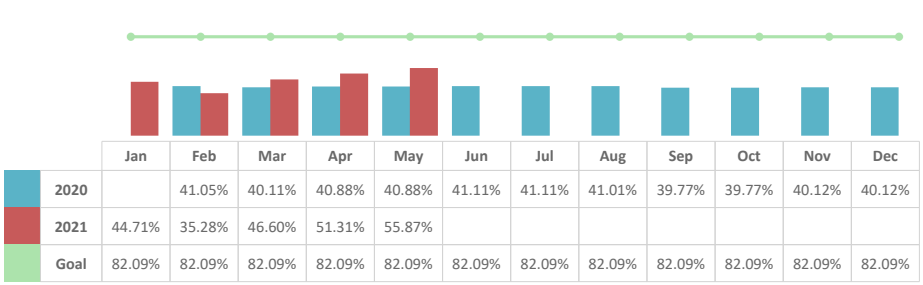
KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

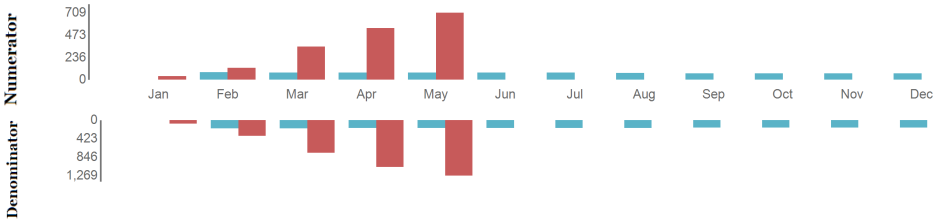
Diabetes Screening for People With Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications

The percentage of members 18–64 years of age with schizophrenia, schizoaffective disorder or bipolar disorder, who were dispensed an antipsychotic medication and had a diabetes screening test during the measurement year.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020		41.05%	40.11%	40.88%	40.88%	41.11%	41.11%	41.01%	39.77%	39.77%	40.12%	40.12%
2021	44.71%	35.28%	46.60%	51.31%	55.87%							
Goal	82.09%	82.09%	82.09%	82.09%	82.09%	82.09%	82.09%	82.09%	82.09%	82.09%	82.09%	82.09%



KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Well-Child Visits in the First 15 Months of Life

The percentage of members who turned 15 months old during the measurement year and who had the following number of well-child visits with a PCP during their first 15 months of life.

W15

0.00 %

No Data Available

Goal

Denominator Numerator

No Data Available

No Data Available

No Data Available

KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life

The percentage of members 3–6 years of age who had one or more well-child visits with a PCP during the measurement year.

W34

0.00 %

No Data Available

Goal

Denominator Numerator

No Data Available

No Data Available

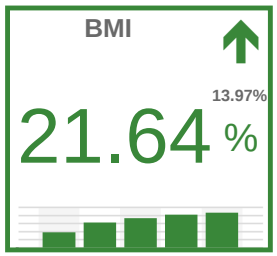
No Data Available

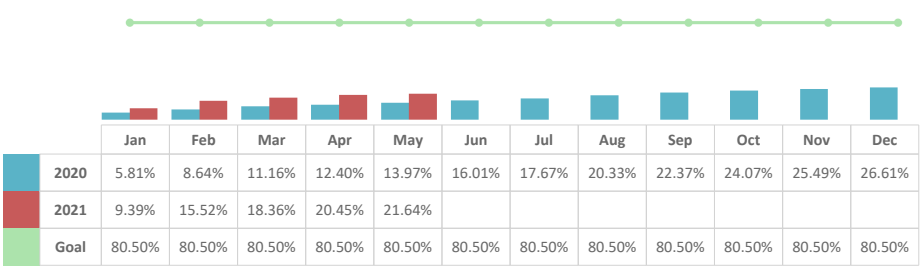
KERN HEALTH SYSTEMS *Governed Reporting System*

MCAS Performance Trending Metrics

Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents

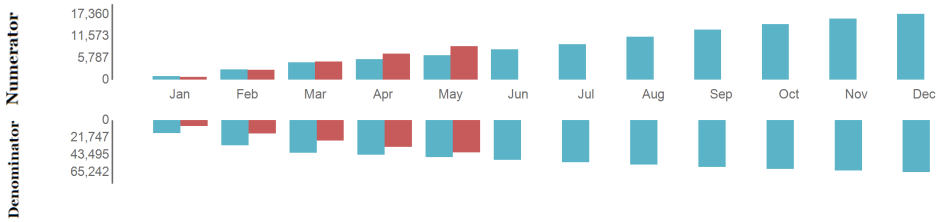
The percentage of members 3-17 years of age who had BMI Percentile documented during the measurement year.





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	5.81%	8.64%	11.16%	12.40%	13.97%	16.01%	17.67%	20.33%	22.37%	24.07%	25.49%	26.61%
2021	9.39%	15.52%	18.36%	20.45%	21.64%							
Goal	80.50%	80.50%	80.50%	80.50%	80.50%	80.50%	80.50%	80.50%	80.50%	80.50%	80.50%	80.50%

8,824
40,776



KERN HEALTH SYSTEMS
CHIEF EXECUTIVE OFFICER'S REPORT
June 10th, 2021
BOARD OF DIRECTORS MEETING

COMPLIANCE AND REGULATORY ACTIVITIES

Compliance and Regulatory Affairs Report

The Compliance and Regulatory Affair's Report showing recent month's activities is included under Attachment A to this report.

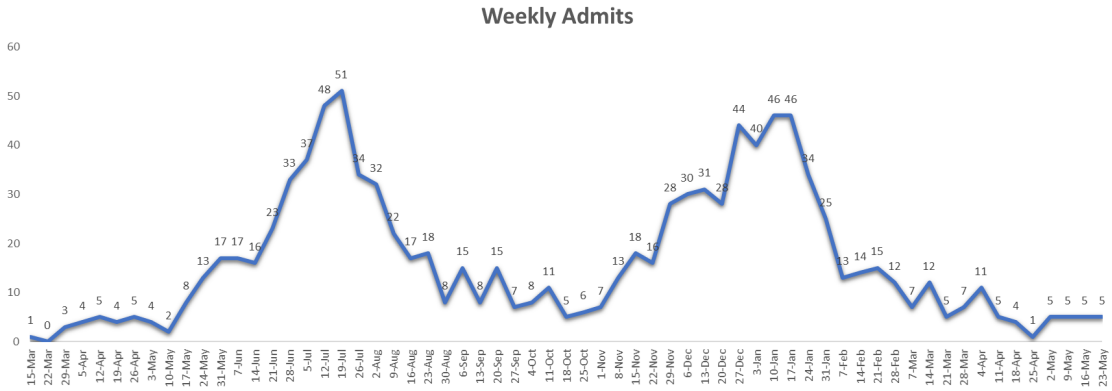
COVID-19 UPDATE

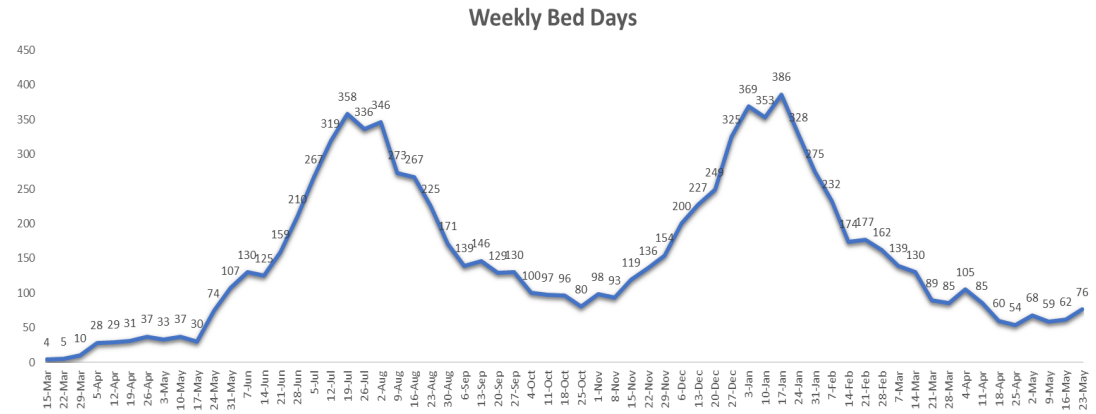
As KHS enters its 16th month of adjusting to the pandemic, two recent events have contributed favorably to the direction the pandemic has taken:

- Trends continue to show a deceleration in cases
- Continued roll out of the COVID -19 vaccine to more populations

Changing Trends Showing Deceleration in Cases

Kern County coronavirus case rate continues to remain low with 2.2 cases per 100,000 residence. For the past several weeks hospitalizations due to COVID-19 have remained relatively stable. For KHS, total COVID related weekly hospital admissions and cumulative weekly COVID related bed days have plateaued as well. As shown in the graphs below trends have stabilized lending optimism to when public access restrictions are lifted Statewide on June 15th.



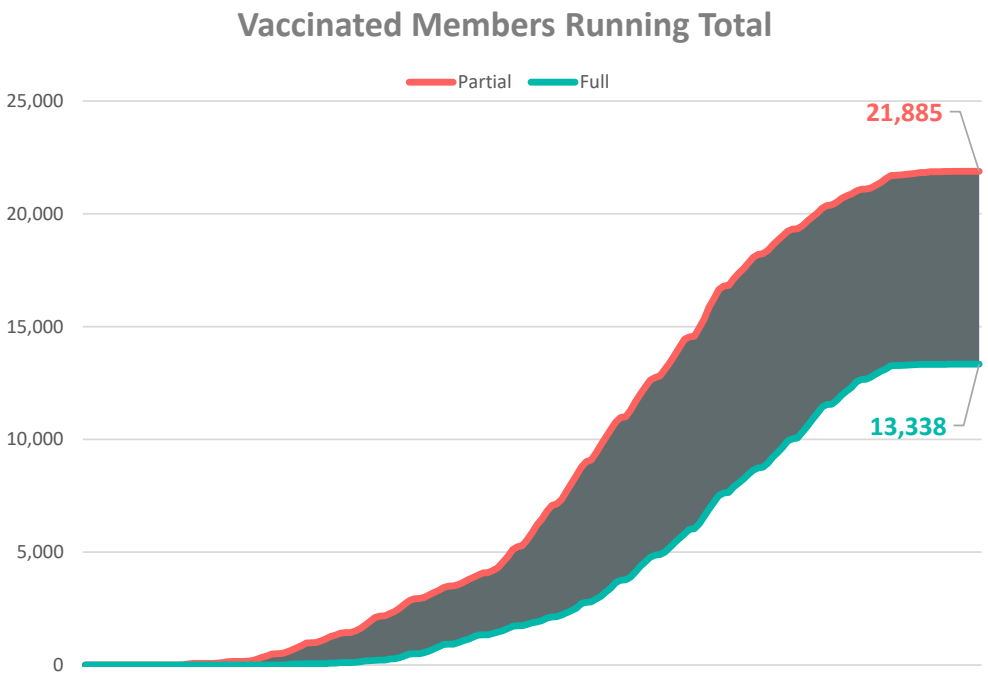


Vaccine Distribution and Monitoring

Kern County has administered more than 560,932 doses of the COVID-19 vaccine, as of May 30, according to data from the California Department of Public Health. 30% of people living in Kern County are fully vaccinated as of that date.

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

Our vaccine eligible membership as of 5/18/ 21 now includes most of the population except for younger children below the age of 12. For a variety of reasons, vaccination rates for our eligible members continue to be below the County average. It is known that some minority populations are more reluctant than others to being vaccinated. KHS's membership consists of a higher percentage of this population prompting looking into ways to work with cultural leaders to improve vaccine rates for KHS members.



Member Communication and Education Strategy

On Tuesday, June 1st, a meeting was held with leaders of Kern County's African American community. Board member, Michael Bowers brought together the following representatives to discuss why members of the black community may be reluctant to receive a vaccine and how we may work together to increase vaccine rates among our African American membership numbering 20,000.

- NaTesha Johnson, Upside Productions Management
- Patrick Jackson, Kern County NAACP
- Geneva Harris, Kern County NAACP
- Nick Hill, Kern County Black Chamber of Commerce
- Paster Steven Watkins, Bakersfield College
- Jessica Grimes, Taft College
- Traco Mathews, Community Action Partnership of Kern
- Zenia King, Mother's Against Gang Violence

The consensus opinion of the group centered around education on vaccine safety and trustworthiness of the messenger. KHS's approach to our members about vaccine safety was done through mailings and phone calls and not through community organizations, cultural events other venues such as churches. It was suggested we attend the upcoming Juneteenth Celebration. Working with meeting attendees, we reached out to those organizing the Juneteenth Celebration. Our goal was to use the event's popularity as a venue for vaccine education and administration. Working with Bakersfield College Student Health Center who will administer vaccines, KHS will provide educational material on vaccine safety and set up a cool waiting and post vaccine monitoring area with tent, AC, chairs, and refreshments for those receiving their vaccine. Kern Medical was asked to provide the mobile unit where vaccines can be stored and administered but their participation could not be confirmed as of this writing.

It is KHS's intention to continue meeting with leadership from the African American community to discuss other important health topics such as health disparities in the black community.

PROGRAM DEVELOPMENT ACTIVITIES (UPDATES)

RX Carve-Out

In late February DHCS announced an indefinite delay of the Pharmacy Carve-Out. As a result of the delay, DHCS has sent an informational notice to all members. Additionally, KHS has updated relevant internal and external materials as appropriate. DHCS announced in late May that they are still reviewing the situation and more details will be released when available.

California Advancing and Innovating Medi-Cal (CalAIM)

CalAIM is a series of initiatives proposed by DHCS to advance broad-based delivery system, program, and payment reform across the Medi-Cal program. In January DHCS released updated policy materials and the draft State budget included funding for the program. Since then KHS has engaged in many conversations with DHCS, our trade associations, and other stakeholders. There is also an internal workgroup reviewing the initiatives and developing implementation strategies. Several of the initiatives that are scheduled to begin 1/1/22 have been added to the Corporate Project Portfolio. KHS management provided an overview of the major components to the Board of Directors at the April meeting.

LEGISLATIVE SUMMARY UPDATE

State Legislative Session

In early June there was a deadline for bills to pass out of their house of origin and switch houses. There was also a prior deadline in May where many bills with a fiscal impact were held for the year. This did result in dozens of bills being put on hold. The bills that remain will now switch houses and go through the committee process again over the summer. Staff will continue to work with internal and external stakeholders throughout the remainder of the legislative session. A full list of bills being tracked is attached.

In Mid-May the Governor released a revised State Budget proposal for the next fiscal year beginning July 2021. This included updated revenue and expense projections and builds upon the January draft budget release. The May revise kicks-off a month of discussions between the Governor's administration and the legislature, culminating in a final budget by Mid-June. Generally, the State is expecting a large surplus due to a rebound in State tax revenues combined with Federal funding. This has led to several new initiatives being proposed on top of (and in some

cases modifying) what we saw in the January proposed budget. Some of the highlights include proposals to:

- Expand full-scope Medi-Cal to adults ages 60 and over, regardless of immigration status. This would be effective no sooner than May 1, 2022.
- Include an additional $500 million funding for CalAIM to create a Statewide System/Platform for Population Health Management.
- Spend $3.5 billion over five years, including ongoing spending, on the Children and Youth Behavioral Health Initiative. This Initiative includes several DHCS-specific components including a statewide Virtual Care Platform, additional grants to improve infrastructure and capacity of behavioral health services at schools, and creation of a statewide fee schedule for behavioral health services provided by schools with a requirement for Plans to reimburse for these services.
- Implement the American Rescue Plan Act option to expand Medi-Cal eligibility to postpartum individuals for 12 months (currently it's 60-days). This would be effective April 1, 2022.
- Fund indefinitely the restoration of "optional benefits" (audiology and speech therapy, incontinence creams and washes, optician and optical lab services, podiatric services) and the Proposition 56 payment program. Previously these programs were set to end this fiscal year, unless extended.
- Add a new benefit for Doula services and include Community Health Workers as an allowable Medi-Cal provider type.

KHS staff continue to engage internal and external stakeholders throughout the budget process. Once finalized, staff will provide an update on the outcomes.

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

KHS JUNE 2021 ENROLLMENT

Medi-Cal Enrollment

As of June 1, 2021, Medi-Cal enrollment is 198,715 which represents an increase of 0.6% from May enrollment.

Seniors and Persons with Disabilities (SPDs)

As of June 1, 2021, SPD enrollment is 14,067 which represents an increase of 0.04% from May enrollment.

Expanded Eligible Enrollment

As of June 1, 2021, Expansion enrollment is 76,674 which represents an increase of 1.4% from May enrollment.

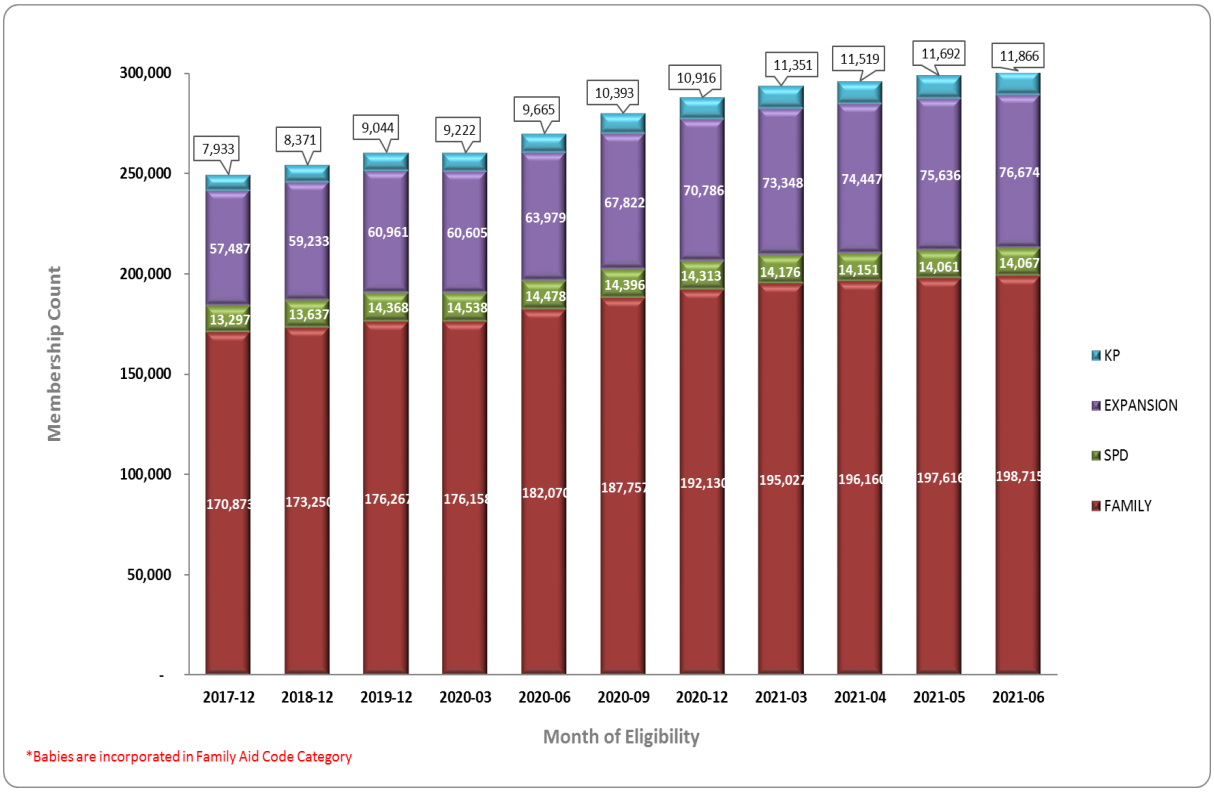
Kaiser Permanente (KP)

As of June 1, 2021, Kaiser enrollment is 11,866 which represents an increase of 1.5% from May enrollment.

Total KHS Medi-Cal Managed Care Enrollment

As of June 1, 2021, total Medi-Cal enrollment is 301,322 which represents an increase of 0.8% from May enrollment.

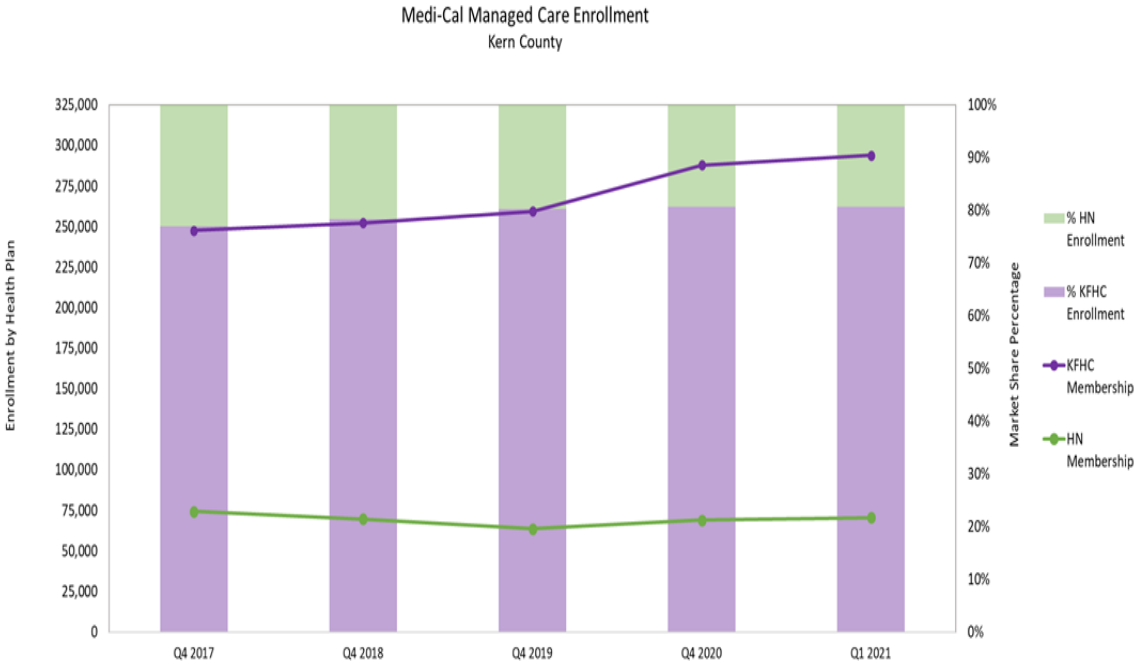
Membership as of Month of Eligibility	FAMILY	SPD	EXPANSION	KP	BABIES	Member Total
2017-12	170,426	13,297	57,487	7,933	447	249,590
2018-12	172,772	13,637	59,233	8,371	478	254,491
2019-12	175,838	14,368	60,961	9,044	429	260,640
2020-03	175,729	14,538	60,605	9,222	429	260,523
2020-06	181,648	14,478	63,979	9,665	422	270,192
2020-09	187,291	14,396	67,822	10,393	466	280,368
2020-12	191,724	14,313	70,786	10,916	406	288,145
2021-03	194,643	14,176	73,348	11,351	384	293,902
2021-04	195,748	14,151	74,447	11,519	412	296,277
2021-05	197,221	14,061	75,636	11,692	395	299,005
2021-06	198,347	14,067	76,674	11,866	368	301,322



*Babies are incorporated in Family Aid Code Category

Enrollment Note

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



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

KHS MARKETING AND PUBLIC RELATIONS

Community Sponsorships

KHS will share sponsorship in the following activities:

- KHS continues to support the Kern River Valley COVID-19 County Testing Site at Kern Valley Hospital by providing a tent, portable cooler, and food/beverages for staff. The site was opened on May 27, 2020 and it's still operational. The contributions have totaled $70,000.

- KHS donated $2,500 to Leukemia & Lymphoma Society to support their Man & Woman of the Year event.

- KHS donated $2,500 to Garden Pathways to support their annual High Tea event.

- KHS donated $1,000 to Kern Cancer Coalition to support their Teaming Up Against Cancer BBQ.

- KHS donated $1,000 to Friends of Mercy Foundation to support their Mercy Charity Golf Classic.

- KHS donated $2,500 to Ronald McDonald House to support their Walk for Kids and Galactic Gala Under the Galaxy events.

- KHS donated $1,500 to NAACP Bakersfield Branch to support their Juneteenth Celebration where KHS will have a COVID -19 Vaccine prep station.

- KHS donated $1,500 to United Way of Kern County to support their Professional Development Conference.

- KHS donated $5,000 to American Cancer Society to support: Relay for Life events in Delano, Wasco and Tehachapi, Valley of Hope Gala, and Real Men Wear Pink.

We will monitor the Governor's new orders regarding large gatherings to consider participating in community events again.

2021 KFHC Community Grant Program

In recognition of the essential role that community organizations have in our health care delivery system, our Community Grant Program financially aids and encourages innovative efforts to bring beneficial services to our community. Community organizations that serve Medi-Cal beneficiaries and low-income populations are eligible to apply for funding, grant awards range from $500 – $2,000.

This year marks the 6th Anniversary of our Community Grant Program. We received a total of 54 applications. Of the 54 applications received, 14 were new organizations that haven't applied in

the past. Each year this program grows; whether it be the number of organizations that apply, the number of applications we receive, or the expansion in the areas this program supports. This year we approved 50 of the grant applications totaling $97,845. Funded programs serve the Bakersfield area as well as outlying communities. Below are some of the programs we are proudly supporting.

- **Apple Core Project** – *Made in the Shade* – This project strives to reduce obesity, heart disease, diabetes, and hunger via their community garden in an East Bakersfield community. The project will provide hands on activities like growing what you eat, nutrition, plant-based diet for prevention, food demonstrations, and access to healthy foods.

- **Brooklyn's Box** – *Friends Project* – This project will provide parents and caregivers of medically vulnerable children free educational workshops to learn about healthcare services, care coordination, and resources in our community. The funding will help bring awareness to the project to help connect families with resources.

- **Kern County Network for Children (The Dream Center)** – *Homeless Youth Outreach Initiative* – The project's goal is to ensure that current or former foster youth who are homeless are able to improve health outcomes by providing a refrigerator and/or stove when needed as a requirement to obtain housing. At least eight homeless youth will directly benefit from this funding.

- **Kern River Valley Family Resource Center** – *Your Safety is Our Priority* – This project will help provide water safety tips in the lake, river, and pools for Kern River Valley residents. They will also learn the importance of proper hydration and sunscreen protection. Funds will be used to purchase supplies (life jackets, sunscreen, chapstick) and to provide swim lessons to 10 individuals.

- **Mercy House Living Centers** – *Community Garden in Brundage Lane Navigation Center* –This project will provide a community garden within the shelter for clients to care for and enjoy. It will improve the quality of life of those seeking refuge within the shelter.

- **Self Help Enterprises** – *Kern Kids: Happy and Healthy!* – This project is designed to help children under the age of 18 receive free lunches during the summer. This funding will directly benefit over 400 kids throughout Kern County - Arvin, McFarland, Oildale and Lamont.

- **Transformations by Bakersfield Angels** – *Every Sole Matters* – This funding will provide a new pair of shoes to more than 30 foster youth for the 2021-22 school year.

- **The Blessing Corner** – *Cooked Meals/Homeless Hygiene Project* – Our support will help feed 250 homeless individuals and seniors two times a week for two months. Along with a meal they also receive hygiene packs.

- **Thumbs Up Cancer Down** – *Kids and Teens Power Up Packs* – Power Up Packs containing blankets, beanies, phone chargers, journals, and a bag are given to individuals receiving cancer treatment. This funding will help cover the cost of the 200 packs needed for kids and teens.

Employee Newsletters

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

- Keeping up with KHS 24th edition April 2021 (campaign-archive.com)
- Keeping Up With KHS 25th Edition May 2021 (campaign-archive.com)

KERN HEALTH SYSTEMS

Compliance and Regulatory Affairs Update

Board of Directors Meeting

Carmen Dobry, M.S., CHC
Senior Director of Compliance and Regulatory Affairs

June 10, 2021
Attachment A

STATE REGULATORY AFFAIRS

All Plan Letters and Regulatory Guidance released since the April 15, 2021, Kern Health Systems Board of Directors' meeting:

- Department of Health Care Services (DHCS) released five All Plan Letters that were relevant to the Plan
  - APL21-004 Standards for Determining Threshold Languages, Nondiscrimination Requirements, and Language Assistance Services - This All Plan Letter (APL) informs all Medi-Cal managed care health Plans of the dataset for threshold and concentration languages and clarifies the threshold and concentration standards specified in state and federal law and MCP contracts.
  - APL21-006 Network Certification Requirements – The purpose of this All Plan Letter (APL) is to provide guidance to Medi-Cal managed care health plans on the Annual Network Certification requirements.
  - APL21-007 Third Party Tort Liability Reporting Requirements - The purpose of this APL is to provide guidance to Medi-Cal managed care health Plans on the updated process for submitting service and utilization information and copies of paid invoices/claims for covered services related to third party liability torts to the Department of Health Care Services.

All Plan Letters and Regulatory Guidance released since the April 15, 2021, Kern Health Systems Board of Directors' meeting, continued:

- APL21-008 Tribal Federally Qualified Health Center - The purpose of this All APL is to provide Medi-Cal managed care health Plans with information regarding the implementation of the Tribal Federally Qualified Health Center provider type in Medi-Cal with an effective date of January 1, 2021
- APL20-022 (Revised) COVID-19 Vaccine Administration - COVID-19 vaccines and associated administration fees will be carved out of the Medi-Cal managed care delivery system to Medi-Cal FFS, including in-home vaccinations.

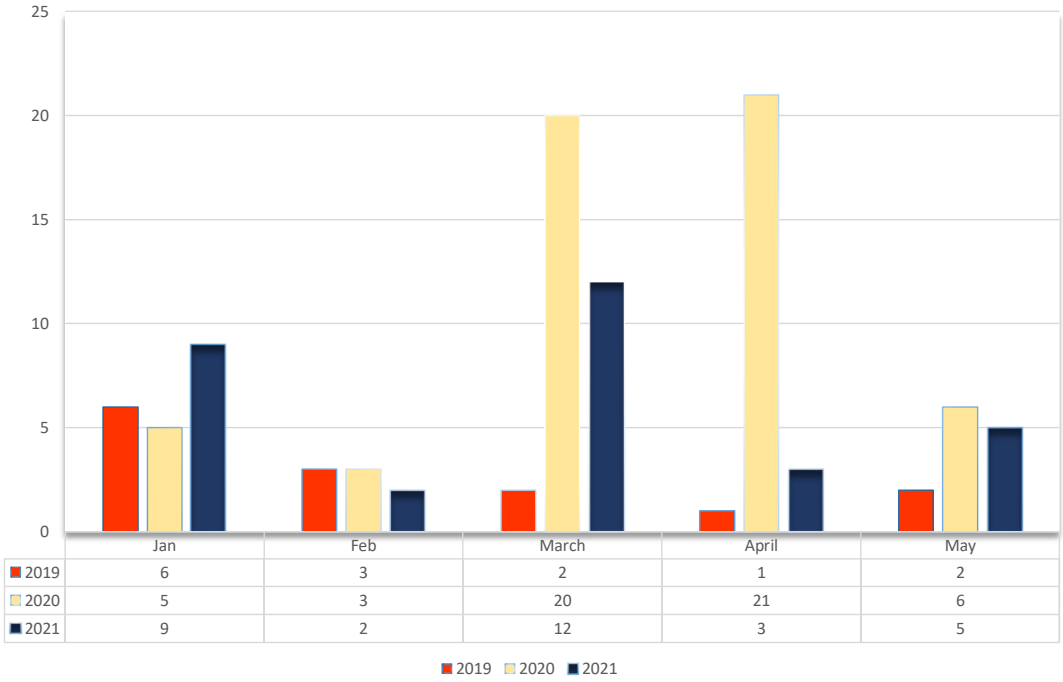
- The Department of Managed Care Services (DMHC) released two All Plan Letters that were relevant to the Plan
  - APL 21-013 2021 Annual Assessments - The Plan is required to file by May 15, 2021, the Report of Enrollment Plan, as required by Health and Safety Code section 1356 and the California Code of Regulations, title 28, section 1300.84.6(a).
  - APL 21-014 COVID-19 Vaccinations for Homebound Enrollees – The Plan must arrange for vaccines for individuals receiving "home health services" as defined by section 1374.10. Additionally, the Plan should take steps to identify their enrollees who may not be eligible for home health services but are homebound and then contact those enrollees to determine if the enrollees have already been vaccinated against COVID-19 and, if not, whether the enrollees want to be vaccinated.

KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS

Regulatory All Plan Letters and Guidance Received for 2021

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

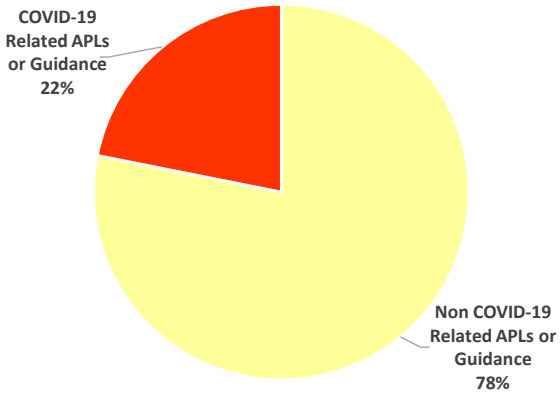


	Jan	Feb	March	April	May
2019	6	3	2	1	2
2020	5	3	20	21	6
2021	9	2	12	3	5

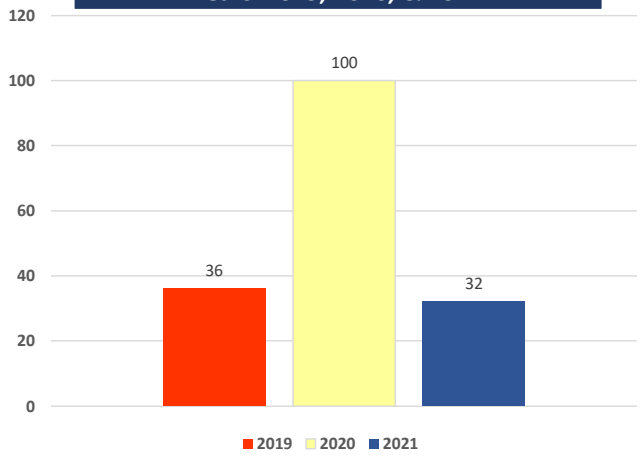
Continued...

Regulatory All Plan Letters and Guidance COVID-19 Impact 2021

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



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



KERN HEALTH SYSTEMS

Number of Regulatory Reports Sent to Government Agencies for April and May 2021

REGULATORY AGENCY	April 2021	May 2021
DHCS	11	10
DMHC	4	4

2021 KHS Delegated Entity Audit of Kaiser Permanente

The 2021 audit of Kaiser Permanente Family Health Care is scheduled to begin on July 26th. The following areas will be reviewed: Access to Care, Case Management-Disease Management, Credentialing & Recredentialing, Grievances and Appeals, Health Homes Program, NEMT-NMT Services, Quality Improvement, Utilization Management, and compliance with All Plan Letters. The next annual Claims Department audit will take place in January 2022.

KERN HEALTH SYSTEMS

2020 Non-Routine Survey by the DHCS

May 31,2021 Update

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

2021 Routine Regulatory Audits

- **DMHC Follow-Up Review Survey – August 9, 2021**
  - As required by Health and Safety Code section 1380(i)(2), the Department of Managed Health Care will conduct a Follow-Up Review Survey of the outstanding deficiencies identified in the July 10, 2020, Final Report of the Routine Survey of Kern Health Systems.
- **DHCS Medical Audit – September 13, 2021**
  - DHCS is scheduled to conduct a medical audit of Kern Health Systems beginning September 13, 2021 through September 24, 2021, and will cover the review period of August 1, 2019 through July 31, 2021.

KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS

Compliance Department: Fraud, Waste, & Abuse Activity for April and May 2021

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

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

Providers

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

Members

During April and May 2021, the Plan did not receive any requests for information regarding Plan Members from State Medi-Cal Program Integrity Unit.

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

Continued…

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

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

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

Members

During the months of April and May 2021, the Compliance Department did not receive any allegations of fraud, waste, or abuse involving a Plan Member.

Providers

During the months of April and May 2021, the Compliance Department received two allegations of Fraud, Waste, or Abuse related to Plan Members. The Compliance Department is investigating the allegations.

KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS

Compliance Department: HIPAA Breach Activity for April and May 2021

Summary of Potential Protected Health Information ("PHI") Disclosures for April and May 2021

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

In April and May 2021, the Compliance Department investigated and reported on four individual alleged privacy concerns. Three of the four were closed as non-breaches and one incident is still in being reviewed by the DHCS.

KERN HEALTH SYSTEMS

Compliance Education and Presence

Compliance Capsule

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

The April 2021 Capsule topic was “What is PHI?” and the May 2021 Compliance Capsule topic was “Law vs. Ethics”.

Attachment B

Legislative/Policy Summary – June 2021

Title	Description	Status
AB 4 (Arambula)	Would, effective January 1, 2022, extend eligibility for full scope Medi-Cal benefits to anyone regardless of age, and who is otherwise eligible for those benefits but for their immigration status, pursuant to an eligibility and enrollment plan. The bill would require the eligibility and enrollment plan to ensure that an individual maintains continuity of care with respect to their primary care provider, as prescribed, would provide that an individual is not limited in their ability to select a different health care provider or Medi-Cal managed care health plan, and would require the department to provide monthly updates to the appropriate policy and fiscal committees of the Legislature on the status of the implementation of these provisions. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB4	LHPC/CAHP Support 05/20/21 - From comm. Do pass.
AB 32 (Aguiar-Curry)	This bill would require telehealth payment parity provisions to apply to Medi-Cal managed care plans. The bill would subject county organized health systems, and their subcontractors, that provide services under the Medi-Cal program to the above-described Knox-Keene requirements relative to telehealth. The bill would authorize a provider to enroll or recertify an individual in Medi-Cal programs through telehealth and other forms of virtual communication, as specified. The bill would also require the department, in consultation with various stakeholders, to develop one or more alternative payment models, as specified, and to submit and seek federal approval of the state plan amendment necessary for the implementation of those provisions to be effective no later than January 1, 2025. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB32	05/25/21 - Read second time. Ordered to third reading.
AB 114 (Maienschein)	Would expand the Medi-Cal schedule of benefits to include rapid Whole Genome Sequencing, as specified, for any Medi-Cal beneficiary who is one year of age or younger and is receiving inpatient hospital services in an intensive care unit. This bill would make diagnosis-related group-based payments also inapplicable to claims for the above-described rapid Whole Genome Sequencing. The bill would specify that rapid Whole Genome Sequencing would be reimbursed in addition to, and separate from, a diagnosis-related group-based payment for any other qualifying claim for other services provided to the same individual.	05/25/21 - Read second time. Ordered to third reading.

	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB114	
AB 342 (Gipson)	Would require a health care service plan contract or a health insurance policy, except as specified, that is issued, amended, or renewed on or after January 1, 2022, to provide coverage for a colorectal cancer screening examination and laboratory test, as specified. The bill would require the coverage to include additional colorectal cancer screening examinations as listed by the United States Preventive Services Task Force as a recommended screening strategy and at least at the frequency established pursuant to regulations issued by the federal Centers for Medicare and Medicaid Services for the Medicare program if the individual is at high risk for colorectal cancer. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB342	05/24/21 - Read second time. Ordered to third reading.

AB 369 (Kamlager)	This bill would require the department to implement a program of presumptive eligibility for persons experiencing homelessness, under which a person would receive full-scope Medi-Cal benefits without a share of cost. The bill would require the insurance affordability program's paper application to include a check box, and electronic application to include a pull-down menu, for an applicant to indicate if they are experiencing homelessness at the time of application. This bill would authorize an enrolled Medi-Cal provider to make a presumptive eligibility determination for a person experiencing homelessness. The bill would authorize an enrolled Medi-Cal provider to bill the Medi-Cal program for Medi-Cal services provided off the premises to a person experiencing homelessness, as specified. The bill would require a Medi-Cal managed care plan to allow a beneficiary to seek those services and allow a provider to provide those services, but would authorize a Medi-Cal managed care plan to establish reasonable requirements governing utilization protocols and network participation. If Medi-Cal covered health care services covered by a Medi-Cal managed care plan are not provided within the first 60 calendar days of enrollment to a Medi-Cal beneficiary who has indicated that they are a person experiencing homelessness at the time of application, the bill would require the department to deduct the capitation payments made by the department to the plan from subsequent payments due to the plan for the time period from when the person was initially enrolled into a plan until the first receipt of plan-covered services. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB369	05/24/21 - Read second time. Ordered to third reading.
AB 457 (Santiago)	This bill would enact the Protection of Patient Choice in Telehealth Provider Act, which would require a health care service plan and a health insurer to arrange for the provision of a service via telehealth to an enrollee or an insured through a third-party corporate telehealth provider, as defined, only if specified notice conditions are met and the enrollee or insured, once notified as specified, elects to receive the service via telehealth through a third-party corporate telehealth provider. For an enrollee or insured that is currently receiving specialty telehealth services for a mental or behavioral health condition, the bill would require that the enrollee or insured be given the option of continuing to receive that service with the contracting individual health professional, a contracting clinic, or a contracting health facility. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB457	CAHP Oppose 05/24/21 - Read second time. Ordered to third reading.

AB 470 (Carrillo)	This bill would prohibit the use of resources, including property or other assets, to determine eligibility under the Medi-Cal program to the extent permitted by federal law, and would require the department to seek federal authority to disregard all resources as authorized by the flexibilities provided pursuant to federal law. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB470	LHPC Support 05/24/21 - Read second time. Ordered to third reading.
AB 540 (Petrie-Norris)	This bill would exempt a Medi-Cal beneficiary who is enrolled in a PACE organization with a contract with the department from mandatory or passive enrollment in a Medi-Cal managed care plan, and would require persons enrolled in a PACE plan to receive all Medicare and Medi-Cal services from the PACE program. The bill would require, in areas where a PACE plan is available, that the PACE plan be presented as a Medi-Cal managed care plan enrollment option in the same manner as other Medi-Cal managed care plan options. In areas of the state where a presentation on Medi-Cal managed care plan enrollment options is unavailable, the bill would require the department or its contracted vendor to provide outreach and enrollment materials on PACE. The bill would require the department to establish a system to identify Medi-Cal beneficiaries who appear to be eligible for PACE based on age, residence, and prior use of services, and, with respect to that system, would require the department to conduct specified outreach and referrals. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB540	LHPC Concern 05/24/21 - Read second time. Ordered to third reading.
AB 586 (O'Donnell)	This bill would establish, within the State Department of Education, the School Health Demonstration Project, a pilot project, to be administered by the department, in consultation with the State Department of Health Care Services, to expand comprehensive health and mental health services to public school pupils by providing training and support services to selected local educational agencies to secure ongoing Medi-Cal funding for those health and mental health services, as provided. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB586	05/25/21 - Read second time. Ordered to third reading.
AB 671 (Wood)	This bill would require the department to provide a disease management or similar payment to a pharmacy that the department has contracted with to dispense a specialty drug to Medi-Cal beneficiaries in an amount necessary to ensure beneficiary access, as determined by the department based on the results of the survey completed during the 2020 calendar year. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB671	05/24/21 - Read second time. Ordered to third reading.

AB 942 (Wood)	The bill would require the department to develop, in consultation with specified individuals, including certain Medi-Cal providers, standardized screening tools and statewide transition tools, and to require the use of these tools after those tools have been field tested. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB942	05/25/21 - Read second time. Ordered to third reading.
AB 1046 (Blanca Rubio)	This bill would require the California Health and Human Services Agency to consult with specified stakeholders from diverse geographical regions of the state to identify mechanisms to improve the state and counties' ability to effectively draw down Medi-Cal funding for evidence-based maternal-infant and early childhood home visiting encounters. The bill would require the agency to consider specified factors in identifying benefit authorities and scope of coverage for activities and services delivered by covered providers in fidelity with model requirements for evidence-based maternal, infant, and early childhood home visiting programs. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1046	05/25/21 - Read second time. Ordered to third reading.
AB 1064 (Fong)	This bill would recast the existing provision allowing pharmacists to administer COVID-19 vaccines to instead authorize a pharmacist to independently initiate and administer any vaccine approved or authorized by the United States Food and Drug Administration for persons 3 years of age and older. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1064	05/20/21 - Read second time. Ordered to Consent Calendar.
AB 1104 (Grayson)	Commencing January 1, 2023, this bill would require the department to set and maintain Medi-Cal reimbursement rates for air ambulance services provided by fixed or rotary wing aircraft at 80% of the Medicare program reimbursement rate of the applicable common procedure terminology code, and would authorize the department to establish those rates by various means, including provider bulletins. The bill would limit the amounts a noncontracting emergency medical transport provider may collect if the beneficiary received medical assistance other than through enrollment in a Medi-Cal managed care health plan to the Medi-Cal fee-for-service reimbursement rate, as described above. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1104	05/25/21 - Read second time. Ordered to third reading.

AB 1130 (Wood)	This bill would establish, within OSHPD, the Office of Health Care Affordability to analyze the health care market for cost trends and drivers of spending, develop data-informed policies for lowering health care costs for consumers, set and enforce cost targets, and create a state strategy for controlling the cost of health care and ensuring affordability for consumers and purchasers. The bill would require the director to establish a statewide health care cost target for total health care expenditures by 2024 and specific targets by health care sector and geographic region by 2027. The bill, starting in 2025, would authorize the office to take progressive actions against health care entities for failing to meet the cost targets, including corrective action plans and escalating administrative penalties. The bill would require the office to set priority standards for various health care metrics, including health care quality and equity, alternative payment models, primary care and behavioral health investments, and health care workforce stability. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1130	05/25/21 - Read second time. Ordered to third reading.
AB 1132 (Wood)	This bill would make specified portions of the CCI operative only through December 31, 2022, as specified, and would repeal its provisions on January 1, 2025. The bill would also require Medi-Cal managed care plans to operate, or continue to operate, a Medicare Advantage Dual Special Needs Plan, commencing January 1, 2023, in CCI counties, and, commencing January 1, 2025, in all other counties, as specified. The bill would make various changes to the CCI component of the CalAIM initiative, including requiring the department to convene, in collaboration with the State Department of Social Services, a workgroup to address specified matters relating to the transition of beneficiaries residing in certain facilities from the Medi-Cal fee-for-service delivery system to the Medi-Cal managed care delivery system. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1132	05/24/21 - Read second time. Ordered to third reading.

AB 1214 (Waldron)	This bill would make an individual who is incarcerated in a state prison or county jail eligible for the Medi-Cal program for 30 days before the date they are released from that correctional facility if they otherwise meet Medi-Cal eligibility criteria but for their commitment in a correctional facility. The bill would require the department to seek federal approvals, including amendments to the state plan, necessary to implement these provisions, and would condition the implementation of these provisions on the department obtaining necessary federal approvals, and to the extent that federal matching funds are obtained. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1214	05/25/21 - Read second time. Ordered to third reading.
AB 1477 (Cervantes)	This bill would specify that the category of licensed health care practitioner to whom this requirement applies includes those who provide care during the interpregnancy interval, as defined. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1477	05/20/21 - Read second time. Ordered to Consent Calendar.
SB 56 (Durazo)	This bill would, subject to an appropriation by the Legislature, and effective July 1, 2022, extend eligibility for full-scope Medi-Cal benefits to individuals who are 60 years of age or older, and who are otherwise eligible for those benefits but for their immigration status. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB56	CAHP/LHPC Support 05/25/21 - Read second time and amended. Ordered to third reading.
SB 65 (Skinner)	Would extend Medi-Cal eligibility for a pregnant individual for an additional 10-month period following the 60-day postpartum period. This bill would expand the Medi-Cal schedule of benefits to include full-spectrum doula care, and would provide that any Medi-Cal beneficiary who is pregnant as of July 1, 2023, is entitled to doula care. The bill would require the department to develop multiple payment and billing options for doula care and to convene a doula advisory board that would be responsible for deciding on a list of core competencies required for doulas who are authorized by the department to be reimbursed under the Medi-Cal program. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB65	05/24/21 - Read third time. Passed.

SB 221 (Wiener)	Codifies regulations to provide timely access standards for health care service plans for nonemergency health care services. The bill would require a health care service plan to ensure that appointments with nonphysician mental health and substance use disorder providers are subject to the timely access requirements. The bill would additionally require a health care service plan to ensure that an enrollee that is undergoing a course of treatment for an ongoing mental health or substance use disorder condition is able to get a follow-up appointment with a nonphysician mental health care or substance use disorder provider within 10 business days of the prior appointment. The bill would require that a referral to a specialist by another provider meet the timely access standards. If the timely access standards cannot be met, the Plan is required to arrange for coverage out-of-network. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB221	CAHP Oppose 05/24/21 - Read second time. Ordered to third reading.
SB 242 (Newman)	This bill would require a health care service plan or health insurer to contract with its health care providers to reimburse, at a reasonable rate, their business expenses that are medically necessary to comply with a public health order to render treatment to patients, to protect health care workers, and to prevent the spread of diseases causing public health emergencies. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB242	CAHP/LHPC Opposed 05/20/21 - Read second time. Ordered to third reading.
SB 245 (Gonzalez)	The bill would prohibit a health care service plan and a health insurer from imposing utilization management or utilization review on the coverage for abortion services. The bill's requirements would also apply to Medi-Cal managed care plans. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB245	CAHP Oppose 05/20/21 - Read second time. Ordered to third reading.

SB 250 (Pan)	Authorizes the Department of Managed Health Care as appropriate to review a plan's clinical criteria, guidelines, and utilization management policies to ensure compliance with existing law. If the criteria and guidelines are not in compliance with existing law, the bill would require the Director to issue a corrective action and send the matter to enforcement, if necessary. Requires a plan to report, among other things, its average number of denied prospective utilization review requests, as specified. Requires a plan to examine a physician's record of prospective utilization review requests during the preceding 12 months and grant the physician "deemed approved" status for 2 years, meaning an exemption from the prospective utilization review process, if specified criteria are met. The bill would authorize a plan to request an audit of a physician's records after the initial 2 years of a physician's deemed approved status and every 2 years thereafter, and would specify the audit criteria by which a physician would keep or lose that status. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB250	CAHP Opposed / LHPC Concern 05/20/21 - Read second time. Ordered to third reading.

SB 256 (Pan)	This bill would establish the CalAIM initiative subject to federal approval. Includes standardizing those populations that are subject to mandatory enrollment in a Medi-Cal managed care plan across aid code groups and Medi-Cal managed care models. Commencing January 1, 2023, the bill would require the department to implement the Population Health Management Program under the Medi-Cal managed care delivery system to improve health outcomes, care coordination, and efficiency through application of standardized health management requirements. The bill would require the department to require each Medi-Cal managed care plan to develop and maintain a beneficiary-centered population health management program that meets specified standards, including identifying and mitigating social determinants of health and reducing health disparities or inequities. Would require the department to implement an enhanced care management (ECM) benefit designed to address the clinical and nonclinical needs on a whole-person-care basis for certain target populations of Medi-Cal beneficiaries enrolled in Medi-Cal managed care plans, as specified. Would require the department to authorize Medi-Cal managed care plans to elect to cover in lieu of services. The bill would provide that in lieu of services include specified services, such as housing transition navigation services, recuperative care, and asthma remediation. Would require the department to make incentive payments available to qualifying Medi-Cal managed care plans that meet predefined milestones and metrics associated with implementation of applicable components of the CalAIM initiative. Would authorize the department to establish capitation rates to contracted health plans on a regional basis in lieu of health plan and county-specific rates, and would require the department to consult with affected entities and individuals, included consumer representatives. http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB256	05/24/21 - Ordered to special consent calendar.
SB 279 (Pan)	The bill would require the department to cease implementing the Health Home Program on January 1, 2022, or as specified, and would repeal the Health Home Program's provisions on January 1, 2023. For contract periods commencing on or after January 1, 2026, the bill would authorize the department to require each Medi-Cal managed care plan and each health plan subcontractor of a Medi-Cal managed care plan to be accredited by the National Committee for Quality Assurance, or an alternative entity, as specified. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB279	05/20/21 - Read second time. Ordered to third reading.

SB 293 (Limón)	By 1/1/22, this bill would require the department to develop standard forms, including intake and assessment forms, relating to medical necessity criteria, mandatory screening and transition of care tools, and documentation requirements pursuant to specified terms and conditions, and, for purposes of implementing these provisions, would require the department to consult with representatives of identified organizations, including the County Behavioral Health Directors Association of California. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB293	05/24/21 - Read second time. Ordered to third reading.
SB 306 (Pan)	This bill would require health care service plans and insurers to provide coverage for home test kits for sexually transmitted diseases, as defined, and the laboratory costs for processing those kits. This bill would require an additional blood test for syphilis in the 3rd trimester of pregnancy and would require a licensed health care provider who is attending a woman at the time of delivery to ensure that a blood specimen is obtained from the patient at the time of delivery for the purpose of testing for syphilis unless the patient's chart shows a negative syphilis screen in the 3rd trimester. This bill would require the department to provide reimbursement for sexually transmitted disease related services and would authorize an office visit to a Family PACT provider or Medi-Cal provider for specified STD-related services for uninsured, income-eligible patients, or patients with health care coverage who have confidentiality concerns, who are not at risk of experiencing or causing an unintended pregnancy, and who are not in need of contraceptive services, to be reimbursed at the same rate as comprehensive clinical family planning services. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB306	CAHP Oppose 05/25/21 - Read second time and amended. Ordered to third reading.
SB 316 (Eggman)	This bill would authorize FQHC reimbursement for a maximum of 2 visits taking place on the same day at a single location if after the first visit the patient suffers illness or injury requiring additional diagnosis or treatment, or if the patient has a medical visit and a mental health visit or a dental visit, as defined. After the department approves a rate adjustment, authorizes to bill a medical visit and a mental health visit that take place on the same day at a single location as separate visits, in accordance with the bill. This bill would also include a licensed acupuncturist within those health professionals covered under the definition of a "visit." http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB316	LHPC Support 05/24/21 - Ordered to special consent calendar.

SB 365 (Caballero)	This bill would make electronic consultation services reimbursable under the Medi-Cal program for enrolled providers, including FQHCs or RHCs, subject to federal approval and matching funds. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB365	LHPC Support 05/20/21 - Ordered to third reading.
SB 371 (Caballero)	Would require any federal funds California Health and Human Services Agency (CHHSA) receives for health information technology and exchange to be deposited in the California Health Information Technology and Exchange Fund. The bill would authorize CHHSA to use the fund to provide grants to health care providers to implement or expand health information technology and to contract for direct data exchange technical assistance for safety net providers. The bill would also require a health care provider, health system, health care service plan, or health insurer that engages in health information exchange to comply with specified federal standards. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB371	05/24/21 - Read second time. Ordered to third reading.
SB 402 (Hurtado)	By 6/1/22 (or within 90-days of receiving funding if after 6/1/22), Requires HHS to convene a Multipayer Payment Reform Collaborative composed of specified individuals and entities, including representatives of organizations representing consumers and the Secretary of California Health and Human Services, and would require the collaborative to propose to the agency Multipayer Payment Reform Pilots (pilots) for the purpose of establishing pilots for primarily fee-for-service primary care practices in areas hit hardest by the COVID-19 pandemic. The pilots would be established by 1/1/23. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB402	05/24/21 - Read second time. Ordered to third reading.
SB 428 (Hurtado)	Requires a health care service plan contract to provide coverage for adverse childhood experiences screenings. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB428	05/24/21 - Ordered to special consent calendar.

SB 510 (Pan)	This bill would require a health care service plan contract or a disability insurance policy that provides coverage for hospital, medical, or surgical benefits, to cover the costs for COVID-19 testing and health care services related to the testing for COVID-19, or a future disease when declared a public health emergency by the Governor of the State of California, and would prohibit that contract or policy from imposing cost sharing or prior authorization requirements for that coverage. The bill would also require a contract or policy to cover without cost sharing or prior authorization an item, service, or immunization intended to prevent or mitigate COVID-19, or a future disease when declared a public health emergency by the Governor of the State of California, that is recommended by the United States Preventive Services Task Force or the federal Centers for Disease Control and Prevention, as specified. The bill would also apply these provisions retroactively beginning from the Governor's declared State of Emergency related to COVID-19 on March 4, 2020. The bill would make the provisions of the act severable. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB510	CAHP Opposed unless amended. 05/24/21 - Read second time. Ordered to third reading.
SB 523 (Leyva)	This bill, the Contraceptive Equity Act of 2021, would make various changes to expand coverage of contraceptives by a health care service plan contract or health insurance policy issued, amended, renewed, or delivered on and after January 1, 2022, including requiring a health care service plan or health insurer to provide point-of-sale coverage for over-the-counter FDA-approved contraceptive drugs, devices, and products at in-network pharmacies without cost-sharing or medical management restrictions. The bill would also require coverage for clinical services related to the provision or use of contraception, as specified. The bill would revise provisions applicable when a covered, therapeutic equivalent of a drug, device, or product is deemed medically inadvisable by deferring to the attending provider, as specified. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB523	CAHP Opposed 05/20/21 - Read second time. Ordered to third reading.
SB 524 (Skinner)	This bill would prohibit a health care service plan or a health insurer from engaging in patient steering. The bill would define "patient steering" to mean communicating to an enrollee or insured that they are required to have a prescription dispensed at, or pharmacy services provided by, a particular pharmacy, as specified, or offering group health care coverage contracts or policies that include provisions that limit access to only pharmacy providers that are owned or operated by the health care service plan. https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202120220SB524	CAHP Oppose 05/24/21 - In Assembly. Read first time. Held at Desk.

SB 535 (Limon)	The bill would prohibit a health care service plan contract or health insurance policy issued, amended, delivered, or renewed on or after January 1, 2022, from requiring prior authorization for biomarker testing for an enrollee or insured with advanced or metastatic stage 3 or 4 cancer. Also prohibits requiring prior authorization for biomarker testing for cancer progression or recurrence in the enrollee or insured with advanced or metastatic stage 3 or 4 cancer. The bill would provide that its provisions do not limit, prohibit, or modify an enrollee's or insured's rights to biomarker testing as part of an approved clinical trial, as specified. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB535	CAHP Oppose 05/24/21 - Read second time. Ordered to third reading.
SB 562 (Portantino)	This bill would revise the definition of behavioral health treatment to require the services and treatment programs provided to be based on behavioral, developmental, relationship-based, or other evidence-based models. The bill also would expand the definition of a "qualified autism service professional" to include behavioral service providers who meet specified educational and professional or work experience qualifications. The bill would revise the definition of a "qualified autism service paraprofessional" by deleting the reference to an unlicensed and uncertified individual and by requiring the individual to comply with revised educational and training, or professional, requirements. The bill would also revise the definitions of both a qualified autism service professional and a qualified autism service paraprofessional to include the requirement that these individuals complete a background check. This bill would require the intervention plan designed by the qualified autism service provider to include parent or caregiver participation, when clinically appropriate, that is individualized to the patient and takes into account the ability of the parent or caregiver to participate in therapy sessions and other recommended activities, as specified. The bill would specify that the lack of parent or caregiver participation shall not be used to deny or reduce medically necessary services and that the setting, location, or time of treatment not be used as the only reason to deny medically necessary services. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB562	CAHP Oppose 05/24/21 - Read second time. Ordered to third reading.
SB 682 (Rubio)	The bill would require California Health and Human Services Agency, in collaboration with the departments under its purview and other specified entities, to develop and implement a plan, as specified, that establishes targets to reduce racial disparities in health outcomes by 50% by December 31, 2030, in chronic conditions affecting children, including, but not limited to, asthma, diabetes, dental caries, depression, and vaping-related diseases. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB682	05/25/21 - Read second time and amended. Ordered to third reading.

SB 773 (Roth)	This bill would, commencing with the January 1, 2022, rating period, and through December 31, 2024, require the department to make incentive payments to qualifying Medi-Cal managed care plans that meet predefined goals and metrics associated with targeted interventions, rendered by school-affiliated behavioral health providers, that increase access to preventive, early intervention, and behavioral health services for children enrolled in kindergarten and grades 1 to 12, inclusive, at those schools. The bill would require the department to consult with certain stakeholders on the development of interventions, goals, and metrics, to determine the amount of incentive payments, and to seek any necessary federal approvals. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB773	05/24/21 - Ordered to special consent calendar.

SUMMARY OF PROCEEDINGS

Quality Improvement (QI) / Utilization Management (UM) Committee
(VIRTUAL) MEETING

Kern Health Systems
4th Floor Kern River Room
2900 Buck Owens Boulevard
Bakersfield, California 93308

Virtual Meeting
Thursday, August 20th, 2020
7:00 A.M.

All agenda item supporting documentation is available for public review at Kern Health Systems in the Administration Department, 2900 Buck Owens Blvd, Bakersfield, CA 93308 during regular business hours, 8:00 a.m.–5:00 p.m., Monday through Friday, 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 for review at the same location.

Members Present: Jennifer Ansolabehere, PHN; Satya Arya, MD; Danielle C Colayco, PharmD; MS; Allen Kennedy; Philipp Melendez, MD; Chan Park, MD; Martha Tasinga; MD, CMO

Members Absent: Maridette Schloe; MS, LSSBB

Meeting was called to order at 7:02 A.M. by Dr. Martha Tasinga, M.D., C.M.O.

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

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

2) On their own initiative, Committee Members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Gov. Code Sec. 54954.2[a])

- **Dr. Satya Arya voiced concern surrounding his office's hardship in meeting the requirement for KHS contracted providers to submit only Electronic Claims for payment. Dr. Tasinga advised a Claims staff member will follow up with him for further discussion.**

3) Announcements – **None**

4) Closed Session **N/A**

5) CMO Report –

- **COVID impact to KHS**
  - **Telehealth expansion**
  - **Authorization extensions for many services from January through December 2020**
- **Provider Relief Program**
  - **Funding advances related to reduction in services during COVID**
  - **Application available on KHS website**

CA-6) QI/UM Committee Summary of Proceedings May 21st, 2020 – APPROVED
Arya-Park: All Ayes

7) Physician's Advisory Committee (PAC) Summary of Proceedings 2nd Quarter – RECEIVED AND FILED – **Arya-Park: All Ayes**

- May 2020
- June 2020

Pharmacy Reports
CA-8) Pharmacy TAR Log Statistics 2nd Quarter 2020 – RECEIVED AND FILED
Arya-Park: All Ayes

Quality Improvement Department Summary Reports
9) Quality Improvement Department Summary Reports 2nd Quarter 2020- APPROVED – **Arya-Kennedy: All Ayes**

- Potential Quality Issue (PQI) Notifications
- Facility Site Reviews (FSRs)
    a. Initial Full Site Reviews
    b. Periodic Full Site Reviews
    c. Focus Reviews
        1. Critical Elements Monitoring
        2. IHEBA Monitoring
        3. IHA Monitoring
- Quality Improvement Projects
    a. Performance Improvement Projects (PIPs)
    b. Improvement Projects (IPs)
- MCAS Accountability Set (MCAS) Updates

Jane Daughenbaugh, Director of Quality Improvement, went over the following for the committee:

- **Potential Inappropriate Care Referrals: Reminded the Committee that effective last September, a change in grievances referred to QI occurred that increased the volume of referrals beginning in the 4th quarter of last year. It has dropped progressively in the 1st and 2nd quarters of this year and we believe that is due to the COVID-19 pandemic.**
- **Site and Medical Record Reviews: All aspects of Facility Site and Medical Record Reviews have been reduced to minimal activity. This is the result, again, of the COVID-19 pandemic. These reviews are dependent on our ability to physically go to the provider office or clinic and we are not able to do that for safety reasons. DHCS has allowed MCPs to stop these reviews until 6 months after the emergency response to the pandemic. KHS' QI Team is attempting to conduct a portion of the reviews that can be done remotely through document review. However, we are also being respectful of the resources and priorities of our providers during the pandemic. A few abbreviated reviews have been completed, but we have not been able to complete most reviews.**
    - **It was mentioned that we will be using the term "Interim" review for those reviews completed midway between initial and periodic reviews. Focus reviews will be used for those**

in which we are focusing on elements that were not compliant in the last full site or medical record review.

- **Quality Improvement Projects**
  - **Provided a brief review of the two PIPs that were initiated last year and approved by DHCS. Advised the Committee that DHCS stopped both PIPs in July of this year due to the pandemic and DHCS' need to complete a contract with their EQRO who administers the PIPs. We anticipate starting new PIP cycles later this year.**
  - **Provided an overview of the MCAS Member Incentive and Engagement Project. Advised the Committee that we leveraged this project to comply with a directive from DHCS for member outreach related to select EPSDT services. We will implement the first set of MCAS incentives in October.**
- **MCAS Measures – Reviewed the year to date compliance with the MY2020 MCAS Measures. Reviewed with the Committee the COVID-related challenges in reporting this year the MCAS results for 2019 which were related to medical record retrievals for hybrid reviews. Also advised them that DHCS is not holding MCPs accountable to the 50th percentile for hybrid measures for MY2019. We are awaiting further direction from DHCS for how MY 2020 will be handled. The impact for 2020 involves the reduction in members being able to get preventive health care services due to the pandemic.**
- **Provided a review of the changes to the 30 Day Re-admissions Policy and Procedure identifying shifting to quarterly sampling and review of these cases for potential inappropriate care as well as trending for these re-admissions.**

Kaiser Reports

CA-10) Kaiser Reports **(PROPRIETARY AND CONFIDENTIAL)**

- KFHC APL Grievance Report-2nd Quarter 2020 –RECEIVED AND FILED
- KFHC Volumes Report 2nd Quarter 2020 – RECEIVED AND FILED
- Kaiser Reports will be available upon Request

VSP Reports – Arya-Park: All Ayes

11) VSP Reports

- Medical Data Collection Summary Report 2020– APPROVED
- VSP DER Effectiveness Report – APPROVED
- VSP Monthly Call Response Summary- APPROVED

Member Services – Arya-Kennedy: All Ayes

12) Grievance Operational Board Update - RECEIVED AND FILED

- 2nd Quarter 2020

13) Grievance Summary Reports – RECEIVED AND FILED
- 2nd Quarter 2020

Provider Relations – Arya-Park: All Ayes
14) Re-credentialing Report 2nd Quarter 2020 – RECEIVED AND FILED
CA-15) Board Approved New Contracts – RECEIVED AND FILED
CA-16) Board Approved Providers Reports – RECEIVED AND FILED
CA-17) Provider Relations Network Review Report 2nd Quarter 2020– RECEIVED AND FILED

Disease Management - Arya-Park: All Ayes
18) Disease Management 2nd Quarter 2020 Report – APPROVED

DHCS COVID-19 Documents – No Motion Needed
19) DHCS Hypertension Recommendations for Covid-19 Postcard- RECEIVED AND FILED

Policies and Procedures – Kennedy-Park: All Ayes
CA-20 QI/UM Policies and Procedures- APPROVED
- 2.26-I Hospital Readmissions- Identification of Potential Inappropriate Care Issues
- 3.31-P Emergency Services Clean
- 3.40-I Continuity of Care for New Members
- 3.61-I Comprehensive Case Management and Coordination of Care

Health Education Reports – Kennedy-Park: All Ayes
CA-21) Health Education Activity Report 2nd Quarter 2020 – APPROVED
CA-22) Population Needs Assessment 2nd Quarter 2020 –APPROVED

- **Isabel reviewed PNA goals, data sources, assessment findings and action plan with Committee. DHCS recognized KHS' PNA as a best practice and plans to share the report with other MCPs struggling to prepare their PNA. An update on the status of the action plan will be presented in 2021.**

UM Department Reports – Park-Kennedy: All Ayes
23) Combined UM Reporting 2nd Quarter 2020 – APPROVED

- **Shannon Miller, Director of UM, provided overview of VSP reports. Explained key changes in Policy 3.31 Emergency Services and 3.40 Continuity of Care to Committee. Provided Committee with update on COVID-19 impact that were not already covered during CMO update, including measures taken to extend authorizations as part of "Back to Care" initiative.**

Meeting adjourned by Dr. Martha Tasinga, M.D., C.M.O. @ 8:44 A.M.
to Thursday, November 12, 2020 at 7:00 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, 9700 Stockdale Highway, Bakersfield, California or by calling (661) 664-5000. 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 OF PROCEEDINGS

Quality Improvement (QI) / Utilization Management (UM) Committee
(VIRTUAL) MEETING

Kern Health Systems
2900 Buck Owens Boulevard
Bakersfield, California 93308

Virtual Meeting
Thursday, November 12, 2020
7:00 A.M.

All agenda item supporting documentation is available for public review at Kern Health Systems in the Administration Department, 2900 Buck Owens Blvd, Bakersfield, CA 93308 during regular business hours, 8:00 a.m.–5:00 p.m., Monday through Friday, 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 for review at the same location.

Members Present: Satya Arya, MD; Danielle C Colayco, PharmD; MS; Allen Kennedy; Philipp Melendez, MD; Chan Park, MD; Maridette Schloe; MS, LSSBB; Martha Tasinga; MD, CMO

Members Absent: Jennifer Ansolabehere, PHN

Meeting was called to order at 7:00 A.M. by Dr. Martha Tasinga, M.D., C.M.O.

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 COMMITTEE MEMBER 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 MEMBERS CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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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

On their own initiative, Committee Members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Gov. Code Sec. 54954.2[a]) **NO ONE HEARD.**

3) Announcements – **N/A**

4) Closed Session – **N/A**

5) CMO Report –

- **Staff continue to work remote during COVID pandemic with only a select essential onsite staff at our building**
- **Rx Carve out on track to transition 1/1/2021 with retail/outpatient medications under State authority/oversight**

CA-6) QI/UM Committee Summary of Proceedings August 20th, 2020 – APPROVED
Arya-Melendez: All Ayes

7) Physician's Advisory Committee (PAC) Summary of Proceedings 3rd Quarter 2020 - RECEIVED AND FILED - **Arya-Kennedy: All Ayes**
- September 2020

Pharmacy Reports
CA-8) Pharmacy TAR Log Statistics 3rd Quarter 2020 – RECEIVED AND FILED
Arya-Melendez: All Ayes

Quality Improvement Department Summary Reports
9) Quality Improvement Department Summary Reports 3rd Quarter 2020 – APPROVED – **Park-Kennedy: All Ayes**

- DHCS Child and Adult Immunization QI Postcard
- Potential Quality Issue (PQI) Notifications
- Facility Site Reviews (FSRs)
    a. Initial Full Site Reviews
    b. Periodic Full Site Reviews
    c. Focus Reviews
        1. Critical Elements Monitoring
        2. IHEBA Monitoring
        3. IHA Monitoring
- Quality Improvement Projects
    a. Performance Improvement Projects (PIPs)
    b. Improvement Projects (IPs)
- MCAS Accountability Set (MCAS) Updates

Jane Daughenbaugh, Director of Quality Improvement, went over the following for the committee:

- **Discussed the impacts of the COVID-19 pandemic on QI activities:**
    - **Site & Medical Record reviews – we are conducting provisional, abbreviated reviews when possible.**
    - **PIPs initiated and approved in 2019 were stopped by DHCS in July.**
    - **MCAS scores for 2019 were significantly impacted by our inability to retrieve as many medical records for abstract reviews.**
        - **We anticipate even lower scores this year**
        - **We have initiated a 2-year SWOT analysis to establish an effective mechanism to achieve compliance with the MCAS measures**

- **PIC Notifications**
    - **Increased, in part, due to a backlog of referrals from the Grievance team. This has been resolved.**
    - **In reviewing the volume of PIC referrals by ethnicity, all groups are consistent with the corresponding ratio of membership for that group. The only exception is the Caucasian population that shows approximately 10% higher rate of grievances compared to the overall ration of Caucasians in KHS' membership. We will continue to track this to see if this is a consistent trend.**

- **Site & Medical Record Reviews**
    - **We have been conducting as many site and medical record reviews as possible and as providers are able to participate in during the pandemic emergency response phase. We are performing many of these using GoToMeeting video conferencing which has been a successful mode.**
    - **DHCS has not communicated the plan for addressing all of these reviews that were due during the pandemic. We anticipate that direction will not be forthcoming until more is known on the course**

of the pandemic. Note that the provisional reviews we have been performing are not a substitute for the required full site and medical record reviews required.

- **Quality Improvement Projects**
  - **Member Engagement & Incentives project**
    - **Project to establish a program using Member Rewards and Member Outreach to support member compliance with MCAS measures**
    - **Uses IVR and postcard mailers as outreach venues**
    - **Initial campaign scheduled to go live in November and includes Well Care Visits for Ages 0 - 21 years, Pre-natal visit in the 1st trimester, Post-partum visit between 7 and 84 days after delivery, Initial health assessments**
  - **DHCS Performance Improvement Projects (PIPs) were stopped by DHCS in July due to impacts from the pandemic and EQRO contracting issues. A new cycle of PIPs will begin in the 4th quarter**

- **MCAS Measures**
  - **Presented the MY 2019 MCAS measure results.**
    - **Results were significantly below the MPL. This was most likely due to:**
      - **Impacts of obtaining medical records due to the pandemic**
      - **The increase of the MPL from the 25th percentile to the 50th percentile**
      - **Discussed the SWOT project initiated with support from DHCS and collaboration with Health Net**

- **Policy Updates – presented the Policy 2.01-P General Exam Guidelines revisions. No significant changes.**

Kaiser Reports
CA-10) Kaiser Reports **(PROPRIETARY AND CONFIDENTIAL)**

- KFHC APL Grievance Report-3rd Quarter 2020 –RECEIVED AND FILED
- KFHC Volumes Report 3rd Quarter 2020 – RECEIVED AND FILED
- Kaiser Reports will be available upon Request

VSP Reports – Melendez-Arya: All Ayes
11) VSP Reports

- VSP Utilization Summary- APPROVED
- VSP DER Effectiveness Report – APPROVED
- VSP- Claim Summary- APPROVED

- VSP Monthly Call Response Summary- APPROVED

Member Services – Melendez-Arya: All Ayes

12) Grievance Operational Board Update – RECEIVED AND FILED
- 3rd Quarter 2020

13) Grievance Summary Reports – RECEIVED AND FILED
- 3rd Quarter 2020

Provider Relations – Melendez-Kennedy: All Ayes

14) Re-credentialing Report 3rd Quarter 2020 – RECEIVED AND FILED

CA-15) Board Approved New Contracts Report – RECEIVED AND FILED

CA-16) Board Approved Providers Report – RECEIVED AND FILED

CA-17) Provider Relations Network Review Report 3rd Quarter 2020 – RECEIVED AND FILED

Disease Management – Melendez-Arya: All Ayes

18) Disease Management 3rd Quarter 2020 Report – APPROVED

Michael Pitts, Director of CM/DM reviewed Q3 2020 Disease Management statistics with Committee.

Discussed primary focus of department is on members with dx:
- **Asthma**
- **Diabetes with Hypertension**

Reviewed statistics around:
- **Call and Answer Rates**
- **Assessments and Care Plans**
- **Diabetic Eye Exams**
- **Diabetic Clinic Enrollment**
- **Diabetes Prevention Program**

Policies and Procedures – Kennedy-Melendez: All Ayes

CA-19 QI/UM Policies and Procedures- APPROVED
- 2.17-P Access- Treatment of a Minor
- 2.20-P Infection Control Program
- 2.21-P Management of Biohazardous Waste
- 2.26-I Hospital Re-Admissions- Identification of Potential Inappropriate Care Issues
- 3.09-P Second Opinions
- 3.18-P Confidential HIV Testing
- 3.24-I Pregnancy Maternity Care
- 3.27-P Radiology Services
- 3.28-P Animal Bite Reporting
- 3.29-P Attachment A
- 3.29-P Condition Disease Reporting
- 3.31-P Emergency Services

- 3.43-P Hospice Services
- 3.46-I Tuberculosis Treatment
- 3.46-P Tuberculosis Treatment
- 3.61 Comprehensive Case Management and Coordination of Care Clean
- 10.01-I Clinical and Public Advisory Committee

Health Education Reports – Melendez-Arya: All Ayes
CA-20) Health Education Activity Report 3rd Quarter 2020 – APPROVED

UM Department Reports – Park-Kennedy: All Ayes
21) Combined UM Reporting 3rd Quarter 2020 – APPROVED

Meeting adjourned by Dr. Martha Tasinga, M.D., C.M.O. @ 8:14 A.M.
to Thursday, February 25, 2021 at 7:00 A.M.

AMERICANS WITH DISABILITIES ACT
(Government Code Section 54953.2)

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SUMMARY OF PROCEEDINGS

Quality Improvement (QI) / Utilization Management (UM) Committee
(VIRTUAL) MEETING

Kern Health Systems
4th Floor Kern River Room
2900 Buck Owens Boulevard
Bakersfield, California 93308

Virtual Meeting
Thursday, February 25, 2021

7:00 A.M.

All agenda item supporting documentation is available for public review at Kern Health Systems in the Administration Department, 2900 Buck Owens Blvd, Bakersfield, CA 93308 during regular business hours, 8:00 a.m.–5:00 p.m., Monday through Friday, 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 for review at the same location.

Members Present: Jennifer Ansolabehere, PHN; Satya Arya, MD; Danielle C Colayco, PharmD; MS; Allen Kennedy; Philipp Melendez, MD; Chan Park, MD; Martha Tasinga; MD, CMO

Members Absent: Maridette Schloe; MS, LSSBB

Meeting was called to order at 7:03 A.M. by Dr. Martha Tasinga, M.D., C.M.O.

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 COMMITTEE MEMBER 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 MEMBERS CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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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

On their own initiative, Committee Members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Gov. Code Sec. 54954.2[a]) **NO ONE HEARD.**

3) Announcements – **N/A**

4) Closed Session – **N/A**

5) CMO Report –

- **Delay in Cal-AIM MCAL RX carve out program - no pending date**
- **Major Organ Transplants under KHS benefits effective 1/1/2022**

CA-6) QI/UM Committee Summary of Proceedings November 12th, 2020 – APPROVED
Park-Arya: All Ayes

7) Physician's Advisory Committee (PAC) Summary of Proceedings 4th Quarter 2020– RECEIVED AND FILED - **Park-Arya: All Ayes**
- October 2020
- November 2020
- December 2020

Pharmacy Reports - Park-Allen: All Ayes
CA-8) Pharmacy TAR Log Statistics 4th Quarter 2020 – RECEIVED AND FILED

Quality Improvement Department Summary Reports - Park-Allen: All Ayes
9) Quality Improvement Department Summary Reports 4th Quarter 2020 – APPROVED

- DHCS Child and Adult Immunization QI Postcard
- Potential Quality Issue (PQI) Notifications
- Facility Site Reviews (FSRs)
    a. Initial Full Site Reviews
    b. Periodic Full Site Reviews
    c. Focus Reviews
        1. Critical Elements Monitoring
        2. IHEBA Monitoring
        3. IHA Monitoring
- Quality Improvement Projects
    a. Performance Improvement Projects (PIPs)
    b. Improvement Projects (IPs)
- MCAS Accountability Set (MCAS) Updates

Jane Daughenbaugh, Director of Quality Improvement, went over the following for the committee:

- **4th Quarter QI reports were reviewed with the committee**
- **KHS QI Department is continuing to complete site and medical record reviews virtually while the PHE for the pandemic continues**
- **Reviewed the volume of PICs by age group and ethnicity.**
    - **The bulk of PICs are for members ages 22 – 55 year followed by those 55 years and older**
    - **The Hispanic community has the highest percentage of PICs followed by Caucasians. Committee member, Ms. Danielle Colayco, PharmD, asked if the data differentiated between race and ethnicity. Ms. Daughenbaugh will follow up and provide an update at the next committee meeting**
- **Two new PIPs were initiated in the 4th quarter and accepted by DHCS/HSAG**
- **An overview of the SWOT Analysis and Action Plan project was provided to the Committee which focuses on development of an infrastructure to improve MCAS measures compliance. This project was initiated in the 4th quarter of 2020 and is anticipated to span a 2-year time frame.**
- **Review of the most current compliance rates for MCAS measures was reviewed with the Committee. Discussion occurred regarding the impact of the pandemic on preventive health services in 2020 and KHS' efforts to encourage and support members to return to receiving those services when it is safe to begin returning to their provider's office.**

Kaiser Reports
CA-10) Kaiser Reports **(PROPRIETARY AND CONFIDENTIAL)**

- KFHC APL Grievance Report-4th Quarter 2020 –RECEIVED AND FILED
- KFHC Volumes Report 4th Quarter 2020 – RECEIVED AND FILED

- Kaiser Reports will be available upon Request

VSP Reports – Melendez-Park: All Ayes

11) VSP Reports
- VSP DER Effectiveness Report – APPROVED
- VSP- Medical Data Summary- APPROVED
- VSP Monthly Call Response Summary- APPROVED

Member Services – Allen-Colayco: All Ayes

12) Grievance Operational Board Update - RECEIVED AND FILED
- 4th Quarter 2020

13) Grievance Summary Reports – RECEIVED AND FILED
- 4th Quarter 2020

Provider Relations - Park-Allen: All Ayes

14) Re-credentialing Report 4th Quarter 2020 – RECEIVED AND FILED

CA-15) Board Approved New Contracts Report – RECEIVED AND FILED

CA-16) Board Approved Providers Report – RECEIVED AND FILED

CA-17) Provider Relations Network Review Report 4th Quarter 2020 – RECEIVED AND FILED

Disease Management – Park-Allen: All Ayes

18) Disease Management 4th Quarter 2020 Report – APPROVED

Policies and Procedures - Park-Allen: All Ayes

CA-19 QI/UM Policies and Procedures -
- 2.22-P Facility Site Review- APPROVED
- 3.01-P Excluded Services- APPROVED
- 3.13-P Supplemental Services and Targeted Case Management- APPROVED
- 11.21-I Population Needs Assessment- APPROVED

Health Education Report – Park-Allen: All Ayes

CA-20) Health Education Activity Report 4th Quarter 2020 – APPROVED

UM Department Reports – Park-Allen: All Ayes

21) Combined UM Reporting 4th Quarter 2020 – APPROVED

Meeting adjourned by Dr. Martha Tasinga, M.D., C.M.O. @ 8:40 A.M.
to Thursday, May 27, 2021 at 7:00 A.M.

AMERICANS WITH DISABILITIES ACT
(Government Code Section 54953.2)

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SUMMARY

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Friday, April 9, 2021

8:00 A.M.

COMMITTEE RECONVENED

Members: Deats, Martinez, McGlew, Melendez, Rhoades
ROLL CALL: 4 Present; 1 Absent – Rhoades

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

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

COMMITTEE ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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NO ONE HEARD

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

CA-3) Minutes for KHS Finance Committee meeting on February 5, 2021- APPROVED
Melendez-McGlew: 4 Ayes; 1 Absent - Rhoades

4) Report by Daniells Phillips Vaughan & Bock on the audited financial statements of Kern Health Systems for the year ending December 31, 2020 (Fiscal Impact: None) – NANCY BELTON AND SHANNON WEBSTER, DANIELLS PHILLIPS VAUGHAN & BOCK, HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 4 Ayes; 1 Absent - Rhoades

5) Proposed Agreement with Office Ally, LLC, to process and submit electronic medical claims from providers and institutions directly to KHS, from April 15, 2021 through April 15, 2024, in an amount not to exceed $0.23 per claim (Fiscal Impact: $180,000 estimated annually; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-McGlew: 4 Ayes; 1 Absent - Rhoades

6) Report on Kern Health Systems financial statements for December 2020 and January 2021 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 4 Ayes; 1 Absent - Rhoades

7) Report on Accounts Payable Vendor Report, Administrative Contracts between $30,000 and $100,000 for December 2020 and January 2021 and IT Technology Consulting Resources for the period ended December 31, 2020 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 4 Ayes; 1 Absent - Rhoades

ADJOURN TO FRIDAY, JUNE 4, 2021 AT 8:00 A.M.