

### **REGULAR MEETING OF THE BOARD OF DIRECTORS**

Thursday, February 20, 2025 at 8:00 A.M.

At

Kern Health Systems 2900 Buck Owens Boulevard Bakersfield, CA 93308

The public is invited.

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

#### AGENDA

#### **BOARD OF DIRECTORS**

KERN HEALTH SYSTEMS 2900 Buck Owens Boulevard Bakersfield, California 93308

Regular Meeting Thursday, February 20, 2025

#### <u>8:00 A.M.</u>

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

### PLEASE SILENT CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING

#### BOARD TO RECONVENE

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

ADJOURN TO CLOSED SESSION

#### **CLOSED SESSION**

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –
- 2) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Government Code § 54956.9 (e)(3).) Number of cases: Five (5) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on the receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection.

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8:20 A.M.

#### BOARD TO RECONVENE

#### REPORT ON ACTIONS TAKEN IN CLOSED SESSION

<u>CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT</u>: 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

3) 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

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

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#### DEPARTMENTAL MATTERS

- CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on December 19, 2024 (Fiscal Impact: None) APPROVE
- CA-6) Minutes for Kern Health Systems Board of Directors special meeting on January 16, 2025 (Fiscal Impact: None) APPROVE
  - 7) Kern County Board of Supervisors appointment of Russell Johnson, 2<sup>nd</sup> District Community Representative, for term expiring June 30, 2025 (Fiscal Impact: None) – RECEIVE AND FILE
  - Presentation on Government Code Section 1090 Conflict of Interest by Olson Remcho (Fiscal Impact: None) – HEAR PRESENTATION; RECEIVE AND FILE
  - Report on Kern Health Systems Healthcare Workforce Expansion Initiative (Fiscal Impact: None) – RECEIVE AND FILE
  - 10) Proposed Amendment No.3 to Employment Agreement with Emily Duran, for services as Chief Executive Officer (Fiscal Impact: None) -APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA-11) Report on Annual Kern Health Systems Health Equity Division (Fiscal Impact: None) RECEIVE AND FILE
- CA-12) Report on Kern Health Systems Investment Portfolio for the Fourth Quarter Ending December 31, 2024 (Fiscal Impact: None) – RECEIVE AND FILE
- CA-13) Report on 2024 Annual Review of the Kern Health Systems Investment Policy (Fiscal Impact: None) RECEIVE AND FILE
  - Special Requests for Funding by Local Community Partners and Providers (Fiscal Impact: \$15,880,981; Not Budgeted; Discretionary)
     DIRECT KHS STAFF TO MANAGE GRANT REQUESTS IN ACCORDANCE WITH KHS GRANTS AND STRATEGIC INITIATIVES RFP PROCESS IN THE NORMAL COURSE OF BUSINESS
- CA-15) Report on 2024 Annual Travel Report (Fiscal Impact: None) RECEIVE AND FILE
- CA-16) Report on 2024 Annual Report of Disposed Assets (Fiscal Impact: None) RECEIVE AND FILE

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- CA-17) Proposed New Agreement with mPulse, for the Member and Provider Portal from March 1, 2025 through December 31, 2030 with a Not-to-Exceed amount of \$5,966,116 over the term of the contract (Fiscal Impact: \$5,966,116; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-18) Proposed Contract Extension and Retroactive Approval with Language Line, for Language Interpretation services, from February 28, 2025 through February 27, 2028 and increasing the Not-to-Exceed by \$11,678,000 over the term of the contract (Fiscal Impact: \$11,678,000; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-19) Proposed Contract Extension with LifeSigns, for American Sign Language Interpreting Services, from February 23, 2025 through February 22, 2027 and increasing the Notto-Exceed amount by \$120,000 from \$160,000 to \$280,000 (Fiscal Impact: \$120,000; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-20) Proposed Contract Extension with Coffey Communications, for the Member Newsletters, from February 15, 2025 through February 14, 2026 and increasing the Not-to-Exceed amount by \$200,000 from \$170,000 to \$370,000 (Fiscal Impact: \$200,000; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-21) Proposed Contract Extension with Ceridian, for the Payroll and HRIS services, from March 18, 2025 through March 17, 2027 and increasing the Not-to-Exceed amount by \$772,224 from \$648,000 to \$1,420,224 (Fiscal Impact: \$772,224; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-22) Proposed Contract Extension with Change Healthcare, for Electronic Claims Processing, from February 20, 2025 through February 19, 2030 and increasing the Not-to-Exceed amount by \$1,275,000 from \$930,000 to \$2,205,000 (Fiscal Impact: \$1,275,000; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-23) Proposed Contract Extension with Health Management Associates, for Actuarial services, from March 1, 2025 through February 28, 2026 and increasing the Not-to-Exceed amount by \$199,000 from \$199,000 to \$398,000 (Fiscal Impact: \$199,000; Budgeted) – APPROVE: AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-24) Proposed Contract Extension with Milliman, for Actuarial services including D-SNP, from March 1, 2025 through December 31, 2026 and increasing the Not-to-Exceed amount by \$750,000 from \$762,000 to \$1,512,000 (Fiscal Impact: \$750,000; Budgeted) – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

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- 25) Report on Kern Health Systems financial statements for November 2024 (Fiscal Impact: None) RECEIVE AND FILE
- CA-26) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for November 2024 and IT Technology Consulting Resources for the period ended November 30, 2024 (Fiscal Impact: None) – RECEIVE AND FILE
- CA-27) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-28) Kern Health Systems Chief Human Resources Officer report (Fiscal Impact: None) RECEIVE AND FILE
- CA-29) Kern Health Systems Chief Compliance and Fraud Prevention Officer report (Fiscal Impact: None) – RECEIVE AND FILE
  - 30) Report on Kern Health Systems 2025 Compliance Program Description (Fiscal Impact: None) APPROVE
  - Report on Kern Health Systems 2025 Code of Conduct (Fiscal Impact: None) APPROVE
  - 32) Report on Kern Health Systems 2025 Compliance Guide (Fiscal Impact: None) APPROVE
  - 33) Report on Kern Health Systems 2025 Anti-Fraud Plan (Fiscal Impact: None) APPROVE
  - 34) Report on Kern Health Systems 2024 Compliance Work Plan Q4 update (Fiscal Impact: None) – APPROVE
  - 35) Report on Kern Health Systems 2025 Compliance Work Plan (Fiscal Impact: None) – APPROVE
- CA-36) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) – RECEIVE AND FILE
  - 37) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) RECEIVE AND FILE

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- 38) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) RECEIVE AND FILE
- CA-39) Miscellaneous Documents RECEIVE AND FILE
  - A) Minutes for Kern Health Systems Drug Utilization Review Committee meeting on November 25, 2024
  - B) Minutes for Kern Health Systems Physician Advisory Committee meeting on December 4, 2024
  - C) Minutes for Kern Health Systems Community Advisory Committee meeting on December 10, 2024
  - D) Minutes for Utilization Management Committee meeting on December 11, 2024
  - E) Minutes for Kern Health Systems Executive Quality Improvement Health Equity Committee Meeting on December 12, 2024
  - F) Minutes for Kern Health Systems Finance Committee meeting on December 13, 2024
  - G) Minutes for Kern Health Systems Governance and Compliance Committee meeting on February 7, 2025

ADJOURN TO APRIL 17, 2025 AT 8:00 A.M.

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

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

#### SUMMARY

#### **BOARD OF DIRECTORS**

KERN HEALTH SYSTEMS 2900 Buck Owens Boulevard Bakersfield, California 93308

#### Regular Meeting Thursday, December 19, 2024

#### 8:00 A.M.

#### BOARD RECONVENED

Directors: Watson, Thygerson, Patel, Elliott, Acharya, Alva, Bowers, Hoffmann, Ma, McGlew, Meave, Singh, Tamsi, Turnipseed ROLL CALL: 10 – Present; 4 Absent – Alva, Bowers, Singh, Tamsi

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

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

BOARD ACTION SHOWN IN CAPS

ADJOURNED TO CLOSED SESSION

DIRECTOR ALVA ARRIVED DURING CLOSED SESSION @ 8:01 AM

DIRECTOR TAMSI ARRIVED DURING CLOSED SESSION @ 8:02 AM

DIRECTOR SINGH ARRIVED DURING CLOSED SESSION @ 8:10 AM

DIRECTOR BOWERS ARRIVED DURING CLOSED SESSION @ 8:12 AM

#### **CLOSED SESSION**

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

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

8:30 A.M.

BOARD RECONVENED @ 8:45 AM

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR <u>INITIAL</u> <u>CREDENTIALING</u> FOR NOVEMBER 2024 – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON BURT, NEAL, SBEIH; DIRETOR ELLIOTT ABSTAINED FROM VOTING ON BEZEMA; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON HOSIER; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON ORTIZ, ARCE GASTELUM, FERNANDEZ, KIM; DIRECTOR MCGLEW ABSTAINED FROM VOTING ON BEZEMA; DIRECTOR MEAVE ABSTAINED FROM VOTING ON ARCE GASTELUM, FERNANDEZ, KIMDIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON KAUR

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR <u>INITIAL</u> <u>CREDENTIALING</u> FOR DECEMBER 2024 – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING;

DIRECTOR THYGERSON ABSTAINED FROM VOTING ON MOTA MCCONNELL;

DIRECTOR ACHARYA ABSTAINED FROM VOTING ON THE MISSION AT KERN COUNTY; DIRECTOR BOWERS ABSTAINED FROM VOTING ON THE MISSION AT KERN COUNTY, CORTES; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON LAGUNA, MARCO, STEFFAN; DIRECTOR MEAVE ABSTAINED FROM VOTING ON LAGUNA, MARCO, RIVERA, STEFFAN

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **RECREDENTIALING FOR NOVEMBER 2024** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON GRANESE, HODGE, KAY, PIEPER, VAYSMAN, WISNOFF; DIRECTOR BOWERS ABSTAINED FROM VOTING ON SINGH; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON NELSON, WISNOFF; DIRECTOR MEAVE ABSTAINED FROM VOTING ON NELSON; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON AGNIHOTRI, GALAN

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Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) RECOMMENDED FOR **RECREDENTIALING FOR DECEMBER 2024 - HEARD: BY A UNANIMOUS VOTE** OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON BERJIS, CHANDRAMAHANTI, MALERICH, MENDEZ, MEYER, MOTIU, WONG; DIRECTOR ACHARYA ABSTAINED FROM VOTING ON FRANCO, OSTROM; DIRECTOR BOWERS ABSTAINED FROM VOTING ON ALTAVAS, FRANCO: DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON MARINAS. OLIVER, ROBINSON; DIRECTOR MEAVE ABSTAINED FROM VOTING ON OLIVER, ROBINSON; DIRECTOR TURNIPSEED GONZALEZ, MARINAS, ABSTAINED FROM VOTING ON ADVENTIST HEALTH HOME CARE - HOME HEALTH; ADVENTIST HEALTH HOME CARE - HOSPICE; MACANAS

Item No. 2 concerning a CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Government Code § 54956.9 (d) (4).) Number of cases: 1 Based on existing facts and circumstances, the Board of Directors has decided to initiate or is deciding whether to initiate litigation. HEARD; NO REPORTABLE ACTION TAKEN

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

#### PUBLIC PRESENTATIONS

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

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#### BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DIRECTOR THYGERSON ANNOUCED THAT HE WOULD LIKE TO SEE THE AGREEMENT AT A GLANCE FORMS ADDED BACK INTO THE BOARD PACKETS

DIRECTOR WATSON WELCOMED ALL AND REQUESTED ALL TO BE BRIEF

#### DEPARTMENTAL MATTERS

- CA-6) Minutes for Kern Health Systems Board of Directors regular meeting on October 17, 2024 (Fiscal Impact: None) APPROVED McGlew-Patel: All Ayes
- CA-7) Minutes for Kern Health Systems Board of Directors special meeting on October 17, 2024 (Fiscal Impact: None) APPROVED McGlew-Patel: All Ayes
- CA-8) Minutes for Kern Health Systems Board of Directors special meeting on November 25, 2024 (Fiscal Impact: None) APPROVED McGlew-Patel: All Ayes
  - Proposed Contract Agreement with Moss Adams to perform Enterprise Risk Management Services, from January 1, 2025 through December 31, 2025 (Fiscal Impact: \$280,000; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
     McGlew-Patel: 13 Ayes; 1 Abstention - Thygerson
- CA-10) Report by Moss Adams on 2024 Audit Planning (Fiscal Impact: None) RECEIVED AND FILED McGlew-Patel: 13 Ayes; 1 Abstention - Thygerson
  - 11) Report on Kern Health Systems Foundation (Fiscal Impact: None) RECEIVED AND FILED
     Bowers-Acharya: All Ayes
  - 12) Report on Kern Health Systems Healthcare Workforce Expansion Initiative (Fiscal Impact: None) – GLENN GOLDIS, CHIEF MEDICAL OFFICER, KERN MEDICAL, HEARD; RECEIVED AND FILED **Bowers-Tamsi: 14 Ayes**

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- 13) Report on Kern Health Systems General Counsel Structure Discussion (Fiscal Impact: None) – APPOINTED AD HOC COMMITTEE (DIRECTORS THYGERSON, ELLIOTT, BOWERS, ALVA) TO REVIEW RECOMMENDATIONS AND REPORT AT THE NEXT BOARD MEETING McGlew-Bowers: All Ayes
- 14) Proposed Kern Health Systems 2025 Operating and Capital Budgets (Fiscal Impact: None) APPROVED Elliott-Bowers: All Ayes
- 15) Proposed Budget Request for 2025 Project Consulting Professional Services, from January 1, 2025 through December 31, 2025 (Fiscal Impact: \$20,271,816 Budgeted) APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN **Patel-McGlew: All Ayes**
- Proposed revision to Employee Compensation Program effective January 1, 2025 (Fiscal Impact: None) – APPROVED
   Bowers-Patel: All Ayes
- 17) Proposed Triscend Employee Retention Program (Fiscal Impact: \$3.0 million cash investment an up to \$100,000 annually for the purchase of term life insurance policies) – H. DAVID WRIGHT, TRISCEND, HEARD; APPROVED; AUTHORIZED CHAIRMAN AND CHIEF EXECUTIVE OFFICER TO EXECUTE AGREEMENTS TO IMPLEMENT PROGRAM Bowers-Meave: 13 Ayes; 1 Absent - Patel

DIRECTOR PATEL LEFT THE DAIS AT 11:12 AM AND DID NOT RETURN

- Proposed Amendment No.2 to Employment Agreement with Emily Duran, for services as Chief Executive Officer (Fiscal Impact: \$67,500 annually) – APPROVED; AUTHORIZED CHAIRMAN TO SIGN Bowers-Acharya: 13 Ayes; 1 Absent - Patel
- CA-19) Report on Kern Health Systems 2024 Health Equity Office Program Description (Fiscal Impact: None) – APPROVED McGlew-Patel: All Ayes
- CA-20) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2024 (Fiscal Impact: None) – RECEIVED AND FILED McGlew-Patel: All Ayes
- CA-21) Proposed reinsurance policy with Odyssey RE to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2025 through December 31, 2025 (Fiscal Impact: \$3,300,000 estimated; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN McGlew-Patel: All Ayes
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- CA-22) Proposed New Agreement with MedImpact Healthcare Systems, Pharmacy Benefit Management for D-SNP from January 1, 2025 through December 31, 2028 with a Not-to-Exceed amount of \$3,800,000 of administrative cost over the term of the contract. (Fiscal Impact: \$3,800,000; Budgeted) APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN McGlew-Patel: All Ayes
- CA-23) Proposed Contract Extension with Cotiviti for the Medical Record Retrieval (MRR) from December 5, 2024 through December 6, 2025 and increase the Not-To-Exceed amount by \$200,000 from \$199,000 to \$399,000. (Fiscal Impact: \$200,000; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN McGlew-Patel: All Ayes
- CA-24) Proposed Contract Extension with Citius Tech, for Interoperability support, from December 15,2024 through December 14,2025. Increasing the Not-to-Exceed amount by \$102,575 from \$751,305 to \$853,880. (Fiscal Impact: \$102,575; Budgeted) APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN McGlew-Patel: All Ayes
- CA-25) Proposed Contract Extension with Gartner, for IT to research material and diagnostic tools, from January 1,2025 through December 31,2025. Increasing the Not-to-Exceed amount by \$211,600 from \$189,765 to \$401,365 over the term of the contract. (Fiscal Impact: \$211,600; Budgeted) APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
   McGlew-Patel: All Ayes
- CA-26) Proposed Contract Extension with Gartner, for the Human Resource licenses to research material and diagnostic tools, from January 1, 2025 through December 31, 2025. Increasing the Not-to-Exceed amount by \$179,500 from \$184,800 to \$359,800 over the term of the contract. (Fiscal Impact: \$179,500; Budgeted) APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN **McGlew-Patel: All Ayes** 
  - 27) Report on Kern Health Systems financial statements for September 2024 and October 2024 (Fiscal Impact: None) RECEIVED AND FILED
     McGlew-Bowers: 13 Ayes; 1 Absent Patel
- CA-28) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for September 2024 and October 2024 and IT Technology Consulting Resources for the period ended September 30, 2024 (Fiscal Impact: None) – RECEIVED AND FILED McGlew-Patel: All Ayes
- CA-29) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN McGlew-Patel: All Ayes

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- CA-30) Kern Health Systems Chief Compliance and Fraud Prevention Officer report (Fiscal Impact: None) RECEIVED AND FILED McGlew-Patel: All Ayes
  - 31) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) RECEIVED AND FILED Bowers-Meave: 13 Ayes; 1 Absent - Patel
  - 32) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) RECEIVED AND FILED Bowers-Meave: 13 Ayes; 1 Absent - Patel
- CA-33) Miscellaneous Documents RECEIVED AND FILED McGlew-Patel: All Ayes
  - A) Minutes for Kern Health Systems Physician Advisory Committee meeting on October 2, 2024
  - B) Minutes for Kern Health Systems Finance Committee meeting on October 4, 2024
  - C) Minutes for Behavioral Health Advisory Committee meeting on October 16, 2024
  - D) Minutes for Kern Health Systems Delegation Oversight Committee meeting on October 29, 2024
  - E) Minutes for Kern Health Systems Fraud, Waste, and Abuse Committee meeting on November 4, 2024
  - F) Minutes for Kern Health Systems Physician Advisory Committee meeting on November 6, 2024
  - G) Minutes for Kern Health Systems Compliance Committee meeting on November 20, 2024
  - H) Minutes for Kern Health Systems Governance and Compliance Committee meeting on December 5, 2024

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

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

#### SUMMARY

#### **BOARD OF DIRECTORS**

KERN HEALTH SYSTEMS 2900 Buck Owens Boulevard Bakersfield, California 93308

#### Special Meeting Thursday, January 16, 2025

#### <u>8:00 A.M.</u>

#### BOARD RECONVENED

Directors: Watson, Thygerson, Patel, Elliott, Acharya, Alva, Bowers, Hoffmann, Ma, McGlew, Meave, Singh, Tamsi, Turnipseed ROLL CALL: 8 – Present; 6 Absent – Patel, Acharya, Bowers, Ma, Singh, Tamsi

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

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

BOARD ACTION SHOWN IN CAPS

ADJOURNED TO CLOSED SESSION

#### **CLOSED SESSION**

 CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Government Code § 54956.9 (e)(3).) Number of cases: Five (5) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on the receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection. SEE RESULTS BELOW

BOARD RECONVENED AT 8:55 A.M.

SUMMARY – Board of Directors Kern Health Systems Special Meeting Page 2 1/16/2025

#### REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 1 concerning a CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Government Code § 54956.9 (e)(3).) Number of cases: Five (5) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on the receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection. HEARD, NO REPORTABLE ACTION TAKEN

#### PUBLIC PRESENTATIONS

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

#### BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

#### **DEPARTMENTAL MATTERS**

Proposed D-SNP Administrative Services Agreement with Universal Healthcare MSO from March 1, 2025 through December 31, 2028 with a Not-to-Exceed amount of \$16,800,000 for the term of the contract (Fiscal Impact: \$16,800,000; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN
 McGlew-Elliott: 8 Ayes; 6 Absent – Patel, Acharya, Bowers, Ma, Singh, Tamsi

SUMMARY – Board of Directors	Page 3
Kern Health Systems	1/16/2025
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5) Proposed New Agreement and Retroactive Approval with e360 for the VMWare vSphere Enterprise Licenses, Software, and Maintenance and Support, from January 1, 2025 through December 31, 2027 with a Not-to-Exceed amount of \$591,197 for the term of the contract (Fiscal Impact: \$591,197; Budgeted) – APPROVED; RETROACTIVE APPROVAL FOR CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT
 Elliott-Meave: 8 Ayes; 6 Absent – Patel, Acharya, Bowers, Ma, Singh, Tamsi

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

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



#### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Kristen Watson, Chairman
SUBJECT:	Kern Health Systems Board of Directors Appointment
DATE:	February 20, 2025

#### **Background**

On January 28, 2025, the Kern County Board of Supervisors appointed Russell Johnson as Second District Community Representative to the Kern Health Systems Board of Directors. Mr. Johnson replaces Cathy Abernathy.

The Board of Directors of Kern Health Systems welcomes our newest member, Mr. Russell Johnson, pending California Department of Managed Health Care approval.

The appointment letter and the Board of Directors organization chart are attached.

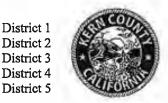
#### **Requested Action**

Receive and File.

#### BOARD OF SUPERVISORS COUNTY OF KERN

#### SUPERVISORS

PHILLIP PETERS CHRIS PARLIER JEFF FLORES DAVID COUCH LETICIA PEREZ



Bakersfield, CA 93301 Telephone (661) 868-3585 . TTY (800) 735-2929

KATHLEEN KRAUSE

CLERK OF THE BOARD OF SLIPER VISORS Kern County Administrative Center

1115 Truxtun Avenue, 5th Floor

January 28, 2025

Mr. Russell Johnson

Bakersfield, CA 93311

Dear Mr. Johnson:

Congratulations on your appointment to the Kern Health Systems Board of Directors.

Enclosed please find the Oath of Office for your appointment as Second District Community Representative Member to the Kern Health Systems Board of Directors, term to expire June 30, 2025. You may take the Oath of Office in the office of the Clerk of the Board located in the Kern County Administrative Center, 1115 Truxtun Avenue, Fifth Floor, Bakersfield, or you may take it before a Notary Public in your vicinity. If the Oath is taken before a Notary Public, please ask the Notary to attach a Jurat. **The Oath must be administered and received by the Clerk of the Board before you can participate on the Kern Health Systems Board of Directors.** 

To serve on the Kern Health Systems Board of Directors, you are required to fill out a Form 700, Statement of Economic Interests. Please complete, sign and return the Form 700 (cover page and any applicable schedules) to the Kern Health Systems no later than thirty (30) days from your date of appointment. For your convenience, a Form 700 packet is enclosed. The form is also available at http://www.fppc.ca.gov/Form700.html.

Pursuant to State law, you are required to complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General. You must receive the required training within one year of your appointment and every two years thereafter. Your Agency's Manager will provide information regarding training opportunities.

On behalf of the Kern County Board of Supervisors, I would like to extend our sincere appreciation for your commitment to serve on the Kern Health Systems Board of Directors. If my office can ever be of assistance to you, please call on us.

Sincerely. sause the lees

KATHLEEN KRAUSE Clerk of the Board

Enclosure cc: Kern Health Systems 2900 Buck Owens Boulevard Bakersfield, CA 93308





#### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Devin W. Brown, Chief Legal and Human Resources Officer
SUBJECT:	Conflict of Interest Training
DATE:	February 20, 2025

#### **Background**

KHS Board of Directors and KHS employees are required to comply with the conflict of interest laws of the State of California when conducting the business of the organization.

Earlier this year, KHS retained the law firm Olson Remcho to provide advice regarding conflicts of interest and assist in the development of new policies and training for the organization. At the request of Chairwoman Watson, we have requested that partner in the firm, James Harrison provide your Board with a series of trainings related to conflict of interest, open meeting, and other public laws that apply to your roles.

This meetings training will focus on Government Code 1090 conflicts of interest and the impact of violation on the organization and individual Directors and employees of KHS.

#### **Requested Action**

Hear Presentation; Receive and File.

# Section 1090 Ethics Training

### **Kern Health Systems**

James Harrison Olson Remcho LLP February 20, 2025

### **Training Goals**

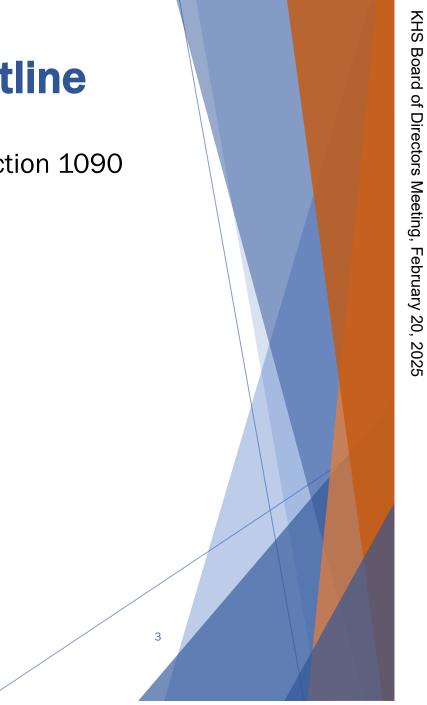
- Alert board members to types of conduct, activities and relationships that can trigger disclosure or disqualification
- Advise board members to consult with counsel when ethics questions arise

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### **Presentation Outline**

- 1. Basics of Government Code Section 1090
- 2. Exceptions
- 3. Questions

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### **Section 1090: Basics**

- Prohibits public officials from being financially interested in any contract made by (1) them in their official capacity or (2) a body or board of which they are members
- The prohibition is designed to apply to any situation that would prevent the officials involved from exercising absolute loyalty and undivided allegiance to the best interests of the agency
- Section 1090 is intended to target both actual impropriety and the appearance of impropriety and applies regardless of whether the contract is in the best interests of the agency

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## Section 1090: Basics

- Recusal is usually not an option
- If a board member has a conflict, then the entire Board is prohibited from making the contract
- Leaving public office will not avoid 1090 violation
- Penalty: contract is voidable by the parties; criminal prosecution (defendant bears burden of proving exception); FPPC fine; or ban on holding office

### **Section 1090: Broadly Construed**

- Courts and the Attorney general broadly construe section 1090 and strictly enforce it
- > As a result, financial interests in a contract can include:
  - Your spouse's employment by the contracting party
  - "Good will" even if you are not being paid
  - "However devious and winding the chain may be which connects the officer with the forbidden contract, if it can be followed and the connection made, the contract is void." *People v. Deysher* (1934) 2 Cal.2d 141, 146

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## **Section 1090: Broadly Construed**

- Prohibition extends to participating in or making the contract:
  - Planning, preliminary discussions, compromises, drawing of plans, and bid solicitations
  - Influencing the execution of the contract directly or indirectly
- Board members are conclusively presumed to be involved in making all contracts under the board's jurisdiction
- Unless an exception applies, entire board is tainted and cannot approve a contract in which one of its members has an interest

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### **Section 1090: Broadly Construed**

- Contracts can include grants, development agreements, expense reimbursements, land sales, loan agreements, and employment contracts
  - Decision to pay expenses for a board member's spouse to accompany the board member to a conference
  - Decision to exercise an option, modify, extend, or renegotiate an existing contract

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### **Exceptions: Non-Interests**

- Non-Interests under Section 1091.5
  - Circumstances where the Legislature has determined that as a matter of policy, the interest is treated as no interest at all
  - Disqualification not required but may require disclosure
- > Examples:
  - <u>Reimbursement of expenses</u>: Reimbursement for an official's actual, necessary expenses incurred in the performance of official duties
  - <u>Contracts between government agencies</u>: Contract between the agency on whose board the official serves and the official's government employer (other than the department in which the official works), provided the interest is disclosed on the record

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### **Exceptions: Non-Interests**

- Examples:
  - <u>Stock ownership</u>: Stock in a corporation if: (1) official owns less than 3% of the shares of the corporation; (2) annual income from dividends and other payments from the corproation do not exceed 5% of official's total annual income
  - <u>Public services</u>: Receipt of public services provided by official's agency if services are received in the same manner as members of the public
    - Example: a city council member may place an ad in the city's community services and activities brochure if the member is charged the same rate as charged other business advertisers

### **Exceptions: Remote Interests**

- Remote Interests under Section 1091
  - Circumstances where agency can make the contract if the board member (1) discloses the interest to the board; (2) has it noted in the board's official records; and (3) recuses from the deliberations and vote (and does not otherwise attempt to influence the other members)
- Examples:
  - <u>Officer or employee of a nonprofit</u>: An officer or employee of a nonprofit corporation or 501(c)(3) entity has a remote interest in the contracts, purchases, and sales of that nonprofit
  - <u>Supplier of goods or services</u>: Supplier of goods and services to the contractor for at least five year prior to member's appointment

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# **Exceptions: Remote Interests**

- Examples:
  - <u>Competitive bid exception</u>: This special exception will apply to an employee or agent of the contracting party if:
    - The official is an officer in the local agency located in the county with a population of less than 4 million;
    - The contract must be competitively bid and not for personal services;
    - The official must not hold a primary management position with, nor be an officer or director of, the contracting party, nor hold an ownership interest;
    - The official did not directly participate in formulating the bid of the contracting party;
    - There must be at least 10 other employees; and
    - The contracting party is the lowest responsible bidder.

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# **Exceptions: Remote Interests**

### > Examples:

- Private contracting party: Employee of contractor if: (1) contractor has 10+ employees other than the member or spouse; (2) member or spouse was an employee for at least 3 years before the member took office; (3) member or spouse owns less than 3% of the shares and is not an officer or director; and (4) member or spouse did not directly participate in formulating the bid of the contracting party
- <u>Stock received as compensation</u>: Stock received by official as compensation from official's former employer provided stock equates to 3% or less of the shares of the company
- (Effective 2026) Child is an officer or director: if the public officer's child is an officer or director of, or has an ownership interest of 10% or more in, the contractor, if the official has actual knowledge

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# **Limited Rule of Necessity**

- Agency may acquire an essential service, despite the existence of a conflict, where no non-conflicting source is available
  - All possible alternatives have been explored and the arrangement serves a real need
  - Conflicted board member may not participate at all

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# **Limited Rule of Necessity**

- > Example: A hospital district may advertise on a radio station where:
  - (1) the radio station is the only station that accepts advertising in the district's region, (2) one of the district's directors, who assumed office in 2001, became an employee of the station in 1997 as an engineer and talk show host, (3) for more than five years prior to 1997, the district advertised on the station, (4) the station has six employees, (5) the district director's compensation from the station exceeds 50% of his income, and (6) the district director does not have an ownership interest in the station or hold a supervisory or managerial position.
- > Why was advertising essential?
  - District said advertising is essential for the district to provide its medical services to all the residents of the area. Radio advertising would allow the district to convey information to the public in an efficient, cost effective, and timely manner.
  - The two local newspapers are published on a weekly basis and that there are no local television stations in the area. Many people served by the hospital district are elderly who seldom leave their residences and who listen to the radio station.

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# Always Seek Advice If You Are Unsure If Section 1090 Applies

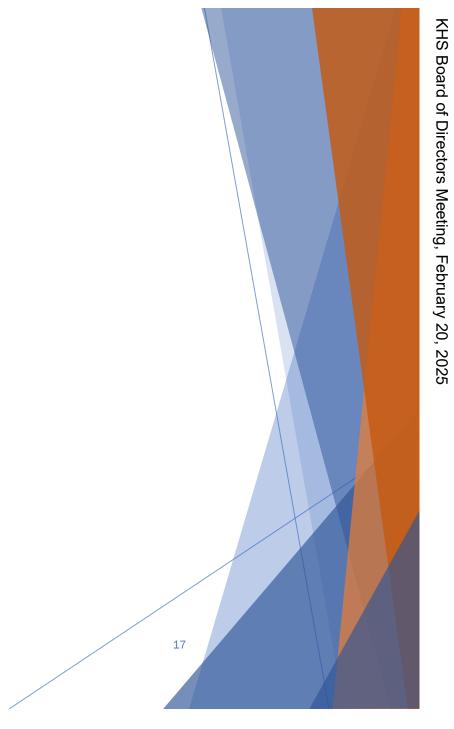
- Inform KHS Counsel
- Limited advice from FPPC
  - Prospective only
  - Always referred to AG and local DA before responding
  - Can be evidence of good faith but does not give immunity from prosecution
  - AG and DA can disagree with FPPC

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# **QUESTIONS?**

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### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Emily Duran, Chief Executive Officer
SUBJECT:	Healthcare Workforce Initiative
DATE:	February 20, 2025

### **BACKGROUND**

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

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

California State University, Bakersfield and Good Samaritan Hospital will provide a presentation on their projects that were each funded at \$1,000,000.

### **REQUESTED ACTION**

Receive and file.



# 2023 – 2025 Healthcare Workforce Expansion Initiative Update



# California State University, Bakersfield

Funding Allocation: \$1,000,000

Project Name: CSUB Graduate Nursing Program Expansion Project

Project Goal: CSU Bakersfield will develop and implement a new Doctor of Nursing Practice (DNP) program that will start with the Fall Semester of 2025. The goal of the DNP program is to increase the number of doctoral educated and culturally competent Nurse Practitioners who are well prepared to address health equity and social determinants of health.

# Heidi He, DNP, APRN, FNP-C, CHSE, CNE, PHN

# KHS Board of Directors Meeting, February 20, 2025

# KHS Healthcare Workforce Initiative

# CSUB Graduate Nursing Program Expansion Project

**Progress Report** 



Heidi He, DNP, APRN, FNP-C, CHSE, CNE





# **MSN** with Family Nurse Practitioner(FNP) Option

- Initially introduced in 1996
- On moratorium between 2010-2014 during the economic recession and statewide budget crisis
- Reopened in 2014 with biannual admission schedule
- Increased to annual admission in 2019 to address the critical shortage of primary care providers in the region
- Graduated 98 MSN/FNP, since 2016; over 90% of graduates remained in the community providing much needed care.
- Will be on Moratorium in Fall 2025
- Transitioning to DNP program to meet the national NP education standards





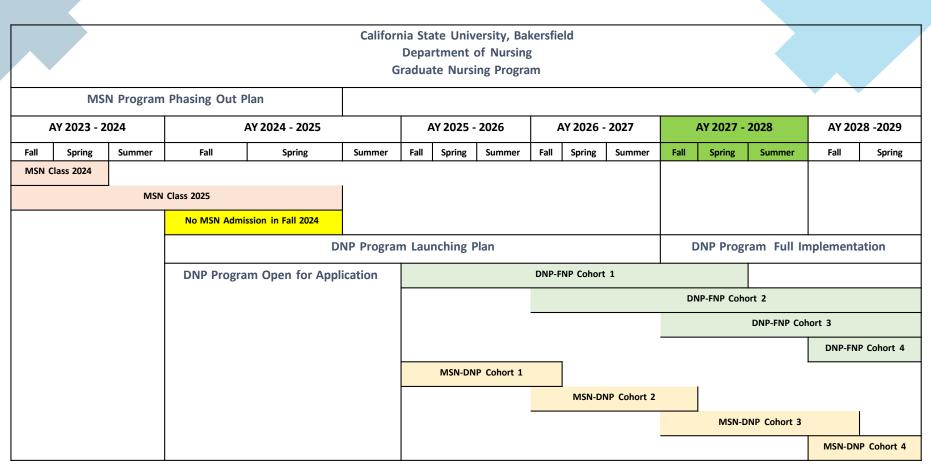


# **Doctor of Nursing Practice** (DNP) Program

- First cohort starts in Fall 2025
- Two Sub Programs:
  - Family Nurse Practitioner (8 semesters)
  - MSN-DNP (4 semesters)

# DNP-FNP program

- RNs who aspire to become doctorally prepared nurse practitioners.
- Increase primary care providers for the region
- MSN-DNP program
  - A pathway for existing MSN prepared NPs to become DNP prepared NPs to be stay competitive in the professional job market







# Projected Student Enrollment and Graduation

		Number of Students Enrolled		Number o	of Students Graduate
		DNP-FNP	MSN-DNP	DNP-FNP	MSN-DNP
	Curriculum	8-Semester	4-Semester		
Year 1	AY 2025-2026	18	10		
Year 2	AY 2026-2027	36	20		10
Year 3	AY 2027-2028	54	20		10
Year 4	AY 2028-2029	54	20	18	10
Year 5	AY 2029-2030	54	20	18	10



# **KHS Healthcare Workforce Initiative**



Timely and Essential Support for CSUB's DNP Programs





### **Funding Supports:**

Program proposal preparation & approvals Curriculum development & revision Accreditation applications (state, national, institutional) Course design & implementation Marketing & student recruitment Operational readiness



These programs will address the critical workforce shortage and enhance healthcare education in our region.

# **Project Progress Highlights**

- Received approval from the CSUB campus level, the CSU system Chancellor's office and WSCUC to offer DNP programs
- Developed the website for the DNP programs
- Developed DNP-FNP Program and MSN-DNP Program flyers
- Developed DNP-FNP Program and MSN-DNP Program Applications
- Deployed applications in both Cal State Apply and Nursing CAS application portals

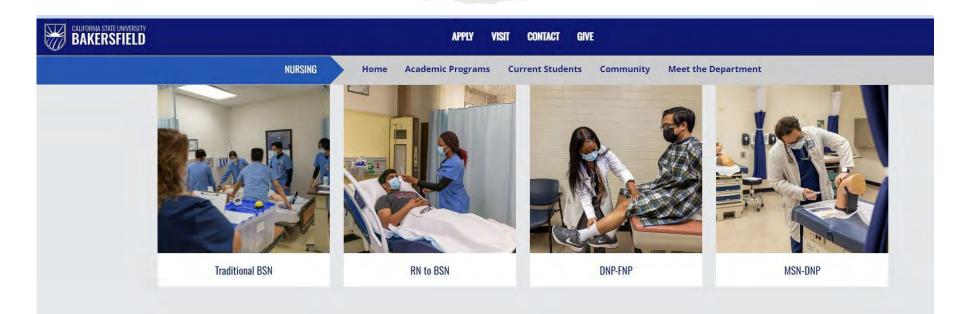
	Doctor of Nursing Practice
	RE5 232410
	AAC and BPC
ESOLVED:	That the Academic Senate approve the proposed Doctor of Nursing Practice.
ATIONALE:	Elevation of the MSN to a DNP is an emerging national standard for nurse practitioners. The proposed degree addresses an important community need and every level of review has found it to be tound academically. The proposed degree will have the commuted resources that will be adequate for its future program operations.
Chief Academic CSU Office of the ACT Coldon Shor	meshlor, Azademic and Student Athler. Officer Gammalian 1. Long Road, 254 (2007)
May 6, 2024	
9001 Stockital Bakersfield, C	
Interini Presid California Stat 9001 Stockdal Bakersfield, C Dear Interin F	e Highway Jafomas 93311

Type of Substantive Change New Degree: P



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# CSUB Nursing https://www.csub.edu/nursing/





# **Program Flyers**

### **DNP-FNP PROGRAM**

Contact Information

Phone	(661) 654-2505

Email nursing@csub.edu

Web https://www.csub.edu/nursing/



Doctor of Nursing Practice (DNP) -Family Nurse Practitioner (FNP) Program

### What is an NP?

A nurse practitioner, often called an "NP" for short, is an advanced practice registered nurse who has completed graduate level education such as a master's or a doctoral degree. All NPs in California are registered nurses licensed by the California Board of Registered Nursing (BRN) who have completed additional education and training, and have an expanded scope of practice over the traditional registered nurse role. (Adopted from canpweb.org)

### **Program Overview**

The purpose of the DNP-FNP program is to produce doctorally prepared nurse practitioners to address the critical shortage of primary care providers in the region and to meet the emerging educational and scholarly standard for nurse practitioners. This three-year, eight-semester program is designed for registered



### **Contact Information**

Email

### Phone (661) 654-2505 nursing@csub.edu

https://www.csub.edu/nursing/ Web Office Main Romberg Nursing Campus Education Center

### **Program Overview**

The purpose of the MSN-DNP Program is to meet the emerging educational and scholarly standards for advanced nursing practice. This 15-month, 4-semester program is designed for master's prepared Advanced Practice Registered Nurses (APRNs), including Nurse Practitioners (NPs), Clinical Nurse Specialists (CNSs), Nurse Anesthetists and Nurse Midwives, who are seeking the terminal degree in nursing discipline and to be prepared for autonomous clinical practice and interprofessional leadership at the highest level.

# **APPLY NOW**

# Fall 2025 DNP-FNP Application Process







October 1, 2024 - April 15, 2025



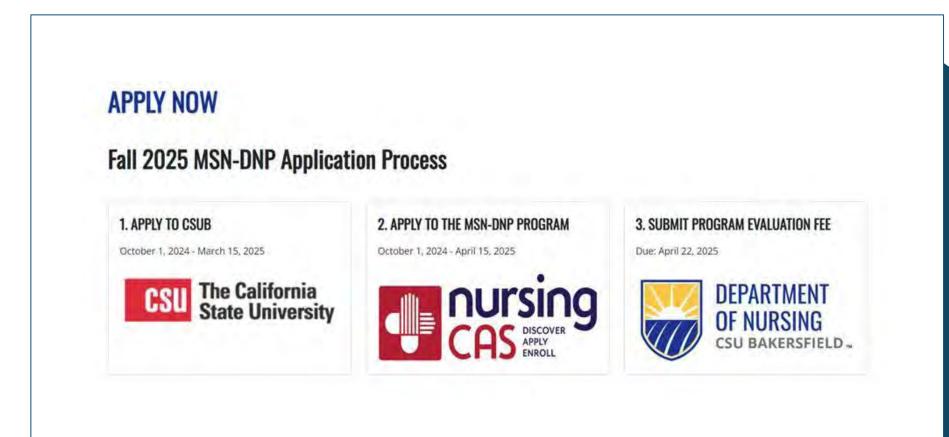


Due: April 22, 2025











# Cal State Apply Application Portal

You must select at least one program to begin your application. Use the search filters below to locate programs by Campus Name, Start Term, Delivery, and Source. When using the Search field, results are limited to matching on program add additional programs from the Add Program tab at any time before the submission deadline. Due to CSU enrollment pressures, campuses may offer very limited Lower Division and Second Baccalaureate programs. Be sure to review campus-specific program dates and deadlines. Application fees for some undergraduate programs may be waived based on <u>eligibility</u> . Once you fully complete your application, click on the Submit Applications tab to review your fee waiver status. Programs with a Source of Extended Education are offered by Extended and Continuing Education on each campus. Programs offered through Extended Education are not eligible for automatic application fee waivers and may have differ	n name or organization (i.e., Fullerton Undergraduate). You
Application fees for some undergraduate programs may be waived based on eligibility. Once you fully complete your application, click on the Submit Applications tab to review your fee waiver status.	
Programs with a Source of Extended Education are offered by Extended and Continuing Education on each campus. Programs offered through Extended Education are not eligible for automatic application fee waivers and may have diffe	
	∧ Show
Find Program     View Selected Programs     Program     Program	Enter Invitation
Showing results for: X Available Programs	
Add         Program Name.         Campus Name         Degree Type         Start Term         Academic Year         Locat	ion Deadline 🕥
BAKERSFIELD - GRADUATE	
+ Doctor of Nursing Practice-Family Nurse Practitioner CSU Bakersfield DNP Fall 2025 Main	Campus 03/15/2025
+ Master of Science in Nursing to Doctor of Nursing Pr., CSU Bakersfield DNP Fall 2025 Main	Campus 03/15/2025
DEPARTMENT	
OF NURSING	
CSU BAKERSFIELD	

# **Nursing CAS Application Portal**

										•	Sign Out
					Add Progra	ms					
Select	Select at least one program to start your application. You can add additional programs from the Add Program tab at any time.										
Find	Program   View Selected Programs		ba	kersfield			Q <b>T</b> Filters				
Showi	ng results for: × Available Programs										
Add	Program Name	Start Term	Start Year	Delivery	City	State	Degree Type	Graduate Level Track	Deadline	Program Type	Accrediting Bod
CALIF	CALIFORNIA STATE UNIVERSITY - BAKERSFIELD										
+	DNP-FNP Program	Fall	2025	Hybrid	Bakersfield	CA	DNP (Post-Bac	Nurse Practitio	04/15/2025	Full Time	Commission o.
+	MSN-DNP Program	Fall	2025	Hybrid	Bakersfield	CA	DNP (Post-Mas	Not Applicable	04/15/2025	Full Time	Commission o
+	RN to BSN	Fall	2025	Online	Bakersfield	CA	RN to BSN/BS	Not Applicable	03/15/2025	Full Time	Commission o.
+	Traditional BSN (Pre-Licensure)	Fall	2025	On Campus	Bakersfield	CA	BSN/BS (for N	Not Applicable	01/15/2025	Full Time	Other
OF N	DEPARTMENT OF NURSING CSU BAKERSFIELD										



# Strong Community Interest in the DNP programs

- Community Interest:
  - Hosted three informational sessions with excellent attendance.
- Application deadline: April 15, 2025
- Application Status (as of 2/10/2025):
  - DNP-FNP Program: 43 applications for 18 seats.
  - MSN-DNP Program: 16 applications for 10 seats.
- Application review scheduled on May 2, 2025

# Thank you, KHS, for your incredibly generous and timely support!



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# **Good Samaritan Hospital**

Funding Allocation: \$1,000,000

Project Name: Residency Program Initiative

Project Goal: To improve the healthcare provider shortage in Kern County through expansions in Internal Medicine Psychiatry Residency Programs at Good Samaritan Hospital through a partnership with Sierra View Hospital

# Presentation to be provided by Minty Dillon, CEO

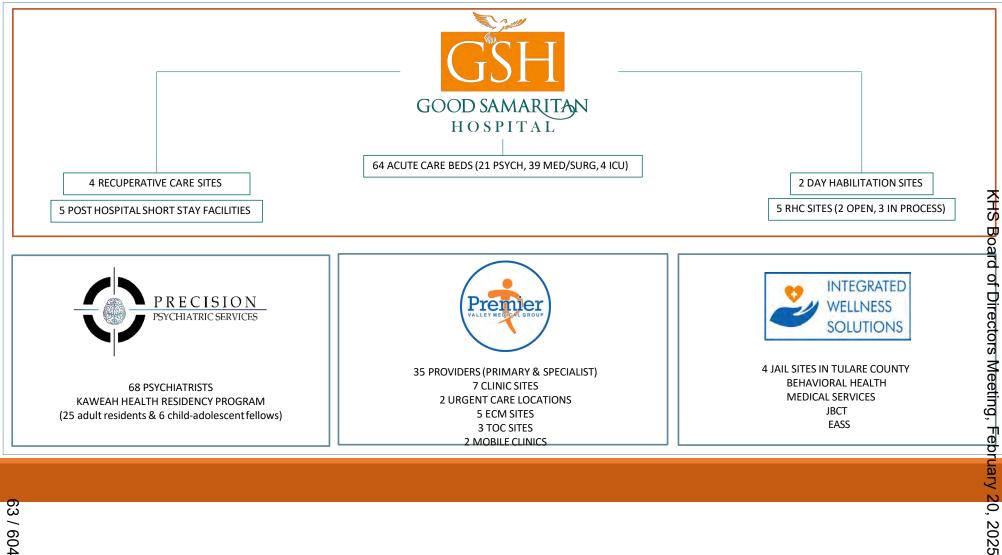


# RESIDENCY PROGRAM INITIATIVE

MINTY DILLON CHIEF EXECUTIVE OFFICER

FEBRUARY 2025

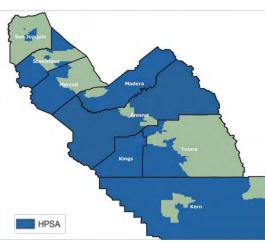
# HEALTH SYSTEM SUMMARY



# HEALTHCARE CRISIS IN KERN COUNTY

### SEVERE PHYSICIAN SHORTAGE

- 33% fewer primary care doctors than state/national averages.
- 30% of physicians in Bakersfield are 60+ years old and retiring.
- California is projected to have a shortage of 1,550 primary care physicians by 2025.





### MENTAL HEALTH CRISIS

- Suicide rate: 13.6 per 100,000, significantly higher than California's average of 10.5.
- High prevalence of untreated mental illness in rural communities.
- One of the lowest number of Psychiatrists per 100,000 in the state 6.2 per 100,000.
- 3rd lowest in the state and HALF the state average
- 3rd worst depression rates in the state

### MENTAL HEALTH & PRIMARY CARE GAP

- 1 in 5 patients seen in primary care has a co-occurring mental health condition.
- 43% of patients with a mental health condition never receive treatment.
- Integrated primary care + psychiatry reduces ER visits and improves outcomes.

### CLOSING THE GAP

- Residents will train in collaborative care models combining primary care & behavioral health.
- Use of AI-powered training and tools to ensure residents are learning and practicing the highest quality, evidencebased, integrated care possible.
- Training in telepsychiatry to extend mental health services to rural areas and reducing barriers to care.





### A BOLD VISION FOR CHANGE

Train a new generation of doctors committed to serving rural & underserved communities.

Develop the first fully integrated Family Medicine-Psychiatry residency program in Kern County.

Leverage AI & technology to enhance training, improve patient care, and address physician shortages.

### THE ULTIMATE GOAL: A FULLY INTEGRATED FAMILY MEDICINE-PSYCHIATRY RESIDENCY PROGRAM

KEYS STEPS:

Institutional Accreditation

Establish an independent Family Medicine Program

Establish an independent Psychiatry Program

Ensure strong foundations in both fields.

Develop an advanced combined FM-Psych residency

# PROGRAM DESCRIPTION & GROWTH PLANS

YEAR	PROGRAMS	PROGRAM LENGTH	RESIDENTS PER YEAR	FULL COMPLEMENT
2026	FAMILY MEDICINE	3 YEARS	4 RESIDENTS	12 RESIDENTS
2027	PSYCHIATRY	4 YEARS	4 RESIDENTS	16 RESIDENTS
2028	INTEGRATED FM-PSYCH	5 YEARS	3 RESIDENTS	15 RESIDENTS

### A TRUE RURAL & UNDERSERVED COMMUNITY FOCUS

Training in rural health clinics, & safety net / community hospitals. Emphasis on culturally competent care and language access.

### INTEGRATED FM-PSYCH TRAINING MODEL

Graduates dual board-certified in Family Medicine & Psychiatry. Training covers mental health, chronic disease management, telemedicine, and addiction medicine.

### A RESIDENCY BUILT ON AI & TECHNOLOGY

Al-driven patient diagnostics & treatment planning. Telemedicine & Virtual SIMs for training and rural patient access. Training in predictive analytics to improve patient outcomes.

# AI-POWERED RESIDENCY TRAINING

### HOW AI WILL TRANSFORM TRAINING & PATIENT CARE

AI-Powered Medical Education:

- Virtual AI-driven simulations for realistic patient case training.
- Chatbot-assisted medical knowledge support.
- Enhanced Clinical Decision-Making: Al tools analyze patient data to predict complications & disease progression.
- Al-driven decision support systems for treatment planning.

Al in Mental Health Care:

- AI-assisted SIM bots for psychotherapy training.
- Natural language processing for early suicide risk detection.





# LEADERSHIP WITH A PROVEN TRACK RECORD

### RECRUITING THE BEST

We have recruited top-tier academicians who have:

- Experience in launching new residency programs & turning struggling programs into success stories.
- Developed programs with the best board pass rates and the highest retention rates
- Extensive experience in graduate medical education & and a passion for rural health care delivery.
- History of deep community engagement and sustainable healthcare initiatives.

# EXPECTED IMPACT ON KERN COUNTY



PHYSICIAN RETENTION Training doctors who stay in the community



### IMPROVED ACCESS TO CARE

Increasing primary care & psychiatric services in underserved regions



### AI-DRIVEN INNOVATIONS

Providing the BEST care while making rural healthcare more efficient

& effective



### HEALTH EQUITY

Reducing disparities in mental health, chronic disease, and access to care









### MEMORANDUM

TO:Kern Health Systems Board of DirectorsFROM:Kern Health System Compensation CommitteeSUBJECT:February 20, 2025DATE:Proposed Amendment No 3 to Chief Executive Officer Employment Agreement

### **Background**

The Kern Health Systems ("KHS") Board of Directors ("Board") appointed Emily Duran as Chief Executive Officer of Kern Health Systems on April 15, 2022, and executed an employment agreement ("Agreement") for a term of three years (expiring April 17, 2025).

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

On December 19, 2024, the KHS Board approved Amendment No. 2 providing for an annual increase in base salary and adjustment to benefits to remain consistent with the total compensation and benefits package offered to employees at large.

During the discussion, the KHS Board also considered additional modifications to the agreement to include the new Executive Retention Program ("ERP") with Triscend and an extension of the agreement for two successive renewal terms. These changes to the agreement were not included in the Board's final approval of Amendment No. 2 and staff was directed to bring them back at its February 2025 meeting. The Board expressed concern with adopting the ERP language prior to an agreement between Triscend and KHS being fully executed. The Board also requested that an automatic renewal be removed and only limit to one extension term.

### **Proposed Amendment**

The attached proposed Amendment No. 3 includes the following changes:

- 1. Extension of the overall contract term for three years to expire April 17, 2028.
- 2. Inclusion of the Triscend ERP benefit following approval of the program by the KHS Board and formal execution of the CAP EX Agreement between KHS, Triscend, and Emily Duran.

### **Requested Action**

Approve Amendment No. 3 to the Employment Agreement between KHS and Emily Duran and authorize the Chair to sign.

Attachments – (1) Amendment No. 3 and (2) CAP EX Agreement

### AMENDMENT NO. 3 TO AGREEMENT FOR PROFESSIONAL SERVICES CONTRACT EMPLOYEE (Kern Health Systems – Emily Duran)

This Amendment No. 3 to the Agreement for Professional Services ("Agreement") is made and entered into this 20<sup>th</sup> day of February 2025 between Kern Health Systems, a county health authority ("KHS"), and Emily Duran ("Executive").

### I. RECITALS

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

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

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

(d) KHS and Executive mutually agreed to an Amendment No. 2 to Agreement dated December 19, 2024, to increase the base salary; and

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

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

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

"The initial term of this Agreement shall commence on April 18, 2022, and end on April 17, 2025. The parties agree to a renewal term, which shall commence on April 18, 2025, and end on April 17, 2028."

2. Section 5.23 – Executive Retention Plan is added to the Agreement as follows:

"Executive Retention Plan

a. Effective January 28, 2025, Executive shall be eligible to participate in an Executive Retention Plan ("ERP"). The ERP consists of a CAP EX Supplemental

Retirement Plan ("CAP EX Plan") to include a retirement annuity and death benefit. KHS will fund the CAP EX Plan as required by the CAP EX Agreement between KHS, Executive, and Triscend, which is hereby incorporated into this Agreement by reference."

- b. In order to receive the CAP EX Plan benefits, Executive must remain employed with KHS as Chief Executive Officer according to the following vesting schedule:
  - 1. Fifty percent (50%) of CAP EX Plan benefits shall vest on January 28, 2028.
  - 2. One hundred percent (100%) of CAP EX Plan benefits shall vest on January 28, 2031.
- c. Executive shall remain eligible for the CAP EX Plan benefits unless terminated pursuant to Section 28.4 of this Agreement (Termination for Cause) and in such case will forfeit all rights and benefits under the CAP EX Plan.
- d. Unless otherwise stated, Executive's rights to the CAP EX Plan benefits vest according to Exhibit C to the CAP EX Agreement between KHS, Executive, and Triscend.
- e. Upon retirement from employment with KHS and attaining age 62, Executive shall receive from the CAP EX Plan a projected annual estimated annuity payment of \$85,600 per year for a projected twenty (20) years.
- f. Executive's estate shall be entitled to any remaining death benefit after applying all amounts owed to KHS following death of Executive or Executive's spouse whichever occurs last."
- 3. Except as provided herein, all other terms and conditions in the Agreement shall remain in full force and effect.

IN WITNESS TO THE FOREGOING, the parties have entered into this Amendment No. 3 to Agreement as of the day and year first written above.

### KERN HEALTH SYSTEMS

By

Kristen Beall Watson Chairman, Kern Health Systems EXECUTIVE

By \_\_\_\_\_ Emily Duran Chief Executive Officer

### APPROVED AS TO FORM:

By \_\_\_\_\_

Devin W. Brown Chief Legal and Human Resources Officer



# CAP-EX PROGRAM LEGAL CLOSING PACKAGE

PREPARED FOR

**EMILY DURAN** 

NERV HEALTH SYSTEMS CREATER COUNT BALL REPORTED IN 199358

The Power of a New Perspective



## CAP-EX Program Closing Package

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### PROGRAM DOCUMENTS

Program Agreement	
Accumulation Policy Collateral Assignment	
Repayment Policy Collateral Assignment	
Participant Program Acknowledgment	
Employer Program Acknowledgment	
Final Design Summary	
Memo Regarding Penn Mutual MEC Correspondence	
Program Administration and Service	

### SIGNATURE REQUIREMENTS

Agreement Signature Page x2	🗹 Participant 🗹 Corporate Signer
Accumulation Policy Collateral Assignment Signature Page x2	🗹 Participant 🗹 Corporate Signer
Repayment Policy Collateral Assignment Signature Page x2	🗹 Participant 🗹 Corporate Signer
Participant Acknowledgment	🗹 Participant 🗹 Producer
Employer Acknowledgment	icipant 🗹 Corporate Signer 🗹 Producer
Final Design Summary	icipant 🗹 Corporate Signer 🗹 Producer

1231 Cross Timbers Rd Flower Mound, TX 75028 972-318-1110 services@triscendnp.com www.triscendnp.com

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TMP7034.V008

### KERN HEALTH SYSTEMS CAP-EX AGREEMENT

You, EMILY DURAN, and KERN HEALTH SYSTEMS ("KHS") make this CAP-EX Agreement (the "Agreement") effective as of January 28, 2025.

In this Agreement, "We" refers to You and KHS together. Other capitalized terms are defined in Exhibit A.

We are making this Agreement to encourage You to remain employed with KHS by providing supplemental values You can access during retirement and supplemental death benefits.

As described in more detail below, the general structure of this arrangement is as follows:

- We jointly own two Policies insuring Your life—the Accumulation Policy (providing You a borrowing opportunity), and the Repayment Policy (focused on repaying KHS its interests). (See Part 1.)
- KHS funds the Policies and the Premium Deposit Account. (See Part 2.)
- Subject to certain conditions, You may borrow from the Accumulation Policy to supplement retirement income. (See Part 3.)
- The Policies' death proceeds are divided between KHS and Your beneficiary as described in this Agreement. (See Part 4.)

We agree as follows:

### Part 1 Policies/Premium Deposit Account Rights

1.1 **Ownership**. We jointly own the Policies and the Premium Deposit Account. You are the first named owner.

**1.2 Your Interests**. You have the following rights in the Policies and Premium Deposit Account:

1.2.1 Loans. You can borrow against the Accumulation Policy's cash value, as described in Part 3; and

1.2.2 **Death Proceeds**. You can designate the beneficiary of a portion of the Policies' death proceeds and Premium Deposit Account balance as described in Part 4.

1.3 **KHS's Interests**. KHS has the following rights in the Policies and the Premium Deposit Account:

1.3.1 Generally. KHS can exercise any options and rights in the Policies and the Premium Deposit Account that this Agreement does not assign solely to You; and

1.3.2 **Outstanding Balance**. KHS receives the Outstanding Balance (and possibly more) from the Policies and the Premium Deposit Account upon termination of this Agreement or from the Policies' death proceeds.

1.4 **Policy Value Allocations.** You and KHS can direct and can change from time to time the allocation of Policy values among the Insurer's available index strategies. You have sole discretion over the allocation of Accumulation Policy values, and KHS has sole discretion over the allocation of Repayment Policy values.

1.5 Securing KHS's Interests. To secure KHS's rights to recover the Outstanding Balance, the following provisions apply:

1.5.1 **Collateral Assignment**. We will sign and file with the Insurer a Collateral Assignment covering each Policy and the Premium Deposit Account.

1.5.2 **KHS's Superior Interests**. Your creditors and beneficiaries have no rights to any values in the Policies or the Premium Deposit Account until KHS has received all amounts it is entitled to under this Agreement.

### Part 2 Funding

On the Funding Date, KHS pays the Funding Amount as follows:

Payee / Purpose	Amount
Insurer for the Initial Premium on the Accumulation Policy	\$101,034.86
Insurer for the Accumulation Policy Pre- mium Deposit Account	\$362,465.14
Insurer for the Premium on the Repay- ment Policy	\$736,500.00
Total Funding Amount	\$1,200,000.00

To clarify for proper accounting treatment, KHS is not required to maintain a life insurance policy or provide a death benefit during Your retirement. KHS will not invest additional amounts in the Policies or the Premium Deposit Account.

### Part 3 Your Borrowing Rights

This Part describes when and how much You can borrow from the Accumulation Policy.

3.1 Generally. You can start borrowing to supplement Your retirement income on the Access Date. You can then borrow annually on or after each anniversary of the Access Date.

3.2 Amount. On each borrowing date, You can borrow up to the Loan Cap calculated for that date.

3.3 Flexibility. You are not required to borrow the full Loan Cap for a year, but any amount You choose not to borrow cannot automatically be borrowed in a later year. Instead, any amount You do not borrow remains part of the general Accumulation Policy cash values upon which future Loan Cap determinations are made.

### Part 4 Death Proceeds

4.1 Allocation. If, prior to Your death, (i) KHS has terminated Your employment for Cause, or (ii) Your employment has terminated and Your Vesting Percentage is zero under Exhibit C, Section C-3, all death proceeds from the Policies and any remaining Premium Deposit Account balance are payable to KHS. Otherwise, as soon as You have died, the death proceeds from the Policies and any remaining Premium Deposit Account balance are combined and are payable in the following priority:

4.1.1 KHS. First, to KHS, the Outstanding Balance;

4.1.2 Your Beneficiary. Second, to Your beneficiary (as designated under the Accumulation Policy), the Vesting Percentage times any remaining values; and

4.1.3 KHS. Third, to KHS, any remaining values.

4.2 **Beneficiary Designations**. We will cooperate in designating beneficiaries under the Policies and Premium Deposit Account consistent with these allocations.

4.3 Settlement Options. Some of the Policy death proceeds may be payable in a lump sum with an option to elect installments, and others may be payable only in installments. The proceeds payable in a lump sum will be the first to be allocated under Section 4.1, and will be allocated in the specified order of priority (i.e., KHS receives the lump sum amounts to the extent of the Outstanding Balance, then any remaining lump sum amounts are allocated to Your beneficiary). After this allocation, the recipient can then elect any optional form of payment. 4.4 No Personal Liability. The Policies and Premium Deposit Account are the sole sources for the payments noted above. You and Your estate, heirs, and beneficiaries are not personally obligated to pay the Outstanding Balance either during life or at death. Although there is no personal obligation to repay the Outstanding Balance, should the aggregate policy death benefits and Premium Deposit Account balance be insufficient to repay the Outstanding Balance there will be cancellation of indebtedness income to Your estate.

### Part 5 Exhibits

The following exhibits are attached and part of the Agreement between us:

- Exhibit A Definitions
- Exhibit B-1 Collateral Assignment Accumulation Policy
- Exhibit B-2 Collateral Assignment Repayment Policy
- Exhibit C Loan Cap Provisions
- Exhibit D Claims and Review Procedures
- Exhibit E General Legal Matters

### Part 6 Representation Under 26 C.F.R. § 1.7872-15(D)(2) Regarding Nonrecourse Split-Dollar

You will attach to Your Form 1040 for 2025, and KERN HEALTH SYSTEMS will attach to its Form 990 for 2025, a copy of this page making the following representations:

- KERN HEALTH SYSTEMS has paid one or more premiums into life insurance policies it jointly owns with the below-named executive, with the executive listed as the first named owner. The premiums are treated for tax purposes as nonrecourse split-dollar loans under 26 C.F.R. § 1.7872-15.
- KERN HEALTH SYSTEMS and the executive represent that a reasonable person would expect that KERN HEALTH SYSTEMS will be paid all of its premium payments.

Addresses/Taxpayer Identification Numbers



NOTE: REDACT THE EXECUTIVE'S ADDRESS AND SSN FROM THE COPY OF THIS PAGE FILED WITH KERN HEALTH SYSTEMS'S FORM 990. KERN HEALTH SYSTEMS 2900 Buck Owens Blvd. BAKERSFIELD, CA 93308 EIN: 77-0392231

By our signatures below, We agree to be bound by the terms of this Agreement.

EXECUTIVE:

EMILY DURAN

Date Signed: \_\_\_\_\_, 2025

KERN HEALTH SYSTEMS:

KRISTEN BEALL WATSON, Chair of the Board
Date Signed: \_\_\_\_\_\_, 2025

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### EXHIBIT A DEFINITIONS

A-1 "Access Date" means the earlier of (i) Your 62nd birthday (January 2, 2041), or (ii) Your termination of employment for Disability.

A-2 "Accumulation Policy" means Policy No. 3-182-971W issued by the Insurer.

A-3 "Administrator" means the Board or the committee or individual (other than You) the Board designates from time to time.

A-4 "Board" means the KHS Board of Directors.

A-5 "Cause" means (i) Your incapacitation (for reasons other than Disability) making You unable to perform the essential functions of Chief Executive Officer (ii) Your unwillingness to perform all, or substantially all, of the duties of Chief Executive Officer, which failure persists for five business days after written notice to You (excluding authorized absences); (iii) Your failure or neglect to properly and timely perform the duties of Chief Executive Officer as set forth in the Employment Agreement; (iv) You engage in acts which confer an improper personal benefit upon You; (v) You attempt to secure personally any profit in connection with any transaction entered into on behalf of KHS; (vi) You violate any federal, state, or local laws or regulations to which KHS is subject; (vii) Your insubordination or disloyalty, including without limitation, aiding a KHS competitor; (viii) Your failure to cooperate fully in any KHS investigation; (ix) Your unauthorized use or disclosure of confidential or proprietary information which causes material harm to KHS; (x) Your negligence or misconduct in the performance of a duty, including failure to follow the reasonable directions of the Board; (xi) Your commission of any unlawful or intentional act which would be detrimental to the reputation, character or standing of KHS; (xii) Your conviction of a felony offense or crime, or plea of "guilty" or "no contest" to a felony offense; (xiii) Your commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty against KHS; (xiv) the issuance of a final order of any governmental agency or court that has competent jurisdiction over the parties, which order requires the termination of this Agreement; or (xv) the loss or threatened loss of KHS's ability to participate in any federal or state health care program due to the Your actions.

A-6 "**Change of Control**" means (i) any merger, consolidation, or other similar transaction(s) of KHS with another entity resulting in less than a majority of the trustees or directors of the successor entity consisting of the individuals who were members of the Board immediately prior to such transaction; (ii) any sale, transfer, conveyance, or other disposition of at least 50% of KHS's assets (based on their gross fair market value) to an unrelated person or entity; or (iii) the closure of KHS.

A-7 "Change of Control Good Reason" means any of the following actions taken by KHS (or its successor) after a Change of Control without Your consent:

A-7.1 A material diminution of Your authority, duties, or responsibilities;

A-7.2 A change in the geographic location at which You must principally perform services to a location that is at least 50 miles from the location at which You principally performed services immediately prior to such relocation;

A-7.3 A material diminution in Your base salary; or

A-7.4 Any action or inaction that constitutes a material breach by KHS (or its successor) of the Employment Agreement.

To constitute a termination of employment for Change of Control Good Reason, You must provide written notice to KHS of the existence of one or more of the listed conditions in Sections A-7.1 through A-7.4 above within 90 days after the initial existence of the condition. If KHS does not remedy the condition within 30 days after delivery of the notice, Your voluntary termination of employment after the expiration of the 30-day period and within 12 months after the Change of Control will be considered a termination for Change of Control Good Reason.

A-8 "Collateral Assignment" means a collateral assignment substantially in the form of Exhibit B-1for the Accumulation Policy and Exhibit B-2 for the Repayment Policy. The Collateral Assignment is a general form from the Insurer that does not address the special allocation of rights under this Agreement. Therefore, if the terms of this Agreement and the terms of the Collateral Assignment conflict, the terms of this Agreement control.

A-9 "**Disability**" means Your condition, illness, or injury that renders You eligible to receive long-term disability benefits under the KHS-provided long-term disability insurance coverage in effect for You from time to time.

A-10 "Employment Agreement" means the Agreement for Professional Services Contract Employee between You and KHS dated April 15, 2022, as amended from time to time.

A-11 "Full Recovery Date" means the first day the sum of the Premium Deposit Account balance and the cash surrender value of the Policies equals or exceeds the Outstanding Balance plus any income taxes You incur in transferring the Policies to KHS (e.g., taxes on any gain in the Policies). On the Full Recovery Date, You and KHS will withdraw and pay to You the income tax amount and then transfer the Premium Deposit Account, the Policies, and their values (even if greater than the Outstanding Balance) to KHS. KHS will then determine if and when to terminate the Policies. As noted in Section E-2, the terms regarding the Full Recovery Date only apply if Your employment terminates and Your Vesting Percentage is zero or if KHS terminates Your employment for Cause.

A-12 "Funding Amount" means \$1,200,000.00.

A-13 "Funding Date" means the date KHS pays the Funding Amount as described in Part 2.

A-14 "Insurer" means Minnesota Life Insurance Company for the Accumulation Policy and Penn Mutual Life Insurance Company for the Repayment Policy.

A-15 "Loan Cap" for a year means the amount described in Exhibit C, Section C-1.

A-16 "Outstanding Balance" on any date equals (i) the Funding Amount, plus (ii) a compounded annual rate of return of 4.53%, which equals the long-term applicable federal rate under 26 U.S.C. § 1274(d) that was in effect on the Funding Date. The rate is based on Your life expectancy and annual compounding, as provided in 26 C.F.R. § 1.7872-15.

A-17 "**Policy**" means, depending on the context, either the Accumulation Policy or the Repayment Policy, or both.

A-18 "**Potential Loan Amount**" means the amount described in Exhibit C, Section C-2.

A-19 "**Premium**" for the Accumulation Policy means a premium of \$101,034.86 paid on the Funding Date and for each subsequent year through 2029, and for the Repayment Policy means a single premium of \$736,500.00 paid on the Funding Date. A-20 "**Premium Deposit Account**" means the "Premium Deposit Account" for the Accumulation Policy, referring to the account at the Insurer connected to the Policy from which future premiums on that Policy are paid.

A-21 "**Record-Keeper**" means TRISCEND<sup>NP</sup>, or any other third-party record-keeper KHS selects from time to time in connection with this Agreement.

A-22 **"Repayment Policy**" means Policy No. 9297076 issued by the Insurer.

A-23 "Vesting Percentage" means the applicable vesting percentage determined under Exhibit C, Section C-3.

[END OF EXHIBIT A]

### EXHIBIT B-1 COLLATERAL ASSIGNMENT (Accumulation Policy)

Insurance Company:	Minnesota Life Insurance Company (the "Company")					
Policy Number:	3-182-971W (the "Policy")					
Policy Owners:	EMILY DURAN (the "Individual Owner") and KERN HEALTH SYSTEMS (collectively the "Owners")					
Name of Insured:	EMILY DURAN					
Name of Assignee:	KERN HEALTH SYSTEMS (the "Assignee")					
Address of Assignee:	1231 Cross Timbers Road, Flower Mound, TX 75028					
CAP-EX Agreement Dated January 28, 2025 (the "Agreement")						

FOR VALUE RECEIVED, the Owners hereby collaterally assign and transfer to Assignee and to Assignee's representatives, successors, and assigns, as the Assignee's interest may appear in the Agreement, the rights and interests specified in this Assignment of the Owners in and to the Policy (and any supplementary contracts issued in connection with the Policy). This Assignment is subject to the terms and conditions of the Policy and to any prior assignments and superior liens the Company or any other party may have against the Policy.

The Owners and the Assignee agree that:

- This Assignment is made and the Policy is held as collateral security for all current and future liabilities and obligations of the Individual Owner to the Assignee under the Agreement.
- This Assignment includes only the following specific rights, which rights the Assignee may exercise only at the time or times specified in, and to the extent allowed by, the Agreement, and subject to paragraph 4 of this Assignment:
  - the right to partially or completely surrender the Policy for its cash surrender value at any time provided by the terms of the Policy or at such other time as the Company may allow;
  - b. the right to obtain from the Company one or more withdrawals from or loans against the Policy at any time, and to pledge or assign the Policy as collateral security for such loans;
  - c. the right to collect and receive any and all current or future distributions or shares of surplus, dividend

2025.01 CAP-EX Agreement\_DuranE

deposits or additions to the Policy and to exercise any and all options contained in the Policy with respect to such deposits or additions. Unless and until the Assignee notifies the Company in writing to the contrary, (i) all distributions or shares of surplus, dividend deposits or additions to the Policy will be paid or applied in accordance with the dividend option in effect at the time of this Assignment, and (ii) the payee of cash dividends will be determined without regard to this Assignment;

- d. the right to receive the net proceeds of the Policy payable due to death or maturity; and
- the right to exercise and receive any benefits from non-forfeiture rights permitted by the Policy or allowed by the Company.
- 3. The following are examples of rights retained by the Owners and not included in this Assignment:
  - the right to receive from the Company any disability benefits, if applicable;
  - b. the right to designate and change the beneficiary(s) of the Policy;
  - the right to elect any optional mode of settlement permitted by the Policy or allowed by the Company;
  - d. the right to exercise, free from this Assignment, any option to purchase additional insurance or policies.

The reservation of these rights does not impair (i) the Assignee's right under paragraph 2 to surrender the policy partially or completely, or (ii) any other Assignee rights under this Assignment.

- 4. Prior to exercising any right specified in paragraph 2 of this Assignment, the Assignee will give 20 days' advance notice to the Individual Owner (delivered personally or sent by overnight courier addressed to the Individual Owner) of its intention to exercise such right.
- 5. Subject to the terms of this Assignment, the Owners retain and possess all incidents of ownership in the Policy; provided, however, the Individual Owner covenants not to borrow against the Policy's cash value or exercise the right to partially or completely surrender or cancel the Policy, or obtain a withdrawal from the Policy, or assign the Individual Owner's interest in the Policy, without the written authorization and consent of the Assignee.
- 6. The Company may require any claims of the Assignee to be made by sworn affidavit.
- 7. The Company is not a party to the Agreement and has no obligation or liability with respect to the Agreement. The Company is authorized to recognize and act upon any Assignee claim without investigating the reason or right for such claim, the existence or validity of any liabilities or obligations or any default under the terms of the Agreement, or the application or use by the Assignee of any amounts it receives under this Assignment. The Owners represent there are no bankruptcy or insolvency proceedings pending against the Owners, and the Owners' property is not subject to any assignment for the benefit of creditors.

The Owners understand (i) this Assignment is not binding on the Company unless acknowledged by a registrar or other officer, and (ii) that the Company assumes no responsibility for the validity or effect of this Assignment.

Executed this 27th day of January, 2025 at Bakersfield, California.

### **OWNERS:**

Signed: EMILY DURAN

KERN HEALTH SYSTEMS:

Signed:

KRISTEN BEALL WATSON, Chair of the Board

### FOR Company USE ONLY

This Assignment received and filed by the Company on this day of \_\_\_\_\_\_, 2025.

Signed:

Title:

### EXHIBIT B-2 COLLATERAL ASSIGNMENT (Repayment Policy)

Insurance Company:	Penn Mutual Life Insurance Company (the "Company")						
Policy Number:	9297076 (the "Policy")						
Policy Owners: EMILY DURAN (the "Individual Owner") and KERN HEALTH SYSTEMS (collectively							
Name of Insured:	EMILY DURAN						
Name of Assignee: KERN HEALTH SYSTEMS (the "Assignee")							
Address of Assignee: 1231 Cross Timbers Road, Flower Mound, TX 75028							
CAP-EX Agreement Dated January 28, 2025 (the "Agreement")							

FOR VALUE RECEIVED, the Owners hereby collaterally assign and transfer to Assignee and to Assignee's representatives, successors, and assigns, as the Assignee's interest may appear in the Agreement, the rights and interests specified in this Assignment of the Owners in and to the Policy (and any supplementary contracts issued in connection with the Policy). This Assignment is subject to the terms and conditions of the Policy and to any prior assignments and superior liens the Company or any other party may have against the Policy.

The Owners and the Assignee agree that:

- This Assignment is made and the Policy is held as collateral security for all current and future liabilities and obligations of the Individual Owner to the Assignee under the Agreement.
- 2. This Assignment includes only the following specific rights, which rights the Assignee may exercise only at the time or times specified in, and to the extent allowed by, the Agreement, and subject to paragraph 4 of this Assignment:
  - the right to partially or completely surrender the Policy for its cash surrender value at any time provided by the terms of the Policy or at such other time as the Company may allow;
  - the right to obtain from the Company one or more withdrawals from or loans against the Policy at any time, and to pledge or assign the Policy as collateral security for such loans;
  - c. the right to collect and receive any and all current or future distributions or shares of surplus, dividend deposits or additions to the Policy and to exercise any

and all options contained in the Policy with respect to such deposits or additions. Unless and until the Assignee notifies the Company in writing to the contrary, (i) all distributions or shares of surplus, dividend deposits or additions to the Policy will be paid or applied in accordance with the dividend option in effect at the time of this Assignment, and (ii) the payee of cash dividends will be determined without regard to this Assignment;

- d. the right to receive the net proceeds of the Policy payable due to death or maturity; and
- the right to exercise and receive any benefits from non-forfeiture rights permitted by the Policy or allowed by the Company.
- 3. The following are examples of rights retained by the Owners and not included in this Assignment:
  - the right to receive from the Company any disability benefits, if applicable;
  - b. the right to designate and change the beneficiary(s) of the Policy;
  - c. the right to elect any optional mode of settlement permitted by the Policy or allowed by the Company;
  - d. the right to exercise, free from this Assignment, any option to purchase additional insurance or policies.

The reservation of these rights does not impair (i) the Assignee's right under paragraph 2 to surrender the policy partially or completely, or (ii) any other Assignee rights under this Assignment.

- 4. Prior to exercising any right specified in paragraph 2 of this Assignment, the Assignee will give 20 days' advance notice to the Individual Owner (delivered personally or sent by overnight courier addressed to the Individual Owner) of its intention to exercise such right.
- 5. Subject to the terms of this Assignment, the Owners retain and possess all incidents of ownership in the Policy; provided, however, the Individual Owner covenants not to borrow against the Policy's cash value or exercise the right to partially or completely surrender or cancel the Policy, or obtain a withdrawal from the Policy, or assign the Individual Owner's interest in the Policy, without the written authorization and consent of the Assignee.
- 6. The Company may require any claims of the Assignee to be made by sworn affidavit.
- 7. The Company is not a party to the Agreement and has no obligation or liability with respect to the Agreement. The Company is authorized to recognize and act upon any Assignee claim without investigating the reason or right for such claim, the existence or validity of any liabilities or obligations or any default under the terms of the Agreement, or the application or use by the Assignee of any amounts it receives under this Assignment.

The Owners represent there are no bankruptcy or insolvency proceedings pending against the Owners, and the Owners' property is not subject to any assignment for the benefit of creditors. The Owners understand (i) this Assignment is not binding on the Company unless acknowledged by a registrar or other officer, and (ii) that the Company assumes no responsibility for the validity or effect of this Assignment.

Executed this 27th day of January, 2025, at Bakersfield, California.

**OWNERS**:

Signed: EMILY DURAN

### KERN HEALTH SYSTEMS:

Signed:

KRISTEN BEALL WATSON, Chair of the Board

### FOR Company USE ONLY

This Assignment received and filed by the Company on this \_\_\_\_\_\_ day of \_\_\_\_\_\_, 2025.

Signed: \_\_\_\_\_\_

### EXHIBIT C LOAN CAP

C-1 Loan Cap. The Loan Cap for a year is the Potential Loan Amount multiplied by the Vesting Percentage.

### **C-2 Potential Loan Amount**

C-2.1 Generally. The Potential Loan Amount is the maximum amount that could be borrowed against the cash value of the Accumulation Policy without causing the combined death proceeds of the Policies at any time to be less than the Outstanding Balance, and without putting the Accumulation Policy at risk of lapsing during Your remaining life expectancy.

C-2.2 Determination. KHS, with the assistance of the Record-Keeper, will determine the Potential Loan Amount through in-force illustrations for the Policies and using such other reasonable assumptions as KHS and the Record-Keeper determine. Subject at all times to the maximum crediting rate the Insurer allows to be illustrated on the date of determination, the in-force illustrations for the Policies will use an assumed annual cash value crediting rate equal to 0.00% in the first policy year and 6.00% thereafter. The Potential Loan Amount is estimated to be \$\$5,600.00 annually assuming policy loans are taken from ages 62 to 81, inclusive.

C-3 Vesting Percentage. The Vesting Percentage depends on when and how Your employment with KHS terminates, as follows:

C-3.1 **Full Vesting**. The Vesting Percentage is 100% if: (i) You remain employed with KHS to at least January 28, 2031; (ii) Your employment terminates for death or Disability; (iii) KHS terminates Your employment without Cause, or (iv) You terminate Your employment for Change of Control Good Reason.

C-3.2 **Partial Vesting**. You are partially vested if, before an event in Section C-3.1, You voluntarily terminate Your employment (not for Change of Control Good Reason). In this event, the Vesting Percentage is the aggregate Vesting Percentage as of the most recent past vesting date determined as follows:

Vesting as of:	Incremental Vesting %	Aggregate Vesting %
1/28/2025	0.00%	0.00%
1/28/2028	50.00%	50.00%
1/28/2031	50.00%	100.00%

C-4 No Acceleration. Partial vesting does not change the Access Date.

C-5 Forfeiture. If (i) KHS terminates Your employment for Cause, or (ii) Your employment terminates and Your Vesting Percentage is zero, You forfeit all interests in the arrangement.

[END OF EXHIBIT C]

### EXHIBIT D CLAIMS AND REVIEW PROCEDURES

This Exhibit D describes the process for claiming an expected benefit not received under this Agreement.

D-1 Claims for Policy Benefits. Claims for a death benefit under the Policies, or other Policy contract issues, are made directly to the Insurer under the Insurer's claims procedures.

D-2 Claims for Other Benefits. Other claims are made to the Administrator in writing. The Administrator must:

D-2.1 Respond within 90 days (180 days if the Administrator tells You in writing in the first 90 days that an additional 90 days are needed); and

D-2.2 If any part of the claim is denied, describe for You in writing:

- The reasons for the denial and the provisions of this Agreement on which it is based,
- Any additional information or material necessary to process the claim and why it is needed, and
- This Agreement's review procedures and time limits.
- A statement of Your right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

D-3 **Review of Denied Claims**. If the Administrator denies any part of the claim, the next step is for You to tell the Administrator in writing that a review is needed. You have 60 days after receiving the denial to request the review. The Administrator must then:

D-3.1 Give You the chance to submit written comments and other documentation relating to the claim;

D-3.2 Provide copies of, or access to, any comments, documents, records, or other information relating to the claim, upon request and free of charge;

D-3.3 Consider all materials submitted, without regard to whether the information was submitted or considered in the initial benefit determination;

D-3.4 Respond within 60 days (120 days if the Administrator tells You in writing in the first 60 days that an additional 60 days are needed); and D-3.5 If any part of the claim is denied, describe for You in writing: the reasons for the denial and the provisions of this Agreement on which it is based; that all documents and other information relevant to the claim are available for review; and a statement of the claimant's right to bring a civil action under ERISA Section 502(a).

D-4 **Disability Claims**. If the claim involves the issue of whether a Disability occurred, the initial response under D-2.1 is reduced from 90 to 45 days, but the Administrator may twice extend the period by 30 days if needed.

D-5 **Review of Denied Disability Claims**. If a denied claim being reviewed involves the issue of whether a Disability occurred, the following modifications apply:

D-5.1 The initial and extended response periods under Section D-3.4 are reduced from 60 to 45 days; and

D-5.2 The Administrator will provide You (free of charge) any new or additional evidence or rationale considered, relied upon, or generated by the Agreement, insurer, or other person making the benefit determination in connection with the claim; such evidence must be provided as soon as possible and sufficiently in advance of the date on which the Administrator is required to respond under Section D-3.4 (as modified under Section D-5.1) to give the claimant a reasonable opportunity to respond to the evidence.

D-6 Adverse Disability Benefit Determinations. Any adverse benefit decision (in an initial claim or upon review) regarding a Disability will be provided in a culturally and linguistically appropriate manner (as described in the ERISA regulations under 29 C.F.R. § 2560.503-1(o)). The claim or appeal will be adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision, and will include:

D-6.1 **Explanation of Decision**. A discussion of the decision, including an explanation of the basis for disagreeing with or not following: (a) the views presented by the claimant to the Administrator of health care professionals treating the claimant and vocational professionals who evaluated the claimant; (b) the views of medical or vocational experts whose advice was obtained on behalf of the Administrator in connection with a claimant's adverse benefit determination, without regard to

whether the advice was relied upon in making the benefit determination; and (c) a Disability determination regarding the claimant presented by the claimant to the Plan made by the Social Security Administration;

D-6.2 **Explanation of Scientific/Clinical Judgment.** If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the agreement to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request; and

D-6.3 Internal Rules. Either the specific internal rules, guidelines, protocols, standards, or other similar criteria of the agreement relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards, or other similar criteria of the agreement do not exist.

[END OF EXHIBIT D]

### EXHIBIT E GENERAL LEGAL MATTERS

E-1 Amendment/Termination. We can amend or terminate the Agreement, but the action must be in a writing We both sign. For a termination, We must specify in the written agreement how the Policy and Premium Deposit Account values will be divided.

E-2 Unvested Termination. If Your employment terminates and Your Vesting Percentage is zero or Your employment was terminated for Cause, the Agreement will terminate on the Full Recovery Date as noted in Section A-11.

E-3 **Elective Termination**. You can terminate this Agreement anytime by paying the Outstanding Balance to KHS. You can use the values in the Policies and the Premium Deposit Account to make the repayment, but only if the Record-Keeper determines that such use will not place the Policies at unreasonable risk of lapsing during Your life expectancy.

E-4 Notice. Any communication to a party required or permitted under this Agreement must be in writing and will be deemed to have been given when it is delivered by overnight courier, certified mail return receipt addressed to the party at the address listed on the Agreement's signature page, or at such other address as the party specifies in writing to the other party.

E-5 Annual Review. KHS will retain the Record-Keeper or other third party on at least an annual basis (or more often as needed based on investment performance, regulatory changes, etc.) to review the arrangement. KHS will pay the cost of the reviews.

E-6 **Binding Effect**. This Agreement binds us and our beneficiaries and successors.

E-7 Governing Law. ERISA governs most issues under this Agreement; otherwise, California law applies.

E-8 **Validity**. If any provision of this Agreement is found to be illegal or invalid for any reason, the rest of the Agreement remains in effect ignoring the illegal or invalid provision.

E-9 **No Guarantee of Employment**. Nothing contained in this Agreement gives You the right to continue employment with KHS.

E-10 Additional Documents. We will both do all that is necessary, including signing additional documents, to carry out the provisions of this Agreement. E-11 **Independent Representation**. You should obtain competent, independent professional representation regarding the tax and other implications of this Agreement.

E-12 **Counterparts.** We sign two copies of this Agreement so that We each retain an original.

E-13 Entire Agreement. This Agreement constitutes the entire agreement between us regarding the arrangement.

E-14 **Pre-Funding Date Death**. If You die before KHS has paid the initial premiums to the Insurer and the Policies have been issued, KHS is released from all liability under this Agreement, and it is null and void.

E-15 Suicide/Misrepresentation. If a Policy or Policies are voided due to suicide, misrepresentations, or other similar issues, KHS is released from all liability under this Agreement, and it is null and void.

E-16 Notice & Consent for Life Insurance. You understand that KHS intends to acquire life insurance policies on Your life. The maximum combined face amount of the Policies is \$3,255,404. KHS will be beneficiary of all or a portion of the life insurance proceeds. By signing this Agreement, You consent to be insured, and consent that such coverage may continue after Your employment with KHS has terminated.

### E-17 Tax Matters.

E-17.1 Characterization. Because We jointly own the Policies and Premium Deposit Account and You are the first named owner, the arrangement is subject to the "loan regime" tax rules.

E-17.2 **IRS Written Statements**. You must file with Your Form 1040 for 2025, and KHS must file with its Form 990 for 2025, a copy of the Agreement's signature page containing the IRS representation.

E-17.3 **Premium Deposit Account Interest.** You are taxed on any earnings the Premium Deposit Account generates, as reflected in the IRS Form 1099 the Insurer issues each year. You will pay the taxes from Your personal assets.

[END OF EXHIBIT E]

LEGAL DOCUMENT -- CAP-EX PROGRAM ACKNOWLEDGMENT: PARTICIPANT

### **TRISCEND**<sup>NP</sup>

## CAP-EX PROGRAM ACKNOWLEDGMENT

- I. I, Emily Duran (hereinafter referred to as "I"), acknowledge that I have received a copy of the CAP-EX Program (the "Program") Agreement as described in Exhibit A ("Agreements") and have reviewed the Agreements in detail and understand the contents therein. I agree that my participation in the Program is subject to the terms and conditions contained within the Agreements.
- I. I acknowledge that I have been advised and given sufficient opportunity to consult my own accountants and tax and legal counsel prior to implementing the Program. I understand that the life insurance companies issuing the policies insuring my life make no warranties or representations concerning the tax benefits and/or treatment of the Program either now or in the future.
- III. I understand that my participation in this Program is completely voluntary.
- IV. I acknowledge that TRISCEND<sup>NP</sup> and its agents, and the insurance companies shall (1) not be responsible or liable to me in any way for the life insurance policies insuring me, or for the performance of such life insurance policies and (2) not be responsible or liable to me in any way for the ultimate tax consequences of the Program.
- V. I acknowledge that the projected policy values and benefit distributions are based on an assumed interest crediting rate. The actual crediting rate could have a significant impact on the benefit projections and result in values that are either more or less favorable than shown in the final Design Summary projections. Also, I understand that failure to repay the split-dollar loan balance may result in taxable income to me, as the Participant.
- VI. I understand that any life insurance policy placed in connection with the Program will serve to reduce my remaining life insurance capacity and may limit my ability to obtain additional life insurance coverage either now or in the future.
- VII. I acknowledge that this Program is a technique owned and developed by TRISCEND<sup>NP</sup>. The underlying life insurance companies insuring my life have no ownership interest in the Program, TRISCEND<sup>NP</sup>, or any principals or shareholders of TRISCEND<sup>NP</sup>, and that such life insurance companies solely provide the life insurance policies which are strictly governed by the terms and conditions set forth in the policies alone. Any inquiries regarding the type of policies utilized can be directed to TRISCEND<sup>NP</sup> or directly to the issuing life insurers or its duly contracted and licensed agents.
- VIII. I understand that nothing in the Program or this form shall be considered to be a contract of employment between TRISCEND<sup>NP</sup> and myself.
- IX. I understand that my employer, Kern Health Systems, will place a collateral assignment over the life insurance policies to which I am the first named owner. I understand there are limitations placed on my ability to borrow from the policies and these limitations are outlined in the Agreements executed between myself and my employer.

X. I understand that there are vesting requirements (if applicable) limiting my interest and borrowing ability in the policies and these

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LEGAL DOCUMENT -- CAP-EX PROGRAM ACKNOWLEDGMENT: PARTICIPANT

### **TRISCEND**<sup>NP</sup>

requirements are outlined in the Agreements executed between myself and my employer.

- XI. I understand that I must keep sufficient life insurance in force through mortality such that my employer is able to recover its loan principal plus rate of return, as stated in the Agreements. I also understand that failure to pay premiums may cause the life insurance policies issued to lapse or terminate pursuant to the terms and conditions and rules and procedures of the issuing life insurance companies.
- I understand that if a dispute arises from or relates to this Program or the breach thereof, and if the dispute cannot be settled XII. through direct discussions, TRISCENDNP and I (a "Party", collectively referred to as the "Parties") agree to endeavor first to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration. The Parties further agree that any unresolved controversy or claim arising out of or relating to this Program, or breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall be governed by the laws of the State of Texas. Hearings will take place pursuant to the standard procedures of the Commercial Arbitration Rules that contemplate in person hearings. The standard provisions of the Commercial Rules shall apply. Arbitrators will have the authority to allocate the costs of the arbitration process among the Parties but will only have the authority to allocate attorneys' fees if a particular law permits them to do so. The award of the arbitrators shall be accompanied by a reasoned opinion. Except as may be required by law, neither a Party nor an arbitrator may disclose the existence, content, or result of any arbitration hereunder without the prior written consent of both Parties. The Parties agree that failure or refusal of a Party to pay its required share of the deposits for arbitrator compensation or administrative charges shall constitute a waiver by that Party to present evidence or cross-examine witness. In such events, the other Party shall be required to present evidence and legal arguments as the arbitrator(s) may require for the making of an award. Such waiver shall not allow for a default judgment against the non-paying Party in the absence of evidence presented as provided for above.

Emily Duran, Participant

Date

Harold D. Wright, Principal & Co-Founder TRISCEND<sup>NP</sup>

Date



LEGAL DOCUMENT -- CAP-EX PROGRAM ACKNOWLEDGMENT: PARTICIPANT

### TRISCENDNP

EXHIBIT A

- 1. CAP-EX Agreement effective January 28, 2025, between Kern Health Systems and Emily Duran, inclusive of Exhibits:
  - a. Exhibit A Definitions
  - b. Exhibit B-1 Collateral Assignment-Accumulation Policy
  - c. Exhibit B-2 Collateral Assignment-Repayment Policy
  - d. Exhibit D Loan Cap Provision
  - e. Exhibit E Claims and Review Procedures
  - f. Exhibit F General Legal Matters

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LEGAL DOCUMENT -- CAP-EX PROGRAM ACKNOWLEDGMENT: EMPLOYER

## TRISCENDNP

### CAP-EX PROGRAM ACKNOWLEDGMENT

- I. I, Kristen Beall Watson, Chairperson of Kern Health Systems acknowledge that Kern Health Systems ("KHS") has received a copy of the CAP-EX Program (the "Program") Agreement as described in Exhibit A ("Agreements") and has reviewed these Agreements in detail and understands the contents therein. KHS agrees that its participation in the Program is subject to the terms and conditions contained within the Agreements.
- II. I, Kristen Beall Watson, Chairperson of KHS acknowledge that KHS has been advised and given sufficient opportunity to consult its own accountants and tax and legal counsel prior to implementing the Program. KHS understands that the life insurance companies issuing the policies insuring the Participant makes no warranties or representations concerning the tax benefits and/or treatment of the Program either now or in the future.
- III. KHS acknowledges that TRISCEND<sup>NP</sup>, its agents, and the insurance companies shall: (1) not be responsible or liable to KHS in any way for the life insurance policies insuring the Participant, or for the performance of such life insurance policies; and (2) not be responsible or liable to KHS in any way for the ultimate tax consequences to the Participant of the Program.
- IV. I hereby acknowledge that a representative of TRISCEND<sup>NP</sup> has discussed the risks associated with the Program, including but not limited to, changes in the interest rate, account requirements, and changes in tax, reporting or regulatory requirements. This Program design is based on KHS's understanding of current tax regulations and compensation disclosure rules on Form 990 Schedule J and Schedule L. Any changes to tax regulations or compensation disclosure rules could have a negative impact on this program. Also, I, Kristen Beall Watson, Chairperson of KHS understand that TRISCEND<sup>NP</sup> cannot provide tax, legal or accounting advice.
- V. I acknowledge that this Program is a technique owned and developed by TRISCEND<sup>NP</sup>. The underlying life insurance companies insuring the Participant have no ownership interest in the Program, TRISCEND<sup>NP</sup>, or any principals or shareholders of TRISCEND<sup>NP</sup>, and that such life insurance companies solely provide the life insurance policies which are strictly governed by the terms and conditions set forth in the policies alone. Any inquiries regarding the type of policies utilized can be directed to TRISCEND<sup>NP</sup> or directly to the issuing life insurers or its duly contracted and licensed agents.
- VI. It is KHS's responsibility to determine if the life insurance policies associated with the Program may subject KHS to the rules and regulations that are specified under Internal Revenue Code (IRC) Section 101 (j).
- VII. KHS understands that collateral assignments will be placed on the insurance policies to secure KHS's interest in the policies as described in the Agreements.



LEGAL DOCUMENT -- CAP-EX PROGRAM ACKNOWLEDGMENT: EMPLOYER

### **TRISCEND**<sup>NP</sup>

- KHS understands that as long as the Agreements are in place, sufficient life insurance must remain in force through mortality VIII such that KHS is able to recover its loan principal plus rate of return, as stated in the Agreements. KHS also understands that failure to pay premiums may cause the life insurance policies issued to lapse or terminate pursuant to their terms and conditions and rules and procedures of the issuing life insurance companies.
- KHS understands it is not obligated to pay any additional amount into the policies or funding accounts outside of what is agreed IX. upon and stated in the CAP-EX Agreement and they are not obligated under this agreement under any circumstances to maintain a life insurance policy during the Executive's retirement or to provide a death benefit during the Executive's retirement. KHS confirms there have been no other written or verbal agreement(s) that is/are contrary to the provisions of the written agreements.
- KHS understands that if a dispute arises from or relates to this Program or the breach thereof, and if the dispute cannot be Χ. settled through direct discussions, TRISCEND<sup>NP</sup> and KHS (a "Party", collectively referred to as the "Parties") agree to endeavor first to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration. The Parties further agree that any unresolved controversy or claim arising out of or relating to this Program, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall be governed by the laws of the State of Texas. Hearings will take place pursuant to the standard procedures of the Commercial Arbitration Rules that contemplate in person hearings. The standard provisions of the Commercial Rules shall apply. Arbitrators will have the authority to allocate the costs of the arbitration process among the Parties but will only have the authority to allocate attorneys' fees if a particular law permits them to do so. The award of the arbitrators shall be accompanied by a reasoned opinion. Except as may be required by law, neither a Party nor an arbitrator may disclose the existence, content, or result of any arbitration hereunder without the prior written consent of both Parties. The Parties agree that failure or refusal of a Party to pay its required share of the deposits for arbitrator compensation or administrative charges shall constitute a waiver by that Party to present evidence or cross-examine witness. In such events, the other Party shall be required to present evidence and legal arguments as the arbitrator(s) may require for the making of an award. Such waiver shall not allow for a default judgment against the non-paying Party in the absence of evidence presented as provided for above.

Emily Duran, Participant	Date	
Kristen Beall Watson, Chairperson Kern Health Systems	Date	
Harold D. Wright, Principal & Co-Founder TRISCEND <sup>NP</sup>	Date	
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LEGAL DOCUMENT -- CAP-EX PROGRAM ACKNOWLEDGMENT: EMPLOYER

### **TRISCEND**<sup>NP</sup>

### EXHIBIT A

- 1. CAP-EX Agreement effective January 28, 2025, between Kern Health Systems and Emily Duran, inclusive of Exhibits:
  - a. Exhibit A Definitions
  - b. Exhibit B-1 Collateral Assignment-Accumulation Policy
  - c. Exhibit B-2 Collateral Assignment-Repayment Policy
  - d. Exhibit D Loan Cap Provisions
  - e. Exhibit E Claims and Review Procedures
  - f. Exhibit F General Legal Matters





# The CAP-EX PROGRAM DESIGN SUMMARY

PREPARED FOR EMILY DURAN KERN HEALTH SYSTEMS

PREPARED ON January 23, 2025 VERSION 14



## We see things differently.

At TRISCEND<sup>NP</sup>, we believe that choosing the best executive benefit alternative that balances the objectives of key employees and the organization starts with a disciplined and data-driven decision process.

We believe that nonprofit organizations should secure their future through capital preservation and growth allowing them to serve their constituents for generations to come.

We see properly designed executive benefit arrangements as strategic tools allowing nonprofit organizations to secure the talent needed to lead the organization forward.

## **A New Perspective**

Today's nonprofit organizations are faced with the balancing act of attracting and retaining top talent while managing the financial health of the organization. Increased scrutiny of executive compensation and pressure for greater transparency make the current environment even more challenging. These conditions are prompting nonprofit institutions to break with traditional practices and seek solutions that more effectively address these important issues, benefit all stakeholders and afford an advantage in the competitive market for talent. Now, more than ever, there is a need for a new perspective to executive benefits and the ongoing challenges of attracting and retaining talent.

## **Our Difference**

We work with nonprofit organizations to implement Programs that retain and reward talent while ensuring all funds and accrued interest are returned to the organization in the future.

In addition to better stewardship of organizational resources, participants in the Program continue to receive attractive and competitive benefits allowing the organization to meet its recruitment and retention objectives.

## **DOCUMENT PURPOSE**

The following pages summarize the CAP-EX PROGRAM as it has been designed for your specific situation. Each component of the arrangement is described and **projected** results are provided. By the time you complete your review you should have a general understanding of how the program works and the benefits of participation for both you and your organization.



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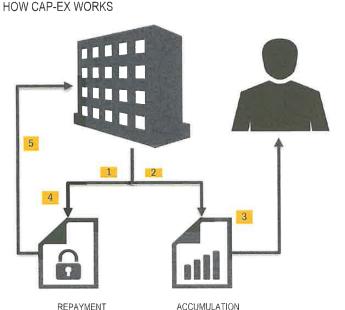
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### Developed Specifically for Nonprofits.

CAP-EX PROGRAM is designed to return all Funding Amounts and interest back to the organization while concurrently providing the potential for greater retirement cash flows for the participant. What differentiates the CAP-EX PROGRAM from other options is the intentional management of risk factors through program architecture.

Further, we perform rigorous scenario analyses resulting in realistic projections for both organization and participant. Once the program is implemented, we offer unparalleled service and ongoing administration so programs stay on track and the objectives of the participant and organization are met.

2.



POLICY

The following is a brief overview of how the Secured Split-Dollar Program works. Additional detail on each of these areas is provided in the following pages.

- 1. KERN HEALTH SYSTEMS pays the premiums (Funding Amount) on two life insurance policies that EMILY DURAN owns jointly with the organization. Each life insurance policy has a specific and important purpose:
  - The Repayment Policy repays the organization its Funding Amount and accrued interest (Outstanding Balance)
  - . The Accumulation Policy provide(s) retirement cash flow for the participant
  - The Funding Amount is treated as a loan to the participant for tax purposes only.

In order to avoid income inclusion, the Funding Amount must bear a sufficient rate of interest. By regulation, this rate should be no less than the long-term Applicable Federal Rate (AFR) in effect on the Funding Date. Both life insurance policies are jointly owned by the participant and organization.

- 3. The participant has the ability to access the value of the life insurance policy in the future through policy loans. This access is typically subject to vesting requirements as determined by the Program Agreement. It is also possible for the participant's beneficiaries to receive all or a portion of any excess death proceeds.
- 4 The organization will record the arrangement on its balance sheet as an asset that will accrue interest over time. No less than annually, the organization will record accrued interest (subject to adjustments). The organization will be repaid the Funding Amount including accrued interest (Outstanding Balance) at the mortality of the participant.
- 5 Unlike other supplemental plans (SERPs, 457(f), etc.), the funds resulting from the repayment of the Outstanding Balance are returned to the organization in the future. Once received these funds can be used to serve the community and otherwise further the mission of the organization.

KHS Board of Directors Meeting, February 20, 2025



### ALLOCATION OF ALLOTTED FUNDS **Executive Summary**

The Funding Amount is treated as a loan (for fax purposes only) to the participant under the 2003 split-dollar regulations §1.7872-15(e)(5)(ii).

The Funding Amount will be directly allocated to the program assets, which are typically a combination of life insurance contracts, interest-bearing bank accounts and/or Premium Deposit Accounts (PDA) owned by the participant and organization. The Funding Amount paid into the life insurance contracts over a period of years, and any additional funds in the bank account are used by EMILY DURAN for paying taxes on any income recognized on the program assets.

Funding Amount from KERN HEALTH SYSTEMS jointly owned by EMILY DURAN

\$1,200,000

Assumed AFR: 4.53%

				Repayment Polic	sy .	Accumulation F	Policy	Bank Acco	ount	
Year	Age	Funding Amount	Balance (BOY)	Deposit	Premium	Deposit	Premium	Deposit	Payments	Balance (EOY)
1	46	1,200,000 \$	1,200,000 \$	736,500 \$	(736,500) \$	463,500 \$	(101,035) \$	- \$	- 5	362,465
2	47	2	362,465				(96,684)			265,781
3	48	-	265,781			-	(92,521)	1 1 4 5		173,260
4	49	*	173,260	and the second		9 e	(88,537)			84,724
5	50	e	84,724		2		(84,724)			0
		Bank Account Rate 0	.00%	Participant Income Tax Rate	e Assumption: 54	10% Repayme	ent Policy PDA Rate:	0.00%	Accumulation Policy PDA Rate	e: 4.31%

### PROJECTED BENEFITS FOR KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS is entitled to a full repayment of the Outstanding Balance at the death of the participant and may also receive additional death proceeds as defined by the program

Agreement. Below is a forecast of the accrued interest and allocation of death proceeds to the organization at projected mortality.

Total Payments at Death	Internal Rate of Return	
\$8,810,976	\$7,610,976	4.53%
Projected Outstanding Balance at De Excess Death Proceeds to Kern Hea	\$8,810,976 \$0	
Total Payments at Death, Year 45		\$8,810,976

#### PROJECTED BENEFITS FOR EMILY DURAN

EMILY DURAN is projected to receive retirement cash flow for a period of years, and often an additional amount at death that will be paid to designated beneficianes. Below is a forecast of the total benefits to EMILY DURAN over the life of the arrangement,

Projected Annual Retirement	Total Projected	Projected Death Proceeds to
Cash Flow from age 62 to 81	Retirement Cash Flow	Beneficiaries, Year 45
\$85,240	\$1,704,800	\$1,735,163

This information is not valid unless presented with the insurance company's NAIC compliant ledger and summary pages. Please refer to the summary pages for a full explanation of fees and expenses. This information is hypothetical and may not be used to predict specific results.



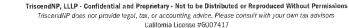
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## **Illustration Detail**

Table 1 provides projected life insurance policy values including, surrender value, death proceeds and the allocation thereof, and policy loans (retirement cash flow).

TAB	LE 1		Repayment Policy				Accumulation Policy Cash Outstanding Balance Detail					Cash Outstanding Balance Detail					Cash			
Year	Age	Calendar Year	Surre	ender Vaue	Death Proceeds	Surr	ender Value	Death Fromeda	Annual Policy Loans	P	DAs/Bank Accounts		Total Death Proceeds	0	ub/anding Balance	Death Proceed		Excess Death Proceeds to Organization		
1	46	2025 - 2026	\$	632,576	1,529,329	5	39,239	\$ 1,799,361	\$ -	\$	362,465	\$	3,691,155 \$		1,254,360	5 2,436,	95	-		
2	47	2026 - 2027		663,840	1,529,329		137,925	1,897,106			265,781		3,692,216		1,311,183	2,381,	034	9		
3	48	2027 - 2028		697,768	1,529,329		244,266	2.002,496	~		173,260		3,705,085		1,370,579	2.334	506			
4	49	2028 - 2029		734,119	1,529,329		356,766	2,114,038	+		84,724		3,728,091		1,432,666	2,295,	125	· · · · ·		
5	50	2029 - 2030		773,754	1,556,914		475,797	2,232,103			0		3,789,017		1,497,566	2,291,4	151	+		
17	62	2041 - 2042		1.629,290	2,554,241		919,875	1,807,072	85,240				4,361,313		2,548,458	1,812,	355			
18	63	2042 - 2043		1,732,582	2,671,871		889,379	1,712,198	85,240		1.5		4,384,069	:	2,663,903	1,720,	166	-		
19	64	2043 - 2044		1,842,314	2,795,319		857,868	1,612,105	85,240		+		4,407,424		2,784,577	1,622,	347	+		
20	65	2044 - 2045		1,958,875	2,924,919		825,336	1,506,508	85,240				4,431,427	:	2,910,719	1,520,	708			
21	66	2045 - 2046		2.082,687	3,061,041		791,776	1,395,103	85,240		×.		4,456,144		3,042,574	1,413,	570	<i>y.</i>		
22	67	2046 - 2047		2,214,193	3,204,060		/57,198	1.277,570	85,240		-		4,481,630		3,180,403	1,301,	227	5		
23	68	2047 - 2048		2,353,869	3,354,386		/21,642	1,153,573	85,240				4,507,959		3,324,475	1,183,	184			
24	69	2048 - 2049		2,502,220	3,512,452		685,188	1,022,756	85,240				4,535,208		3,475,074	1,060,	134	÷.,		
25	70	2049 - 2050		2,659.786	3,678,710		647,983	897,018	85,240				4,575,728		3,632,495	943,	233			
26	71	2050 - 2051		2,827,153	3.853,668		610.247	840.100	85,240		-		4,693,768		3,797,047	896,	721			
27	72	2051 - 2052		3,004,660	4,037,432		571.800	778,959	85,240		1.4		4,816,391		3,969,053	847.	338			
28	73	2052 - 2053		3,192,854	4,230,423		532,573	713,122	85,240				4,943,545		4,148,851	794,	694	-		
29	74	2053 - 2054		3,392,281	4,433,033		492,681	642,284	85,240		31		5,075,317		4,336,794	738,	523	-		
30	75	2054 - 2055		3,603,579	4,645,803		452,268	566,126	85,240		÷1		5,211,929		4,533,251	678,	678			
31	76	2055 - 2056		3,827,320	4,869,215		410 984	532 291	85,240				5,401,506		4,738,607	662,	899			
32	77	2056 - 2057		4,064,118	5.103,780		368,847	498,086	85,240				5 601,866		4,953,266	648.	600	×.		
33	78	2057 - 2058		4,314,589	5,350,090		325,882	463,563	85.240				5,813,653		5,177,649	636,	004	-		
34	79	2058 - 2059		4,579,317	5,608,613		282,113	428,779	85,240		-		6,037,392		5,412,197	625,	195	*		
35	80	2059 - 2060		4,858,846	5,879,816		237,570	393 796	85,240				6,273,612		5,657,369	616,	243			
36	81	2060 - 2061		5,153,842	6,164,299		192,214	358,607	85,240		1.0		6,522,906		5,913,648	609,	258	-		
45	90	2069 - 2070		8,647,473	9,497,026		757 398	1,049.113	÷				10,546,139		8,810,976	1,735,	163			
55	100	2079 - 2080		15,290,844	15.553,355		1,990,694	1,990,694	1.6		-		17,544,049	1	3,722,509	3,821.	540			
70	115	2094 - 2095		36,105,049	36,724,896		6,192,264	6,192,264			÷.		42,917,160	2	6,671,520	16,245,	640			
100									1,704,800											

(1) This table is provided for convenience only. Values are for illustration purposes only and are not guaranteed. Please refer to the detailed policy illustrations provided at the end of this report.



KHS Board of Directors Meeting, February 20, 2025

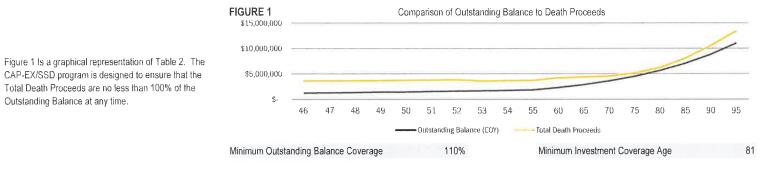
Outstanding						
Balance Detail						

TABLE 2

Because the Funding Amount is treated as a loan for tax purposes, interest at the AFR must be either accrued or forgiven. Table 2 shows the organization's Funding Amount including interest if any (Outstanding Balance). The Outstanding Balance Coverage is the percentage relationship between the Total Death Proceeds and the Outstanding Balance in any given year.

Year	Age	Calendar Year	Outstanding Balance (BOY)	New Funding Amount		Outstanding Balance (EOY)	Total Death Proceeds	Outstanding Balance Coverage
1	46	2025 - 2026	\$ -	\$ 1,200,000	\$ 54,360	\$ 1,254,360	\$ 3,691,155	294%
2	47	2026 - 2027	1,254,360		56,823	1,311,183	3,692,216	282%
3	48	2027 - 2028	1,311,183	2	59,397	1,370,579	3,705,085	270%
4	49	2028 - 2029	1,370,579		62,087	1,432,666	3,728,091	260%
5	50	2029 - 2030	1,432,666	202	64,900	1,497,566	3,789,017	253%
6	51	2030 - 2031	1,497,566		67,840	1,565,406	3,845,935	246%
7	52	2031 - 2032	1,565,406	30	70,913	1,636,319	3,905,528	239%
8	53	2032 - 2033	1,636,319		74,125	1,710,444	3,632,812	212%
9	54	2033 - 2034	1,710,444	(a) (a)	77,483	1,787,927	3,698,127	207%
10	55	2034 - 2035	1,787,927	20	80,993	1,868,920	3,766,498	202%
15	60	2039 - 2040	2,231,282	90.	101,077	2,332,360	4,232,171	181%
20	65	2044 - 2045	2,784,577	363	126,141	2,910,719	4,431,427	152%
25	70	2049 - 2050	3,475,074		157,421	3,632,495	4,575,728	126%
30	75	2054 - 2055	4,336,794	540	196,457	4,533,251	5,211,929	115%
35	80	2059 - 2060	5,412,197	<b>3</b> 3	245,173	5,657,369	6,273,612	111%
40	85	2064 - 2065	6,754,268		305,968	7,060,237	8,065,935	114%
45	90	2069 - 2070	8,429,136		381,840	8,810,976	10,546,139	120%
50	95	2074 - 2075	10,519,324		476,525	10,995,849	13,396,600	122%
							Assumed AFR	4.53%

### COMPARISON OF OUTSTANDING BALANCE TO DEATH PROCEEDS



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KHS Board of Directors Meeting, February 20, 2025

## Use of Funding Amount

### Table 3 shows the allocation of the Funding Amount among the associated life insurance policies and other program assets.

### TABLE 3

Consoli	dation of All Accounts						Assumed Tax Rate	54.10%
Year	New Funding Amount		Balance (BOY)	Less Premiums Paid	Less Taxes*	Plus Interest	Balance (EOY)	Reportable Income
1	\$ 1,200,000	) \$	1,200,000	\$ (837,535)	\$ - \$	- 5	362,465	\$
2		-	362,465	(96,684)	-		265,781	4,351
3		-	265,781	(92,521)			173,260	8,514
4			173,260	(88,537)		*	84,724	12,498
5		1	84,724	(84,724)		*	0	16,311
TOTAL	1,200,000	)	2,086,231	(1,200,000)			886,231	41,674

Accounts	Crediting Method	Crediting Rate
Accumulation Policy, Minnesota Life Insurance Company, Eclipse Accumulator Indexed Universal Life, with future premiums from PDA	Discounting	4.31%
Repayment Policy, Penn Mutual Life Insurance Company, Accumulation IUL	N/A	N/A

\*Less taxes indicates the estimated amount of lax due on the reportable income when utilizing a Premium Deposit Account with the carrier to temporarily hold future premiums. Funds to pay these estimated taxes are held in the Bank Account



### Accumulation Policy Premium Forecast

Year	Premium Payment/ PDA(F) Deposit	Balance (BOY)	Premium Payments	Less Taxes*		Plus Interest	Balance (EOY)	Reportable Income
1	\$ 463,500	\$ 463,500	\$ (101,035)	\$	- \$	- \$	362,465	
2	-	362,465	(96,684)		-	-	265,781	4,351
3	-	265,781	(92,521)		-	· · · · ·	173,260	8,514
4		173,260	(88,537)		-		84,724	12,498
5	-	84,724	(84,724)		-	-	0	16,311
TOTAL	463,500		(463,500)		-			41,674

\*Withdrawals to pay the tax due on the reportable income when utilizing a Premium Deposit Account (Fund) with the carrier.

Repayment Policy Premium Forecast

Year	Premlum Payment/ PDA(F) Deposit	Balance (BOY)	Premium Payments	Less Taxes*	Plus Interest	Balance (EOY)	Reportable Income
1	\$ 736,500	\$ 736,500 \$	(736,500)	\$	\$ -	s -	\$
2	5		~				
3						12	-
4	8	18				( <b>b</b> 2	
5		(m)				1.00	-
TOTAL	736,500		(736,500)				

\*Withdrawals to pay the tax due on the reportable income when utilizing a Premium Deposit Account (Fund) with the carrier

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KHS Board of Directors Meeting, February 20, 2025

### TABLE 4

## Pro Forma Financial Results

Loan Accounting

A non-guaranteed projection of the financial impact of the CAP-EX PROGRAM over the forecasted life of the arrangement from the perspective of the organization in Table 4. All values are projections, based on current assumptions, and shown in \$ unless otherwise indicated. Actual results will vary.

Funding Amounts are the total amount of premiums paid by the employer to the life insurance policies in any given year. Funding Amounts made in multiple years will bear returns at the long-term AFR in effect for the month the investment is made.

Interest (Accrued): Interest on the Funding Amount paid by the organization is recorded no less than annually. The interest on the Funding Amount is accrued and compound on an annual basis:

Cash Value of All Assets is the sum of the cash surrender value of all life insurance policies, associated premium deposit accounts and cash in the bank account.

Value Adjustment (EITF 06-10)<sup>+</sup> The required adjustment to the value of the Split-Dollar Receivable is equal to the difference between the cash value of all assets and the Outstanding Balance.

Annual (Expense)/Income is the sum of Interest and the Value Adjustment.

Aggregate (Expense)/Income is the cumulative projected (expense)/income for the arrangement.

	Age		ding Amounts	Interest (AFR) (Accrued)		e of All Assets	Value Adjustment (EITF 06-10)	Annual (Expense)/Income	Avoided Costs (Alternative Plan)	Aggregate (Expense)/Income
1	46	\$	(1,200,000)	\$ 54,360	\$ 1,0	34,280	\$ (220,080)	\$ (165,720)	\$	\$ (165.720)
2	47			56,823	1.0	67,546	(23,556)	33,266		(132 454)
3	48		2	59,397	1,1	15,294	(11,648)	47,748	8	(84,706)
4	49		12	62,087	1.1	75,609	(1,772)	60,315	<u>ې</u>	(24,391)
5	50		17	64,900	1 2	49,551	9,042	73,942		49 551
6	51			67,840	13	22,849	5,458	73,298	×	122.849
7	52		G	70,913	1.4	01,053	7,291	78,204		201.053
8	53		21	74,125	1.4	98,152	22,974	97,099	3	298 152
9	54		12	77,483	16	00,868	25,233	102,716	2	400 868
10	55		14	80,993	1.7	14,533	32,671	113,664	9	514,533
11	56		3	84,662	1,8	23,587	24,392	109,054		623.587
12	57			88,497	1.9	39,520	27,435	115,933	3	739.520
13	58		3.5	92,506	2.0	62,782	30,756	123,262	1.2	862 782
14	59			96,697	21	93,855	34,376	131,073	12	993,855
15	60		3 <b>4</b> 5	101,077	2.3	33,236	37,427	138,505	24	1,132 360
16	61			105,656	2.4	81,450	-	105,656		1,238,015
17	62		35	110,442	2 5	49,165	-	110,442	2	1,348.458
18	63			115,445	2.6	21,961	(41,941)	73,504	9	1,421,961
19	64		÷.	120,675	2.7	00,182	(42,454)	78,220	34 24	1,500.182
20	65		(6)	126, 141	27	84,211	(42,112)	84,029	(+	1.584.211
21	66		(*)	131,856	2.8	74,463	(41,603)	90,252	2	1,674 463
22	67		(*).	137,829	2,9	71,391	(40,901)	96,928		1,771.391
23	68		- C	144,072	3.0	75,511	(39,952)	104,120	14	1,875.511
24	69		240	150,599	3 1	87,408	(38,701)	111,897	9	1,987,408
25	70		200	157,421	3.3	07,769	(37,061)	120,360		2,107 769
26	71		(*)	164,552	3 4	37,400	(34,921)	129,631	2	2,237 400
27	72		ě.	172,006	3 5	76,460	(32,946)	139,060	9	2,376.460
45	90		8,810,976	381,840		×		381,840		7,610.976
TOT	ALS	5	7,610,976	\$ 7,610,976				\$ 7,610,976	\$ -	

#### Report Prepared For: Emily Duran, Kern Health Systems



### Sample Journal Entry (Y-01)

The following sample journal entries are provided for discussion purposes only and are based on TRISCENDNP's understanding of accounting for joint ownership split-dollar transactions. Ultimately, decisions related to the accounting for this transaction are the responsibility of the organization and its tax and accounting advisors,

			DEBIT	CREDIT
1. RECORD SPLIT-DOLLAR FUNDING AMOUNT	On the Funding Date			
Record the Funding Amount and establish the Split-Dollar Receivable (Other Asset) account.	Split-Dollar Receivable Cash	\$	1,200,000	1,200,000
2. RECORD INTEREST	(Assumes 12 months of accrued int	erest from th	e Funding Date)	
n accordance with Treasury Regulation 1 7872-15(e)(5)(ii), interest must be accrued on the Funding Amount at least annually in order to word income inclusion to the participant. The rate used must be no less than the Applicable Federal Rate (*AFR ) in effect at the time	Split-Dollar Receivable	s	54,360	
he arrangement is implemented The correct AFR- long, medium or short- is the one commensurate with the	Interest on Split-Dollar Receivable		5	54,360
anticipated duration of the arrangement. This will be "long" in most cases. (AFR rates can be found at: https://www.iis.gov/applicable- ederal-rates )				
3, RECORD VALUE ADJUSTMENT	A. (Assumes 12 months of accrued	interest from	the Funding Date)	
accordance with Emerging Issues Task Force ('EIIF') Issue No. 06-10 (also referred to as 1opic 715, Subtopic 60 under the new inancial Accounting Standards Codification), on at least an annual basis, record an adjustment to the split-dollar receivable as the mployer should only recognize the lesser of the current split-dollar receivable balance or the cash surrender value of all life insurance olicies and associated assets	Split-Dollar Receivable Value Adjustn Split-Dollar Receivable	nent \$	220,080 \$	220,080
	B. (Assumes 12 months of accrued	interest from	the Funding Date)	
Assuming the cash surrender value of all life insurance policies, PDAs and other related accounts is less than the current split- tollar receivable, adjust as follows. If the variance between the cash surrender value of all life insurance policies and the current split- tollar split-dollar receivable increases from the prior year, use journal entry (A), if it decreases, use (B)	Split-Dollar Receivable Split-Dollar Receivable Value Adju	\$ istment	- S	
4. RECORD PAYMENT OF SPLIT-DOLLAR RECEIVABLE	On the Repayment Date			
	Cash	\$	8	
Jpon the participant's death, complete repayment of the Outstanding Balance is made from the insurance policy proceeds. Extraordinary	Split-Dollar Receivable		4	

gains are amounts received by the organization in excess of the Outstanding Balance. These extraordinary gains are non-guaranteed, subject to policy performance and not realized until mortality

n the Repayment Date			
Cash	\$	8	
Split-Dollar Receivable		\$	9
Extraordinary Gain (II a	pplicable)	\$	-
	These proposed accounting ent only and are not meant to predi		

program designed by TRISCEND<sup>IIP</sup>

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# Thoughtful Implementation.

Expert design and implementation of executive benefit programs are vital to their ongoing success. Our customized approach and attention to detail results in greater program resilience and realistic expectations.

#### FINANCIAL MODEL FINALIZATION

TRISCEND<sup>MP</sup> performs rigorous, scientific analyses with proprietary 'what it' modeling tools to produce projections, illustrations and comparative reports ensuring performance expectations are reasonable.

#### UNDERWRITING

Executive benefit programs require expert knowledge of advanced underwriting techniques, as well as the thorough collection of the information and documentation required to efficiently and effectively place life insurance contracts. Comprehensive management of the policy placement and initial premium payment process is also tantamount to successful program implementation. TRISCEND<sup>10</sup> has deep underwriting knowledge and experience that is unparalleled in the industry.

#### LEGAL SUPPORT

Advanced executive benefit programs require a detailed Program Agreement, TRISCEND<sup>IIII</sup> will coordinate with counsel and assist in collecting the information necessary to draft the Program Agreement leading to an efficient closing process.

#### CLOSING

TRISCEND<sup>Ne</sup> conducts pre-closing meetings to ensure all aspects of program documentation, the life insurance policies, and related matters are in order prior to funding.

# ADMINISTRATION Services for Life.

Often executive benefit Programs are implemented and subsequently forgotten. In our experience, lack of ongoing management and reporting is a consistent issue affecting the condition and results of these Programs. At TRISCEND<sup>NP</sup>, we believe that superior ongoing administration is just as important as expert design and implementation, and have built industry-leading internal client service capabilities.

Report Prepared For: Emily Duran, Kern Health Systems

### PROGRAM REVIEW

TRISCEND<sup>UP</sup> meets with participants and the organization representatives at least

annually to review all aspects of the program and provide updates on policy performance (programned/designed vs. actual), balances and repayment schedules. This service keeps the participants informed and ensures the program stays on track to meet goals and objectives.

ADVISOR LIAISON

Values

. Legal Liaison Services

· Reporting of Accounting

- POLICY SUPPORT
   Premium Payment Coordination
   Assistance with Policy Changes
   Policy Reporting
   InForce Illustrations
   Assistance with Policy Loans
  - · Life Insurance Company Liaison Services

#### ANALYSIS UPDATES

Analysis updates may be required if any of the initial transactional assumptions regarding the organization and the participant change. Updated models and illustrations may be needed and changes to life insurance policies or legal documentation may be required, TRISCEND<sup>NP</sup> offers this service to ensure accurate and timely action on restructuring these critical parts of the program.

FEES: Legal fees for drafting the Program Agreement is estimated at \$4,000 for the first participant and \$2,000 for additional participants whose Program Agreements are drafted concurrently. The Organization and Participants engage independent representation and any legal fees are paid directly to counsel. Fees for ongoing Program administration services are \$3,500 annually per participant.

NOTE: The Program Agreement typically designates the Organization as the party responsible for the payment of ongoing administration fees. Additional legal tees may apply for complex designs.

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## Disclosures

The preceding is a hypothetical forecast of the economic impact of the use of life insurance and the technique known as the CAP-EX PROGRAM. This information

Due to the initial and ongoing expenses associated with life insurance policies, these assets are not suitable for clients who expect to have a short-term liquidity need.

This information is not valid unless presented with the insurance company's (below right) NAIC compliant ledger and summary pages. Please refer to the summary pages for a full explanation of fees and expenses. This information is hypothetical and may not be used to predict specific results.

The life insurance policy (policy) illustrations that accompany this report may assume a variable loan interest rate for policy borrowing. Policy loans with a variable interest rate present a greater risk to the owner. The interest credited to the portion of the Accumulation Value securing the cumulative loan balance may be considerably lower or higher than the current loan interest rate. You should exercise caution when taking a policy loan with a variable interest rate.

Over time, the policy's actual non-guaranteed elements, and perhaps your actual use of the policy's options, are likely to vary from the assumptions used in this illustration. For these reasons, actual policy performance will be either more or less favorable than illustrated.

We require that you (participant and organization) consult your own accountants and attorneys as you review this information and prior to agreeing to move forward with this proposed arrangement. TRISCEND<sup>NP</sup>, LLLP is not responsible for the ultimate performance of the assets, accounting results, tax treatment, or any other outcome associated with this proposal.

This information is provided solely by TRISCEND<sup>NP</sup>, LLLP None of the insurance companies listed endorse or provide this information.

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#### Accumulation Policy:

Minnesota Life Insurance Company Eclipse Accumulator Indexed Universal Life, Form: 19-20204~ or ICC19-20204 Assumed Crediting Rate: 0.00% in Yr 1, 6.00% Yrs 2+

#### Repayment Policy:

Penn Mutual Life Insurance Company Accumulation IUL, Form: CA - Policy Form: PI-IFL-22-CA Assumed Crediting Rate: 0.00% in Yr 1, 6.00% Yrs 2+

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Report Prepared For: EMILY DURAN KERN HEALTH SYSTEMS.

> Report Propared on: 23 January 2025

> > Report No. VERSION 14

### **Emily Duran**

Kern Health Systems

Kristen Beall Watson, Chairperson Kern Health Systems

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## TRISCEND

То:	Emily Duran
From:	Harold D. Wright
Subject:	Penn Mutual TAMRA Acknowledgment Form
Date:	January 28, 2025

Your CAP-EX Program has been intentionally structured to include a Repayment Policy that is designed as a **Modified Endowment Contract (MEC)**. Using a MEC for the Repayment Policy increases plan efficiency and lowers your employer's capital requirements. Since <u>your Repayment Policy will not be borrowed against or accessed prior to death</u> this design will not affect your ability to access Accumulation Policy cash value on an advantaged basis during retirement (the Accumulation Policy is never designed as a MEC).

### What is a Modified Endowment Contract?

Under the Technical and Miscellaneous Revenue Act of 1988 (TAMRA) 7-pay test, a cash-value policy is classified as a MEC if premiums paid within the first seven years exceed the amount of premiums that would have been required to consider the policy paid-up in seven years.

### Tax Implications of a MEC

As with traditional life insurance policies, MEC death benefits are not subject to taxation. However, withdrawals from the policy may be taxed or incur a penalty depending on the timing of the withdrawal.

You will receive the attached letter and TAMRA Acknowledgment Form from Penn Mutual Life Insurance Company once they process the premium payment to your Repayment Policy. This notice is consistent with the design of your Program as TRISCEND<sup>NP</sup> intended for this policy to be classified as a MEC. The notice indicates that if you do not respond within 60 days, the policy will continue to be a MEC. **Please ignore the notice.** 

If you have any questions or would like additional information, please contact our office at 972-318-1110 or services@triscendnp.com.

1100 Parker Square Suite 245 Flower Mound, TX 75028 972-318-1110 services@triscendnp.com www.triscendnp.com © TRISCEND<sup>NP</sup> All Rights Reserved



Constant of Street,			
	15111		

**Questions? Contact your Financial Professional:** 

TRISCENDNP OF TEXAS LP 1231 CROSS TIMBERS RD FLOWER MOUND TX 75028 Phone: 972-318-1110

November 10, 2022



Dear Policy Owner:

### Your Attention is Requested:

Review this document carefully and file it with your policy correspondence. The purpose of this letter is to let you know that your policy is now considered a Modified Endowment Contract (MEC) due to either a contribution or a change in benefits.[1]. Please consult your tax or legal advisor for a more specific analysis of your individual situation.

The enclosed form needs to be completed and returned within 60 days of the mail date of this letter if you would like to reverse the MEC status of your policy. If we do not receive a returned acknowledgement within this timeframe we will assume that you are willing to have this policy fall into the Modified Endowment Contract classification. This classification cannot be changed at a future time.

Of course, you may choose to leave this policy as it exists today, thereby owning a Modified Endowment Contract. It may have been your intent to accumulate cash value within your policy under a MEC classification. If you would like to accept the MEC classification, please select it on the attached acknowledgement form.

If you have any questions, please contact your Financial Professional TRISCENDNP OF TEXAS LP at 972-318-1110. You may also contact Penn Mutual Client Services at 1-800-523-0650. Our representatives will be glad to assist you between 8:30 a.m. and 6:00 p.m. Eastern Time, Monday through Friday.

We thank you for allowing us to help you with your financial goals, and we look forward to continuing our relationship with you in the future.

Sincerely,

Helen S. Rei

Helen S. Rennie, ACS, FLMI Vice President, Service

[1] In general, MEC policies are subject to less favorable tax rules than non-MEC policies for federal income tax purposes. Penn Mutual, its subsidiaries, agents, or employees do not give tax or legal advice.

Penn Insurance and Annuity Company www.pennmutual.com

1012301028

## PennMutual.

### ☐ The Penn Mutual Life Insurance Company ☐ The Penn Insurance and Annuity Company

## TAMRA ACKNOWLEDGMENT FORM

Policy Information	ation				
Insured Name	(First)	(Middle)	(Last)	Policy Number	
Policy Instruc	tions				
	dge that b	<b>xcess Premium</b> by not requesting th	ne excess premium to be refu	nded, my policy will be a modified endowment	as
Increase M I understar Satisfactor	nd that this	s increase in my insu	rance coverage must be appli st also be submitted to Penn	ed for on forms that will be supplied by Penn Mu Mutual before the amount of insurance is chan	utual 1ged.
□ Refund the If your poli to the alloc	cy is a vari	iable life insurance j	policy, Penn Mutual will refur e premium was paid.	nd the excess premium on a pro-rata basis accor	rding
Signature(s)		1	Va		
Policyowner's	Signature	2	11.	Date (mm/dd/yyyy)	-
Additional Ow	/ner (if apj	plicable)	-12	Date (mm/dd/yyyy)	
Additional Ow	vner (if app	plicable)		Date (mm/dd/yyyy)	
Mailing Instru	ictions				
Return to:	P.O. Bo			Insurance and Annuity Company	

WHAT TO EXPECT

## **TRISCEND**<sup>NP</sup>

## ADMINISTRATION AND SERVICE

Once your program implementation is complete, you will be in the very capable hands of the TRISCEND<sup>NP</sup> Client Relations Department. Our "two client" philosophy ensures both the participant and the organization receive the highest level of service throughout the life of the program.

We describe below how TRISCEND<sup>NP</sup> will make sure your program stays on track:

- Complete and consistent data collection
- Experienced staff available to provide guidance for a broad scope of questions
- Focus on immediate, mid-term, and long-term administration

We believe keeping you informed is paramount to your program's success. Please find below an outline of what to expect during the life cycle of your program.

What to Expect	Timeline	<u>Party</u> <u>Responsible</u>	Actions Needed Meeting attendance. We encourage the attendance of the participant's financial advisor and family member as well.	
Introductory Meeting We will <u>meet</u> with the participant to review the program and answer any questions.	1 Month After Program Implementation	Participant		
Index Allocation Opportunity We will send an <u>email</u> communication to both the participant and the organization with an offer to reallocate funds within the policies.	60 Days Prior to Index Maturity	Participant & Organization	Contact us, or your financial advisor, to review your options.	
Annual Statement The insurance carrier(s) will send a <u>statement</u> outlining policy details.	Annually, starting 12 Months After Policy Issue			
Index Crediting The insurance carrier(s) will send a letter detailing the index crediting applied to the policies.	Annually, after index segments mature, usually about 13 Months After Policy Issue			
Annual Performance Update We will send a report in an <u>email</u> communication with the values and performance of the policies.	Annually, after index segments mature, usually about 13 Months After Policy Issue			
Annual Performance Meeting We will meet with the participant to review the performance of the policies.	Annually, usually about 2 Months After Each Policy Anniversary	Participant	Meeting attendance.	

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## WHAT TO EXPECT

## TRISCEND

What to Expect	Timeline	Party Responsible	Actions Needed
Participant's Tax Filing We will send the Written Representation in an email communication for the participant to include with their tax filing to the IRS Written Representation This document' signed by both the participant and organization, is included in the program agreement and must be filed with the IRS,	Cezempe: whire follow-up in Febriery.	Participant	Must be that to the IRS with the tax filing for years in which a spli- toliar lean is made. <b>MPORTANT:</b> Please note that <u>electronic filing</u> <u>may not be used</u> for the years in which the Written Representation is filed.
Finds deposited into a Premium Deposit Account (PDA) with the insurance definer earn interest and pay the annual policy premiums for a certain number of years (typically 5). If one or more of the oblictes includes a PCA, the insurance certer will send the participant or Form 1099 to be included with their tax filling to the IRS to veport the interest earned as income.	January/February	Participant	Must be files to the IPS with the lex filing for years in which interast to sames.
Participant Withdraws Funds from Bank Account If one or more of the policies include a PDA, then the program is designed to include funds sufficient to cover the participant's tax liability on the interest earned and reportable to the IRS as income. We will send an email communication to the participant and/or organization with a reminder that these funds are available for withdrawal from the Bank Account to cover the participant's tax liability.	December	Participant	Participant withdraws funds from the Bank Account setup at the implementation of the program.



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## WHAT TO EXPECT

## TRISCENDNP

What to Expect	Timeline	<u>Party</u> <u>Responsible</u>	Actions Needed
<b>Organization's Tax Filing</b> We will send an <u>email</u> communication to the organization with Form 990 guidelines (if applicable) and the <b>Written Representation</b> .	February/March	Organization	The organization uses guidelines to complete their Form 990 tax filing and must include the Written Representation with their tax filing for years in which a split- dollar loan is made.
Bank Account Values Request Because the funds in the Bank Account are reportable as an asset of the program, we will send an <u>email</u> communication to request the current value of the account.	End of Each Quarter	Participant or Organization	The individual designated as the primary contact for the Bank Account provides the current values.
Financial Reports We will send an <u>email</u> communication to the organization with a financial report used for accounting purposes.	End of Each Quarter	Organization	The organization uses this for its accounting purposes.

1

Welcome to the TRISCEND<sup>NP</sup> family - we look forward to serving you!

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## MEMORANDUM

Kern Health Systems Board of Directors
Traco Matthews, Chief Health Equity Officer
Report on KHS Health Equity Division
February 20, 2025

## **Background**

Through innovation, collaboration and strategic integration, Kern Family Health Care drove meaningful impact in 2024. With an 89 percent market share and a 97 percent retention rate, our commitment to quality care and engagement remained strong. Member engagement representatives conducted over 4,000 interactions and attended 128 events, reinforcing trust and accessibility.

The Health Equity Office advanced key initiatives, including regional advisory committees, SOGI training and CRM enhancements, with plans to expand reporting and streamline workflows. The Kern Health Equity Partnership strengthened community engagement, while grants and sponsorships exceeded \$1 million. Community Enrollment Navigators facilitated nearly 2,900 Medi-Cal renewals. We also engaged the doula network to train on becoming contracted KHS providers, streamlined onboarding, and launched a pilot program with Memorial Hospital to expand maternal health support.

Marketing efforts grew with a 26.6 percent increase in social media audience, 648 published posts and over 927,000 impressions. Strategic hires enhanced messaging and visual identity.

Looking ahead, provider network growth, employee development and community investment will continue driving health equity and access to care. Through collaboration and a shared vision, Kern Family Health Care remains committed to advancing community well-being.

## **Requested Action**

Receive and File.

KHS Board of Directors Meeting, February 20, 2025

## Chief Health Equity Officer End of Year Report

## Prepared for Board of Directors

FEBRUARY 20, 2025

116 / 604

### MARKETING

Kern Family Health Care maintained a dominant 89 percent market share in 2024, with a 75 percent choice rate, reflecting strong member trust. Marketing efforts led to a 26.6 percent net audience growth on social media, with 648 published posts generating 927,855 impressions and 114,097 engagements, achieving an impressive 12.3 percent engagement rate. The team expanded with a marketing and multimedia specialist and a temporary marketing coordinator, further enhancing outreach. By refining messaging and visual identity, Kern Family Health Care successfully strengthened its digital presence throughout the year.

### MEMBER ENGAGEMENT AND RETENTION

In 2024, Kern Family Health Care maintained a strong average monthly membership of 403,946, with a 97 percent retention rate, reflecting continued member trust and satisfaction. Member engagement representatives played a key role in outreach, conducting 3,083 in-field interactions and 899 in-office interactions while attending 128 community events. These efforts reinforced our commitment to providing personalized support and strengthening connections with our members.

## HEALTH EQUITY

Through innovation, collaboration and strategic integration, the Health Equity Office continues to drive meaningful change, keeping health care equity at the forefront of Kern Health Systems' mission. Ongoing efforts include regional advisory committees, SOGI training, CRM implementations and initiatives for children's health equity. Future plans focus on comprehensive reporting, streamlined workflows and expanded programs. In the community, the Kern Health Equity Partnership and regional initiatives support engagement and investment, with future strategies aimed at strengthening member outreach and reviewing community-based organization contracts.

For providers, the HEAL Committee, DEIB training and development programs enhance care delivery, with plans to expand networks and create a resource hub. Internally, DEIB and JEDI councils lead training and policy improvements, while future strategies focus on recruitment, retetention and culture development. These efforts reinforce Kern Health Systems' commitment to advancing equitable health care access and outcomes.

## COMMUNITY ENGAGEMENT

In 2024, Kern Family Health Care invested heavily in community engagement, awarding \$377,731 in community grants and \$622,216 in sponsorships. Board members dedicated 212 hours, valued at \$20,185, while staff contributed 1,862 gala hours and 872 health fair hours to support local initiatives. Additionally, 40 hours were spent on community presentations. Our Community Enrollment Navigators facilitated 2,859 Medi-Cal renewals, generating a return on investment of \$891,178.89, reinforcing our commitment to expanding access to care and supporting the well-being of Kern County residents.

## CLOSING REMARKS

As we look toward the future, Kern Family Health Care remains dedicated to fostering innovation, collaboration, and strategic integration to enhance care delivery, promote health equity, and strengthen community partnerships. Together, we will continue to drive impactful change, ensuring access to high-quality care for all those we serve.

## CHIEF HEALTH EQUITY OFFICER

## 2024 Board Report Out

February 20, 2025

(HS Board of Directors Mee

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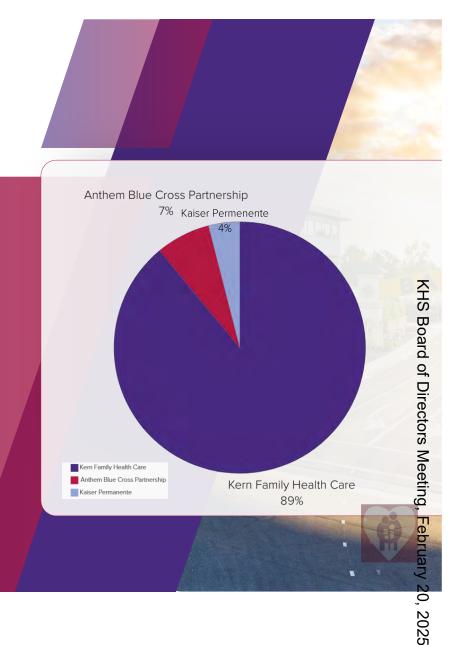
# NARKETING

## **Market Share**

Kern Family Health Care holds a dominant 89% market share.\*

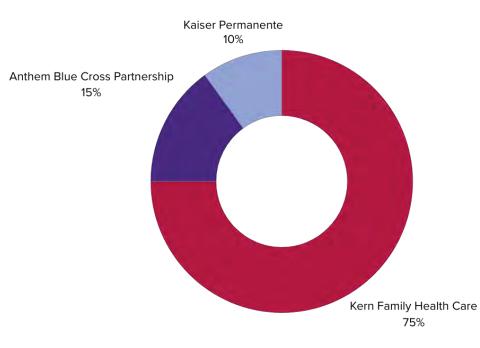
This position highlights the trust our members place in us and our ongoing commitment to serving the community.

\*Rates based from Jan. - Nov. 2024 | Waiting on DHCS for December rates for overall percentage of 2024





## Choice Rate\*



\*Rates based from Jan. - Nov. 2024 | Waiting on DHCS for December rates for overall percentage of 2024

Default Rate: 54% KFHC...46% Anthem Blue Cross...0% KP



## Marketing | Department and Social Media Growth

Expanded Team Marketing and Multimedia Specialist Marketing Coordinator (Temp) Net audience growth of over **26.6%** 



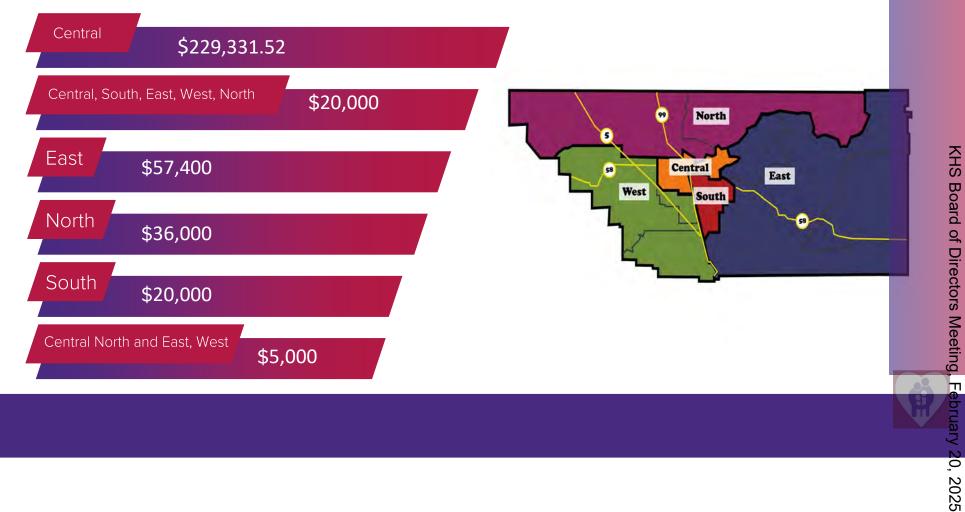


KHS Board of Directors Meeting, February 20, 2025

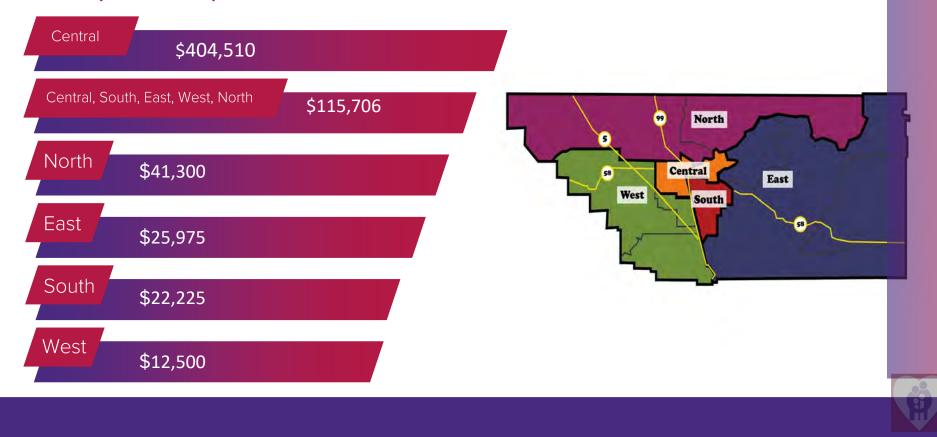
## COMMUNITY ENGAGEMENT

## \$377,731.52

## **Total Community Grants**



## \$622,216 Total Sponsorships







Total Individual MCAL Renewals 2,859

## MEMBER ENGAGEMENT

## Retention

## Monthly Average **Membership**

## +

97%

2024 Average Retention

KHS Board of Directors Meeting, February 20

Kern Family

Kern Fa Health

Monthly Average **Retention** 

## **ME** Representation

## In-Field Interactions **3,083**

In-Office Interactions **899** 

Events Attended 130

**2024** Interactions

S Board of Directors

## **ME Representation**

Areas with an ME Representative

Delano Shafter Taft Frazier Park Ridgecrest Lake Isabella Mojave

Events by Region 63 North | 14 West | 45 East | 8 Central



## 

## HEALTH EQUITY

RS

## Innovation | Integration | Impact

- Member Experience and Qualitative Data
- NCQA and Equity Programs
- Strategic Integration and Partnerships
- Cross-Departmental Collaboration
- DHCS Think Tank
- Health Equity and Quality Awards

Through innovation, collaboration and strategic integration, the Health Equity Office continues to drive impactful change, ensuring health care equity remains at the forefront of Kern Health Systems' mission.





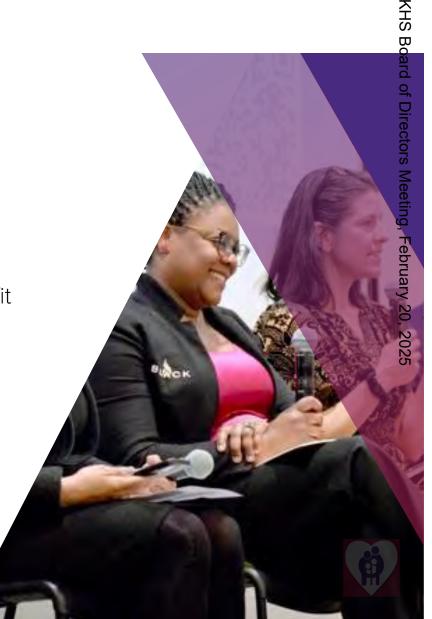
## Equitable Maternal Care: Doula Program Launch

## Impact

- Successfully established the doula program
- Onboarded 7 doulas to implement the new benefit
- Aligned with DHCS Bold Goals & CHP/CHA

## Highlights

- Engaged doula network to provide training on becoming a contracted KHS provider
- Streamlined onboarding process
- Launched pilot program in collaboration with Memorial Hospital



## Members

## ONGOING

- Regional Advisory Committee
- SOGI Training and Data Collecion
- CRM Implementations
- Collaboratives for Children's Health Equity



## FUTURE

- Comprehensive Reporting
- Streamlined Workflows
- Prioritizing Interventions
- Program Expansion

## Providers

## ONGOING

- Heal Committee
- Doula Network Expansion
- Health Equity and DEIB Training
- TGI Training



## FUTURE

- Practice and Service Expansion
- Network Expansion
- Provider Resource Hub

## Community

## ONGOING

- Regional Advisory Committees
- Kern Health Equity Partnership
- Regional Equity Initiatives





## FUTURE

- Community Engagement Strategy
- Member Engagement Framework
- Community Investment Framework
- Review of CBO Contracts

10, 2025

LACE'N IT UP

## Employees

## ONGOING

- DEIB/JEDI Councils
- Change Management Training
- Recruitment and Selection Policy
- Health Equity and DEIB Training
- TGI Training



## FUTURE

- Organizational Culture and Development Strategy
- Recruitment and Retention Program
- Training and Development
- Job Description Standardization



## CHIEF HEALTH EQUITY OFFICER

## 2024 Board Report Out

**(HS Board of Directors Mee** 

KHS Board of Directors Meeting, February 20, 2025



## HEALTH EQUITY

2024 END OF YEAR REPORT





## INNOVATION INTEGRATION IMPACT

In 2024, the Health Equity Office expanded efforts to drive meaningful change by amplifying member voices, strengthening partnerships and integrating equity across departments. These initiatives ensure a more inclusive and responsive health care system for Kern Health Systems members.

## Member Experience and Qualitative Data

- Expanded data collection through listening sessions, regional access meetings and member surveys.
- Restructured and established new committees to amplify member voices and inform service improvements.



### NCQA and Equity Programs

- Closed the year at 96 percent NCQA compliance.
- Hosted the Equity and Quality Awards to recognize health care equity leaders.
- Expanded the EPT program across 12 practices, investing up to \$26.2 million.

## Strategic Integration & Partnerships

- Advanced geospatial strategy, the HEO dashboard and community investments including PNM grants, school wellness grants and sponsorships.
- Strengthened educational and regional partnerships such as workforce pipeline, quality performance, behavioral health, KHEP, BIMHI and CHIP/CHA.

## **Cross-Departmental Collaboration**

• Impact: Successfully established Doula program and onboarded 7 doulas implementing new benefit in line with DHCS Bold Goals and CHP/CHA (provider domain)



- Quality and provider support: Enhanced provider training, the HEAL program and language access tools.
- Community and wellness initiatives: Expanded community wellness grants, and improved member services outreach.
- Workforce and communications: Integrated NCQA goals into HR processes, launched the JEDI and mentorship programs, and refined equity-driven messaging.

Through innovation, collaboration and strategic integration, the Health Equity Office continues to drive impactful change, ensuring health care equity remains at the forefront of Kern Health Systems' mission.





## 2024 HIGHLIGHTS

## Advancing Health Equity Across Kern County

The Health Equity Office (HEO) at Kern Health Systems achieved major milestones in 2024, driving health equity and inclusivity across its four domains: members, providers, community and employees. Through strategic initiatives and partnerships, the HEO made strides toward building a more equitable healthcare landscape.



- Expanded data collection: Added sexual orientation and gender identity (SOGI) fields to QNXT and the member portal to support inclusive engagement.
- Health equity sessions: Hosted listening sessions in five Kern County regions, connecting with members, providers and community partners.

## Providers

- HEAL Committee launch: Formed the Health Equity and Learning (HEAL) Committee to advance equity initiatives in the KFHC network.
- Cultural competency training: Hosted training addressing intimate partner violence in South Asian communities.
- Engaged the doula network to train on becoming contracted KHS providers, streamlined onboarding, and launched a pilot program with Memorial Hospital.



## Community

- CAC revitalization: Restructured the Community Advisory Committee to meet regulations and improve feedback quality.
- Grants program: Collaborated to develop, market and evaluate the 2024 community grants program.

## Employees

- DEIB survey: Launched a diversity, equity, inclusion and belonging survey to meet NCQA standards.
- Workforce demographics: Partnered with HR to assess workforce data and launched a redesigned employee engagement survey.
- Goal setting: Implemented a structured goal-setting process to foster growth.

## CELEBRATING EXCELLENCE IN HEALTH EQUITY

Kern Health Systems hosted its inaugural Health Equity & Quality Awards, honoring local providers and community partners for their dedication to reducing health disparities and improving care. Held at Seven Oaks and hosted by Chief Health Equity Officer Traco Matthews, the event celebrated the collective efforts shaping a healthier Kern County. Matthews praised the honorees for their impact, emphasizing the importance of collaboration in advancing health equity.

#### Award Winners

- Innovation Award Clinica Sierra Vista
- Quality Progress Award Vanguard Medical Corporation
- Outstanding Health Equity Champion Dr. Kimberly Dixon
- Quality Excellence Award Shafter Pediatrics
- Community Collaboration Award Kern County Department of Human Services
- Community Impact Award Community Action Partnership of Kern
- Educational Partnership Award Lamont Elementary School District

The evening highlighted the power of partnerships, innovation and excellence, reinforcing KHS' mission of health and equity for all.

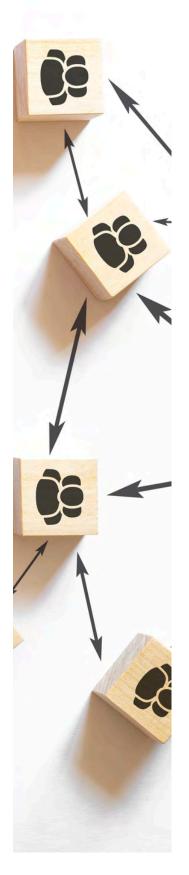


# **CONTINUING THE WORK**: PROGRESS AND PLANS FOR THE FUTURE

As we reflect on the progress made in 2024, Kern Health Systems remains committed to its mission of health and equity for all. Guided by our values of equity, collaboration and innovation, we are laying the groundwork for initiatives that will further support our members, providers, community and employees. With a focus on inclusivity, compassion and excellence, we are advancing projects that address emerging needs and prepare us for a future where equitable healthcare is accessible to all. The following outlines our ongoing efforts and aspirations for each pillar.







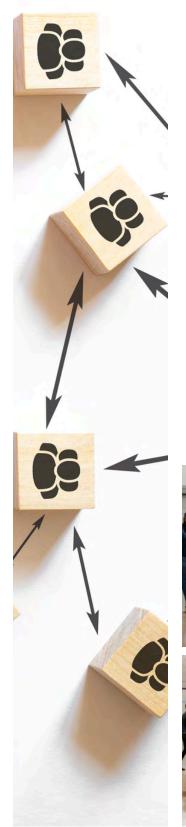
# **MEMBERS** Enhancing Equity and Addressing Barriers

### **Ongoing Efforts**

- Regional Advisory Committees (RACs): Established RACs to gather actionable feedback from members and communities, focusing on geographic perspectives and barriers to care. Insights will guide the development of programs, initiatives and training.
- **SOGI training and data collection:** Implementing training and processes for collecting sexual orientation and gender identity data in alignment with NCQA health equity standards.
- **CRM implementation:** Enhancing member experience by incorporating a customer relationship management (CRM) system. Features include visible preferred names, pronouns and other key information on initial screens to ensure members are addressed appropriately.
- Collaboratives for children's health equity: Participating in the IHI/DHCS Children's Health Equity Collaborative and the ACAP Equity Learning Collaborative to advance initiatives focused on improving care for children.







## **MEMBERS** Enhancing Equity and Addressing Barriers

### **Future Goals**

- **Comprehensive reporting:** Develop a detailed report cataloging all health equity-related programs and interventions to better inform future initiatives.
- **Streamlined workflows:** Enhance organizational workflows to improve the effectiveness of interventions, with a focus on member and community engagement.
- **Prioritizing interventions:** Create a formal process to identify and prioritize health equity interventions based on impact and need.
- **Program expansion:** Broaden the scope of current and future health equity programs and interventions led by the Health Equity Office.





# **PROVIDERS** Empowering Equity in Health Care Delivery

### **Ongoing Efforts**

- Equity Practice Transformation (EPT): Supported 12 practices with up to \$26.2 million in funding to improve timely access to treatment.
- HEAL Committee: Launched the Health Equity and Learning (HEAL) Committee to gather feedback from providers on health equity challenges and inform the development of training, programs and support.
- **Training and development:** Identified, developed and promoted professional development opportunities to enhance providers' knowledge and skills in delivering equitable care.
- **Compliance Training Development:** Designed and developed curriculum for 2025 launch to meet APL requirements, ensuring providers receive training on health equity and transgender, gender-diverse, and intersex (TGI) care.





# **PROVIDERS** Empowering Equity in Health Care Delivery

#### **Future Goals**

- **Practice and service expansion:** Explore opportunities for providers to expand services and access, supporting health equity initiatives and addressing underserved populations.
- **Training and development program:** Establish a robust, engaging provider training program with regular course offerings and tools for practice transformation.
- Network expansion: Identify and assess opportunities to expand the provider network to ensure equitable care for underserved communities.
- **Provider resource hub:** Develop a centralized hub with training materials, guides, templates and best practices to support the provider network.





# **COMMUNITY** Strengthening Partnerships and Engagement

### **Ongoing Efforts**

- **Regional Advisory Committees (RACs):** Launched RACs to gather actionable feedback from members and communities, focusing on lived experiences and barriers to care to guide the development of programs, initiatives and training.
- Kern Health Equity Partnership (KHEP): Advanced collaboration and compliance under APL 24-004 to address equity-related challenges across Kern County.
- **Regional equity initiatives:** Supported equity-focused projects throughout Kern County to build capacity, share expertise and foster stronger community partnerships, aligning with APL 24-004.





# **COMMUNITY** Strengthening Partnerships and Engagement

#### **Future Goals**

- **Community engagement strategy:** Develop and implement a comprehensive framework that includes an Educational Partnership Strategy to co-create health-focused initiatives.
- **Member engagement framework:** Establish a robust strategy to enhance connections and engagement with members.
- **Community investment framework:** Design and launch a framework to guide strategic community investments.
- **Review of CBO contracts:** Conduct an organization-wide evaluation of contracts with community-based organizations to ensure equitable and effective allocation of resources.



# **EMPLOYEES** Fostering Equity and Excellence in the Workforce

#### **Ongoing Efforts**

- Employee Engagement and DEIB Surveys: Revamped and launched the Employee Engagement Survey and DEIB Survey to gather valuable insights on workplace culture and employee satisfaction.
- **DEIB/JEDI Committee launch:** Established the Diversity, Equity, Inclusion, and Belonging (DEIB) Committee in alignment with NCQA Health Equity standards.
- Change management training: Implemented training programs focused on managing organizational change to support a culture of equity and inclusion.
- **Recruitment and selection policy:** Developed and refined policies and procedures for recruitment and selection, ensuring alignment with NCQA Health Equity standards.
- Compliance and Health Equity Training: Designed and developed curriculum for 2025 launch to meet APL requirements, ensuring employees receive training on health equity, TGI care and DEIB to support organizational equity initiatives.





# **EMPLOYEES** Fostering Equity and Excellence in the Workforce

#### **Future Goals**

- Organizational culture and development strategy: Co-design and implement a formal strategy with HR to strengthen KHS's organizational culture and development practices.
- **Recruitment and retention program:** Collaborate with the HR Talent Acquisition team to build and implement a comprehensive recruitment and retention program.
- Training and development opportunities: Partner with HR's Learning & Development team to create robust training programs that promote organizational excellence.
- Job description standardization: Work with HR to standardize job descriptions, language, format, and education/experience requirements in alignment with NCQA health equity standards.



# LOOKING AHEAD: CONTINUING OUR COMMITMENT TO HEALTH AND EQUITY

As we reflect on the strides made throughout 2024, it is clear that our work is driven by a deep commitment to advancing health equity and creating a more inclusive environment for our members, providers, community, and employees. With continued focus on collaboration, innovation, and integrity, we are excited to build on these efforts in the coming year. By strengthening partnerships, enhancing programs, and prioritizing equitable access to care, we are confident in our ongoing progress toward a healthier, more equitable future for all.





## MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Robert Landis, Chief Financial Officer
SUBJECT:	Quarterly Review of Kern Health Systems Investment Portfolio
DATE:	February 20, 2025

#### **Background**

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

- Preservation of principal
- Liquidity
- Yield

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

#### Short-Term Portfolio (Under 1 year)

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

#### Long-Term Portfolio (1-5 years)

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

#### **Requested Action**

Receive and File.

#### Kern Health Systems Investment Portfolio December 31, 2024

#### Short Term Portfolio (under 1 year)

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

Description			Doll	ar Amount	<u>% of Portfolio</u>	Maximum Allowed Per Policy	Approximate Current Yield	Liquidity	Principal Fluctuation
Wells Fargo - Cash and Sweep Accounts		(1)	\$	11,600,000	1.87%	100%	3.00%	1 Day	None
Money Market Accounts	(A)	(1)	\$	60,000,000	9.66%	40%	4.25%	1 Day	None
Local Agency Investment Fund (LAIF)	(B)	(2)	\$	15,100,000	2.43%	50%	4.43%	2 Days	None Subject to Interest Rate
US T-Bills & Federal Agencies at Wells Fargo		(1)	\$	299,800,000	48.28%	100%	4.39%	1 Day	Fluctuations Subject to Interest Rate and Credit
KHS Managed Portfolio at Wells Fargo Sub-Total	(C)	(1)	\$ \$	5,000,000 391,500,000	0.81%	-	4.00%	3 Days	Fluctuations

#### 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)	\$ 75,200,000	12.11%	4.64%	3 Days	Subject to Interest Rate and Credit Fluctuations
						Subject to Interest Rate and Credit
KHS Managed Portfolio at Wells Fargo	(C)	\$ 154,300,000	24.85%	4.99%	3 Days	Fluctuations
Sub-Total		\$ 229,500,000	36.96%	4.88%		
Total Portfolio		\$ 621,000,000	100.00%	4.53%		

		Yield Curve		
		AA Corporate	A Corporate	
Yield Curve	Treasuries	Bonds	Bonds	CD's
l year	4.26%	4.45%	4.58%	4.05%
2 year	4.34%	4.40%	4.53%	4.00%
3 year	4.46%	4.48%	4.64%	4.00%
5 year	4.57%	4.68%	4.85%	4.00%

(A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.

(B) LAIF is part of a \$155.4 Billion Pooled Money Investment Account managed by the State Treasurer of CA.

Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.

(C) High quality diversified portfolio comprising Federal Agency Securities

(D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.

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

(2) Funds are primarily utilized to fund various Grant Programs and 2024 capital projects.



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

Financial Advisor THE COHEN GROUP 6616633200

Additional Information About Your Portfolio. 15 

## **UBS** Client Review

As of December 31, 2024

Report Prepared for: Kern Health Systems

Account Number	Account Name	Туре	What's inside	
EX XX120	BOND PORTFOLIO	Portfolio Management Program	Portfolio Review.	2
Risk profile:	Conservative		Asset Allocation by Account.	5
Return Objective:	Current Income		Asset Allocation Review.	6
			Bond Summary	7
			Bond Holdings.	8



#### Portfolio Review as of December 31, 2024

#### **Asset Allocation Review**

	Value on 12/31/2024 (\$)	% of Portfolio	
A Cash	6,470,425.54	8.61	
Cash	6,470,425.54	8.61	
US	6,470,425.54	8.61	
B Fixed Income	68,714,998.26	91.39	
US	68,714,998.26	91.39	
Corporate IG Credit	68,714,998.26	91.39	
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	\$75,185,423.80	100%	

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

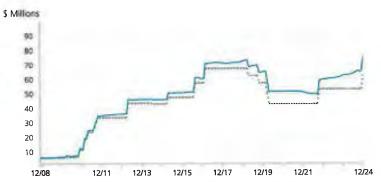
#### **Portfolio Value and Investment Results**

	Perfor	mance returns (	annualized > 1	year)
	For period of 12/31/2023 to 03/31/2024	For period of 03/31/2024 to 06/30/2024	For period of 06/30/2024 to 09/30/2024	For period of 09/30/2024 to 12/31/2024
Opening value	62,402,938.86	62,895,406.00	63,601,164.94	65,503,752.18
Net deposits/withdrawals	-25,050.42	-25,095.35	-25,666.42	9,973,239.79
Div./interest income	421,229.60	519,189.05	553,556.45	535,580.72
Change in accr. interest	56,068.46	17,098.99	63,564.72	42,526.85
Change in value	40,219.50	194,566.25	1,311,132.50	-869,675.75
Closing value	62,895,406.00	63,601,164.94	65,503,752.18	75,185,423.80
Net Time-weighted ROR	0.79	1.12	2.99	-0.48

Net deposits and withdrawals include program and account fees.

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

#### **Sources of Portfolio Value**



----- Market Value ---- Net amount you invested (net of fees)

#### Summary of Gains and Losses

	Short term (\$)	Long term (\$)	Total (\$)
2023 Realized gains and losses	3,782.26	1,382.00	5,164.26
Taxable	3,782.26	1,382.00	5,164.26
Tax-Deferred	0.00	0.00	0.00
2024 Year to date	25,376.54	133,272.58	158,649.12
Taxable	25,376.54	133,272.58	158,649.12
Tax-Deferred	0.00	0.00	0.00

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

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



## Portfolio Review

as of December 31, 2024 (continued)

#### **Expected Cash Flow**



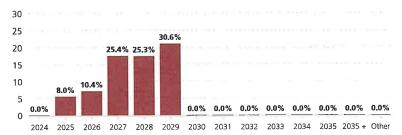
📕 Taxable income

Total taxable income: \$3,076,143.50 Total expected cash flow: \$3,076,143.50 Cash flows displayed account for known events such as maturities and mandatory puts.

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

#### **Bond Maturity Schedule**

\$ Millions



#### Effective maturity schedule

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

#### **Equity Sector Analysis**

Compared to S&P 500 index	Value on 12/31/2024 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	10.18	-10.18
Consumer Discretionary	0.00	0.00	12.03	-12.03
Consumer Staples	0.00	0.00	6.26	-6.26
Energy	0.00	0.00	3.29	-3.29
Financials	0.00	0.00	13.42	-13.42
Health Care	0.00	0.00	10.84	-10.84
Industrials	0.00	0.00	7.89	-7.89
Information Technology	0.00	0.00	29.42	-29.42
Materials	0.00	0.00	1.93	-1.93
Real Estate	0.00	0.00	2.14	-2.14
Utilities	0.00	0.00	2.22	-2.22
Total classified equity Unclassified Securities	<b>\$0.00</b> 0.00			

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

# **WBS**

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

Portfolio Review as of December 31, 2024 (continued)

### Summary of Performance by Account

		Performance Value on start date 12/31/2024 (\$) p			Performance returns (annualized > 1 year)				
				% of portfolio		For period of 12/31/2023 to 03/31/2024	For period of 03/31/2024 to 06/30/2024	For period of 06/30/2024 to 09/30/2024	For period of 09/30/2024 to 12/31/2024
EX XX120	BOND PORTFOLIO•PMP•Ira Cohen / Jason Cohen Fixed Income Risk profile: Conservative	Dec 08, 2008	75,185,423.80	100.00%	Net time-weighted	0.79%	1.12%	2.99%	-0.48%
	Return objective: Current Income								
Total Port	otal Portfolio		\$75,185,423.80	100%	Net time-weighted	0.79%	1.12%	2.99%	-0.48%
Benchmar	ks - Annualized time-weighted returns					For period of 12/31/2023 to 03/31/2024	For period of 03/31/2024 to 06/30/2024	For period of 06/30/2024 to 09/30/2024	For period of 09/30/2024 to 12/31/2024
Blended In	dex				1	0.59%	1.00%	3.05%	0.07%
Blended In	dex 2					0.93%	1.16%	2.30%	0.61%
US Treasur	y Bill - 3 Mos					1.32%	1.34%	1.36%	1.19%
BBG US AG	ig (1-3 Y)					0.45%	0.95%	2.96%	-0.02%
S&P 500						10.56%	4.28%	5.89%	2.41%

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

Report created on: January 28, 2025

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

# Asset Allocation by Account as of December 31, 2024

	 Cash (\$/%)	Equ	ities (\$/%)		Fixed	Income (\$/%)					
		U.S.	Global	International	U.S.	Global	International	Non-Traditional (\$/%)	Commodities (\$/%)	Other (\$/%)	Total
	6,470,425.54	0.00	0.00	0.00	68,714,998.26	0.00	0.00	0.00	0,00	0.00	\$75,185,423.80
Total Portfolio	8.61	0.00	0.00	0.00	91.39	0.00	0.00	0.00	0.00	0.00	100%
	6,470,425.54 8.61	0.00 0.00	0.00 0.00	0.00 0.00	68,714,998.26 91.39	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	\$75,185,423.80 100.00%

EX XX120 . BOND PORTFOLIO . BSA PMP

Risk profile: Conservative Return objective: Current Income

	Cash (\$/%)	Equ	ities <b>(\$</b> /%)		Fixed	d Income (\$/%)					
		U.S.	Global	International	U.S.	Global	International	Non-Traditional (\$/%)	Commodities (\$/%)	Other (\$/%)	Total
	6,470,425,54	0.00	0.00	0.00	68,714,998.26	0.00	0.00	0.00	0.00	0.00	\$75,185,423.80
Total Portfolio	8.61	0.00	0.00	0.00	91.39	0.00	0.00	0.00	0.00	0.00	100%

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

# **WBS**

# Asset Allocation Review as of December 31, 2024

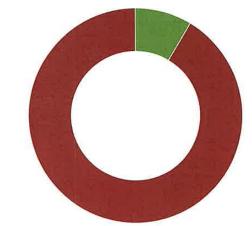
### **Summary of Asset Allocation**

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

	Market value (\$)	% of Portfolio
Cash	6,470,425.54	8.61
Cash	6,470,425.54	8.61
US	6,470,425.54	8.61
Fixed Income	68,714,998.26	91.39
US	68,714,998.26	91.39
Corporate IG Credit	68,714,998.26	91.39
Equity	0.00	0.00
Commodities	0.00	0.00
Non-Traditional	0.00	0.00
Other	0.00	0.00
Total Portfolio	\$75,185,423.80	100%

Total Value: \$75,185,423.80

🔳 Cash 8.61% US Fixed Income 91.39%



KHS Board of Directors Meeting, February 20, 2025

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

Accrued interest, if any, has been included in the total market value. Report created on: January 28, 2025



# Bond Summary as of December 31, 2024

#### **Bond Overview**

Average effective maturity	3.03
Average modified duration	2.73
Average yield to worst	4.64%
Average yield to maturity	4.64%
Average current yield	4.05%
Average coupon	4.00%
Total estimated annual bond interest	\$2,755,143.50
Total market value plus accrued interest	\$68,714,998.26
Total accrued interest	\$698,816.26
Total market value	\$68,016,182.00
Total quantity	68,925,000

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

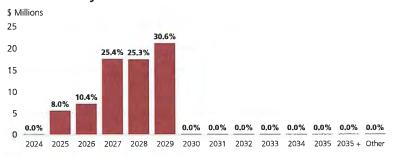
#### **Investment Type Allocation**

Total	\$68,714,998.26	\$0.00	\$68,714,998.26	100%
U.S. corporates	68,714,998.26	0.00	68,714,998.26	100.00
Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.

#### **Credit Quality of Bond Holdings**

F Certificate of deposit     G Not rated	0 0 0	0.00 0.00 0.00	0.00 0.00 0.00
	0	0.00	
L Non-investment grade			0.00
E Non-investment grade	0	0.00	
D Baa/BBB/BBB	0	0.00	0.00
C A/A/A	35	58,025,872.77	84.46
B Aa/AA/AA	8	10,689,125.49	15.54
A Aaa/AAA/AAA	0	0.00	0.00
Effective credit rating Issu	Jes	Value on 12/31/2024 (\$)	% of port.

#### **Bond Maturity Schedule**



#### Effective maturity schedule

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

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

🗱 UB	C
STO UD	J

# Bond Holdings as of December 31, 2024

#### Summary of Bond Holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturin
2024	0	0			N/A	N/A	N/A				
2025	3	5,500,000	186,000.00	3.39%	4.76%	4.76%	0.23	5,504,075.5	-17,287.50	5,565,063.00	8.07%
2026	5	7,250,000	234,687.50	3.30%	4.60%	4.60%	1.38	6,914,928	194,146.50	7,165,583.87	10.45%
2027	13	17,675,000	644,641.25	3.72%	4.46%	4.46%	2.39	17,202,831.76	133,904.99	17,507,344.25	25,49%
2028	10	17,525,000	725,733.50	4.21%	4.66%	4.66%	3.13	17,293,346.55	-60,093.55	17,415,234.81	25.34%
2029	12	20,975,000	964,081.25	4.62%	4.75%	4.75%	3.79	20,782,591.86	67,737.89	21,061,772.32	30.65%
2030	0	0			N/A	N/A	N/A				
2031	0	0			N/A	N/A	N/A				
2032	0	0			N/A	N/A	N/A				
2033	0	0			N/A	N/A	N/A				
2034	0	0			N/A	N/A	N/A				
2035	0	0			N/A	N/A	N/A				
2036	0	0			N/A	N/A	N/A				
2037	0	0			N/A	N/A	N/A				
2038	0	0			N/A	N/A	N/A				
2039	0	0			N/A	N/A	N/A				
2040	0	0			N/A	N/A	N/A				
2041	0	0			N/A	N/A	N/A				
2042	0	0			N/A	N/A	N/A				
2043	0	0			N/A	N/A	N/A				
2044	0	0			N/A	N/A	N/A				
2045	0	0			N/A	N/A	N/A				
2046	0	0			N/A	N/A	N/A				
2047	0	0			N/A	N/A	N/A				
2048	0	0			N/A	N/A	N/A				
2049	0	0			N/A	N/A	N/A				
2049 +	0	0			N/A	N/A	N/A				
Other	0	0		_	N/A	N/A	N/A				
Total	43	68,925,000	\$2,755,143.50	4.05%	4.64%	4.64%	2.73	\$67,697,773.67	\$318,408.33	\$68,714,998.26	

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

Report created on: January 28, 2025

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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 December 31, 2024 (continued)

### **Details of Bond Holdings**

Details of Dona												
	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		68,925,000	4.00%	01/11/2028	N/A	\$2,755,143.50 4.05%	4.64% 4.64%	2.73\$	67,697,773.67 \$318,408.33	N/A	\$68,016,182.00 \$698,816.26 \$68,714,998.26	100%
	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2025												
JPMORGAN CHASE & CO B/ 03.125% 012325 DTD012315 FC072315	e A1/AA-/A NR/NR/NR	2,400,000	3.13%	01/23/2025		75,000.00 3.13%	4.85% 4.85%	0.06	2,403,215.68 -5,831.68	99.891	2,397,384.00 32,916.67	3.52%
BK OF NY MELLON CORP B/ 03.000% 022425 DTD022415 FC082415	E Aa3/AA-/A NR/NR/NR	1,300,000	3.00%	02/24/2025	01/24/2025 100.00	39,000.00 3.01%	4.63% 4.63%	0.14	1,302,659.82 -5,857.82	99.754	1,296,802.00 13,758.33	1.91%
MORGAN STANLEY B/E 04.000% 072325 DTD072315 FC012316 CALL@MW+25BP	A1/A+/A- NR/NR/NR	1,800,000	4.00%	07/23/2025		72,000.00 4.02%	4.75% 4.75%	0.53	1,798,200.00 -5,598.00	99.589	1,792,602.00 31,600.00	2.64%
Total 2025		5,500,000	3.38%	03/31/2025		\$186,000.00 3.39%	4.76% 4.76%	0,23	\$5,504,075.50 \$-17,287.50		\$5,486,788.00 \$78,275.00	8.07%
	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
LOCKHEED MARTIN CORP B/E 03.550% 011526 DTD112315 FC071516 CALL@MW+20BP	A2/A/A- NR/NR/NR	1,500,000	3.55%	01/15/2026	10/15/2025 100.00	53,250.00 3.58%	4.51% 4.51%	0,99	1,445,685.00 39,870.00	99.037	1,485,555.00 24,554.17	2.18%
BANK OF AMER CORP NTS 03.500% 041926 DTD041916 FC101916 B/E	A1/AA-/A- NR/NR/NR	1,650,000	3.50%	04/19/2026		57,750.00 3.55%	4.70% 4.70%	1.24	1,581,525.00 43,741.50	98.501	1,625,266.50 11,550.00	2.39%
PROLOGIS NTS B/E 03.250% 063026 DTD063022 FC123022 CALL@MW+30B	NR/NR/NR	1,250,000	3.25%	06/30/2026	03/30/2026 100.00	40,625.00 3.31%	4.54% 4.54%	1.44	1,183,125.00 43,725.00	98.148	1,226,850.00 0.00	1.80%

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

Report created on: January 28, 2025



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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 December 31, 2024 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
ARCHER-DANIELS-MIDL& CO 02.500% 081126 DTD081116 FC021117 CALL@MW+15BP	d A2/A/A NR/NR/NR	1,500,000	2.50%	08/11/2026	05/11/2026 100.00	37,500.00 2.59%	4.68% 4.68%	1,53	1,425,765.00 24,015.00	96.652	1,449,780.00 14,583.33	2.13%
WALT DISNEY COMPANY/THE 03.375% 111526 DTD111519 CALL@MW+20BP	A2/A-/A NR/NR/NR	1,350,000	3.38%	11/15/2026	08/15/2026 100.00	45,562.50 3.45%	4.56% 4.56%	1.78	1,278,828.00 42,795.00	97.898	1,321,623.00 5,821.88	1.94%
Total 2026		7,250,000	3.24%	06/13/2026		\$234,687.50 3.30%	4.60% 4.60%	1.38	\$6,914,928.00 \$194,146.50		\$7,109,074.50 \$56,509.37	10.45%
	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2027												
MORGAN STANLEY B/E 03.625% 012027 DTD012017 FC072017	A1/A+/A- NR/NR/NR	1,000,000	3.63%	01/20/2027	11/15/2026 100.00	36,250,00 3.69%	4.56% 4.56%	1.92	913,100.00 68,810.00	98.191	981,910.00 16,211.81	1.44%
IBM CORP B/E 03.300% 012727 DTD012717 FC072717 CALL@MW+15B	A3/A-/A- NR/NR/NR P	1,100,000	3.30%	01/27/2027		36,300.00 3.39%	4.62% 4.62%	1.94	1,060,532.00 10,989.00	97.411	1,071,521.00 15,528.33	1.58%
COCA-COLA CO NTS B/E 03.375% 032527 DTD032520 FC092520 CALL@MW+40BP	A1/WD/A+ NR/NR/NR	1,675,000	3.38%	03/25/2027	01/25/2027 100.00	56,531.25 3.45%	4.35% 4.35%	2.10	1,644,582.00 -4,204.25	97.933	1,640,377.75 15,075.00	2.41%
AMAZON.COM INC NTS B/E 03.300% 041327 DTD041322 FC101322 CALL@MW+10BP	A1/AA-/AA NR/NR/NR	1,000,000	3.30%	04/13/2027	03/13/2027 100.00	33,000.00 3.38%	4.41% 4.41%	2.15	942,880.00 33,230.00	97.611	976,110.00 7,150.00	1.44%
QUALCOMM INC NTS B/E 03.250% 052027 DTD052617 FC112017 CAL @MW+20BP	A2/NR/A NR/NR/NR L	1,000,000	3.25%	05/20/2027	02/20/2027 100.00	32,500.00 3.34%	4.48% 4.48%	2.25	967,941.00 4,569.00	97.251	972,510.00 3,701.39	1.43%
ELI LILLY & CO NTS B/E 04.150% 081427 DTD081424 FC021425 CALL@MW+07BP	A1/NR/A+ NR/NR/NR	1,500,000	4.15%	08/14/2027	07/14/2027 100.00	62,250.00 4.17%	4.37% 4.37%	2.41	1,505,419.97 -13,654.97	99.451	1,491,765.00 23,689.58	2.19%

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

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#### EX XX120 • BOND PORTFOLIO • Portfolio Management Program Prepared for Kern Health Systems Risk profile: Conservative

Return Objective: Current Income

# Bond Holdings as of December 31, 2024 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2027 META PLATFORMS INC NTS	Aa3/NR/AA-	1,500,000	3.50%	08/15/2027	07/15/2027	52,500.00	4.41%	2.44	1,446,825.00	97.763	1,466,445.00	2.16%
03.500% 081527 DTD080922 FC021523 CALL@MW+15BP	NR/NR/NR				100.00	3.58%	4.41%		19,620.00		19,833.33	
WALMART INC NTS B/E 03.950% 090927 DTD090922 FC030923 CALL@MW+10BP	Aa2/AA/AA NR/NR/NR	2,000,000	3.95%	09/09/2027	08/09/2027 100.00	79,000.00 3.99%	4.33% 4.33%	2.49	1,984,580.00 -3,960.00	99.031	1,980,620.00 24,577.78	2.91%
CATERPILLAR FINL SERVICE 04.400% 101527 DTD081624 CALL@MW+10BP	A2/A+/A NR/NR/NR	1,200,000	4.40%	10/15/2027		52,800.00 4.42%	4.55% 4.55%	2.57	1,208,883.79 -13,623.79	99.605	1,195,260.00 11,146.67	1.76%
PEPSICO INC NTS B/E 03.000% 101527 DTD101017 FC041518 CALL@MW+15BP	A1/WD/A+ NR/NR/NR	2,100,000	3.00%	10/15/2027	07/15/2027 100.00	63,000.00 3.12%	4.43% 4.43%	2.61	2,046,975.00 -25,284.00	96.271	2,021,691.00 13,300.00	2.97%
BANK OF AMER CORP 03.248% 102127 DTD102116 FC042117 CALL@MW+25BP	A1/AA-/A- NR/NR/NR	2,000,000	3.25%	10/21/2027	10/21/2026 100.00	64,960.00 3.37%	4.64% 4.64%	2.62	1,891,000.00 36,380.00	96.369	1,927,380.00 12,631.11	2.83%
THERMO FISHER SCIENTIFIC 04.800% 112127 DTD112122 CALL@MW+15BP	A3/A-/A- NR/NR/NR	1,100,000	4.80%	11/21/2027	10/21/2027 100.00	52,800.00 4.76%	4.52% 4.52%	2.57	1,096,733.00 11,374.00	100.737	1,108,107.00 5,866.67	1.63%
AMAZON.COM INC NTS B/ 04.550% 120127 DTD120122 FC060123 CALL@MW+10BP	e A1/AA-/AA NR/NR/NR	500,000	4.55%	12/01/2027	11/01/2027 100.00	22,750.00 4.52%	4.32% 4.32%	2.61	493,380.00 9,660.00	100.608	503,040.00 1,895.83	0.74%
Total 2027		17,675,000	3.65%	07/28/2027		\$644,641.25 3.72%	4.46% 4.46%	2.39	\$17,202,831.76 \$133,904.99		\$17,336,736.75 \$170,607.50	25.49%

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

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

# Bond Holdings as of December 31, 2024 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2028								_				
ECOLAB INC NTS B/E 05.250% 011528 DTD111722 CALL@MW+15BP	A3/A-/A- NR/NR/NR	1,000,000	5.25%	01/15/2028	12/15/2027 100.00	52,500.00 5.15%	4.58% 4.57%	2.71	1,008,221.64 10,438.36	101.866	1,018,660.00 24,208.33	1.50%
BRISTOL-MYERS SQUIBB CC 03.900% 022028 DTD022020 FC082020 CALL@MW+20BP	) A2/WD/A NR/NR/NR	2,000,000	3.90%	02/20/2028	11/20/2027 100.00	78,000.00 3.98%	4.63% 4.63%	2.87	1,938,170.00 19,570.00	97.887	1,957,740.00 28,383.33	2.88%
KENVUE INC NTS B/E 05,050% 032228 DTD092223 FC032224 CALL@MW+15BP	A1/NR/A NR/NR/NR	500,000	5.05%	03/22/2028	02/22/2028 100.00	25,250.00 4.99%	4.65% 4.64%	2.82	499,325.00 6,560.00	101.177	505,885.00 6,943.75	0.74%
SALESFORCE.COM INC NTS 03.700% 041128 DTD041118 FC101118 CALL@MW+15BP	A1/NR/A+ NR/NR/NR	2,000,000	3.70%	04/11/2028	01/11/2028 100.00	74,000.00 3.80%	4.57% 4.57%	3.02	1,959,650.00 -12,290.00	97.368	1,947,360.00 16,444.44	2.86%
GENERAL DYNAMICS CORI 03.750% 051528 DTD051118 FC111518 CALL@MW+15BP	D A2/WD/A NR/NR/NR	2,000,000	3.75%	05/15/2028	02/15/2028 100.00	75,000.00 3.86%	4.69% 4.69%	3.10	1,950,170.00 -8,530.00	97.082	1,941,640.00 9,583.33	2.85%
MERCK & CO INC NTS B/E 04.050% 051728 DTD051723 FC111723	A1/NR/A+ NR/NR/NR	1,975,000	4.05%	05/17/2028	04/17/2028 100.00	79,987.50 4.11%	4.53% 4.53%	3.10	1,978,426.73 -32,735.73	98.516	1,945,691.00 9,776.25	2.86%
CME GROUP INC NTS B/E 03.750% 061528 DTD062118 FC121518 CALL@MW+15BP	Aa3/AA-/AA- NR/NR/NR	1,400,000	3.75%	06/15/2028	03/15/2028 100.00	52,500.00 3.85%	4.59% 4.59%	3.19	1,400,337.57 -37,745.57	97.328	1,362,592.00 2,333.33	2.00%
JPMORGAN CHASE & CO NTS 4.851% 072528 DTD072522 FC012523 CALL@MW+308P	A1/AA-/A NR/NR/NR	2,100,000	4.85%	07/25/2028	07/25/2027 100.00	101,871.00 4.85%	4.85% 4.85%	3.17	2,109,543.61 -9,711.61	99.992	2,099,832.00 44,144.10	3.09%
UNION PAC CORP B/E 03.950% 091028 DTD060818 FC031019 CALL@MW+20BP	A3/A-/A- NR/NR/NR	2,250,000	3.95%	09/10/2028	06/10/2028 100.00	88,875.00 4.06%	4.75% 4.75%	3.34	2,230,830.00 -41,580.00	97.300	2,189,250.00 27,403.13	3.22%

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

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#### EX XX120 • BOND PORTFOLIO • Portfolio Management Program Prepared for Kern Health Systems Risk profile: Conservative

Return Objective: Current Income

# Bond Holdings as of December 31, 2024 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2028 ABBVIE INC B/E 04.250% 111428 DTD091818 FC051419 CALL@MW+25BI	A3/NR/A- NR/NR/NR P	2,300,000	4.25%	11/14/2028	08/14/2028 100.00	97,750.00 4.32%	4.69% 4.69%	3.50	2,218,672.00 45,931.00	98.461	2,264,603.00 12,761.81	3.33%
Total 2028		17,525,000	4.15%	06/12/2028		\$725,733.50 4.21%	4.66% 4.66%	3.13\$	17,293,346.55 \$-60,093.55		\$17,233,253.00 \$181,981.81	25.34%
	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2029												
PROCTER & GAMBLE CO/TH 04.350% 012929 DTD012924 FC072924 CALL@MW+5BP	ie Aa3/NR/AA- NR/NR/NR	1,025,000	4.35%	01/29/2029		44,587.50 4.37%	4.48% 4.48%	3.63	1,022,627.50 -2,609.00	99.514	1,020,018.50 18,825.83	1.50%
ELI LILLY & CO NTS B/E 04.500% 020929 DTD020924 FC080924 CALL@MW+10BP	A1/NR/A+ NR/NR/NR	1,500,000	4.50%	02/09/2029	01/09/2029 100.00	67,500.00 4.52%	4.65% 4.65%	3.64	1,492,560.00 -840.00	99.448	1,491,720.00 26,625.00	2.19%
LOCKHEED MARTIN CORP NTS 04.500% 021529 DTD012924 FC081524 CALL@MW+10BP	A2/A/A- NR/NR/NR	1,075,000	4.50%	02/15/2029	01/15/2029 100.00	48,375.00 4.55%	4.79% 4.79%	3.65	1,065,223.50 -1,930.25	98.911	1,063,293.25 18,275.00	1.56%
WASTE MGMT INC NTS B/E 04.875% 021529 DTD080323 FC021524 CALL@MW+15BP	A3/A-/A- NR/NR/NR	2,325,000	4.88%	02/15/2029	01/15/2029 100.00	113,343.75 4.85%	4.73% 4.73%	3.55	2,328,655.95 8,620.05	100.528	2,337,276.00 42,818.75	3.44%
CISCO SYSTEMS INC NTS 04,850% 022629 DTD022624 FC082624 CALL@MW+10BP	A1/NR/AA- NR/NR/NR	1,950,000	4.85%	02/26/2029	01/26/2029 100.00	94,575.00 4.82%	4.68% 4.68%	3.58	1,972,618.69 -10,333.69	100.630	1,962,285.00 32,838.54	2.89%
LAM RESEARCH CORP B/E 04.000% 031529 DTD030419 FC091519 CALL@MW+258P	A2/NR/A- NR/NR/NR	1,500,000	4.00%	03/15/2029	12/15/2028 100.00	60,000.00 4.11%	4.74% 4.74%	3.77	1,457,025.00 1,230.00	97.217	1,458,255.00 17,666.67	2.14%
HOME DEPOT INC NTS B/E 04.900% 041529 DTD120423 FC041524	A2/A/A NR/NR/NR	2,000,000	4.90%	04/15/2029	03/15/2029 100.00	98,000.00 4.86%	4.67% 4.67%	3.71	2,002,388.87 15,031.13	100.871	2,017,420.00 20,688.89	2.97%

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

Report created on: January 28, 2025

KHS Board of Directors Meeting, February 20, 2025



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

# Bond Holdings as of December 31, 2024 (continued)

Total Bond Portfolio		68,925,000	4.00%	01/11/2028	N/A	\$2,755,143.50 4.05%	<b>4.64%</b> 4.64%	2.73	67,697,773.67 \$318,408.33	N/A	\$68,016,182.00 \$698,816.26 \$68,714,998.26	100%
	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 2029		20,975,000	4.60%	04/30/2029		\$964,081.25 4.62%	4.75% 4.75%	3.79	20,782,591.86 \$67,737.89		\$20,850,329.75 \$211,442.57	30.65%
GOLDMAN SACHS GROUP INC 05.000% 123129 DTD123124 FC123125 MEI TERM NTS	A2/NR/BBB+ NR/NR/NR D	2,000,000	5.00%	12/31/2029	12/31/2026 100.00	100,000.00 5.02%	5.09% 5.09%	4.32	1,990,000.00 2,480.00	99.624	1,992,480.00 0.00	2.93%
APPLIED MATERIALS INC 04.800% 061529 DTD061124 FC121524 CALL@MW+10BP	A2/NR/A NR/NR/NR	2,300,000	4.80%	06/15/2029	05/15/2029 100.00	110,400.00 4.79%	4.72% 4.72%	3.88	2,310,086.35 -2,910.35	100.312	2,307,176.00 4,906.67	3.39%
COMCAST CORP NTS B/E 05.100% 060129 DTD052224 FC120124 CALL@MW+10BP	A3/A-/A- NR/NR/NR	1,300,000	5.10%	06/01/2029	05/01/2029 100.00	66,300.00 5.05%	4.83% 4.83%	3.82	1,294,046.00 19,760.00	101.062	1,313,806.00 5,525.00	1.93%
UNITED HEALTH GROUP IN0 04.000% 051529 DTD052022 FC111522 CALL@MW+20BP	A2/A/A+ NR/NR/NR	2,000,000	4.00%	05/15/2029	03/15/2029 100.00	80,000.00 4.14%	4.85% 4.85%	3.93	1,901,020.00 32,820.00	96.692	1,933,840.00 10,222.22	2.84%
<b>Maturing 2029</b> AMER EXPRESS CO NTS B/E 04.050% 050329 DTD050322 FC110322	A2/A/A- NR/NR/NR	2,000,000	4.05%	05/03/2029	03/03/2029 100.00	81,000.00 4.15%	4.66% 4.66%	3.90	1,946,340.00 6,420.00	97.638	1,952,760.00 13,050.00	2.87%
	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.

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

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KHS Board of Directors Meeting, February 20, 2025

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

Additional Information About Your Portfolio as of December 31, 2024

### **Benchmark Composition**

#### Account EX XX120

#### Blended Index

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

#### Blended Index 2

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

## **WBS**

## 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 advisor, 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 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 acount 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 gair/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 "TD") 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

Report created on: January 28, 2025

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Performance Start Date Changes: The Performance Start Date for accounts marked with a '^' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the accounts 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report created on: January 28, 2025

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

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

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

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

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

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

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

Estimated Annual Income: The Estimated Annual Income is the dividend/interest rate paid by the investment solely as of the date of this report, annualized yearly per share and multiplied by the quantity of shares held in the selected account(s). For Expected Cash Flow and Portfolio Holdings reports prior to June 23, 2023, savings products & sweep funds do not display such calculations and instead, values are displayed as N/A. For all other reports, Estimated Annual Income for savings products & sweep funds is not calculated or factored into aggregate calculations and will be displayed as 0.

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

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

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

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating

that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

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

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

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

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

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

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

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

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

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

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

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

for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisor 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.Å 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, for Schedule K-1 reported investments, such as alternative investment funds, please refer to your annual K-1 and 1099 tax forms. 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 information purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Gain/Loss reporting for Puerto Rico Income Tax Purposes: Gain/(Loss) reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received gain/(loss) reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Pursuant to the Puerto Rico Internal Revenue Code (PRIRC) long-term capital gains are derived from the sale or exchange of capital assets held longer than six (6) months. For the purposes of this report only, long term gains and losses are represented by assets held for a period of more than six (6) months. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers for purposes other than determining realized gain/loss for Puerto Rico income tax purposes. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Gain/Loss 60/40:** Index options listed in this report may be subject to IRS Tax Code - section 1256 categorizing them as broad-based index options. If so, the index may be eligible to be treated as 60% long term and 40% short terms for tax purposes. Please contact your tax professional to determine eligibility.

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

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

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

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

 Have there been any changes to your financial situation or investment objectives?
 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

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

any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

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

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

#### **UBS Financial Services account protection**

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

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

Neither the SIPC protection nor the supplemental protection apply to:

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

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

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## Kern Health Systems

Account Number: EBXXX20

Your Financial Advisor THE COHEN GROUP Phone : 661-663-3200/800-628-8022

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
2/16/2024	12/16/2024	CALL REDEMPTION	WAL MART STORES INC NTS 02.650% 121524 DTD102017 AS OF 12/15/24	904Q64	-1,900,000 00	REDEMPTION	1,900,000.00
2/16/2024	12/16/2024	CALL REDEMPTION	STATE STREET CORP B/E 03.300% 121624 DTD121514	8604U1	-1,200,000 00	REDEMPTION	1,200,000.0
1/15/2024	11/15/2024	CALL REDEMPTION	GENERAL DYNAMICS CORP 02.375% 111524 DTD091417	753G77	-1,750,000 00	REDEMPTION	1,750,000 0
1/15/2024	11/15/2024	CALL REDEMPTION	ORACLE CORP NTS B/E 02.950% 111524 DTD110917	813DK7	-1,000,000 00	REDEMPTION	1,000,000.0
11/1/2024	11/1/2024	CALL REDEMPTION	PNC FINL SERV GRP INC WT 02.200% 110124 DTD110119	800GM1	-2,000,000.00	REDEMPTION	2,000,000.0
0/25/2024	10/25/2024	CALL REDEMPTION	BK OF NY MELLON CORP NTS 00.850% 102524 DTD102521	699PK1	-1,500,000.00	REDEMPTION	1,500,000.0
10/1/2024	10/1/2024	CALL REDEMPTION	SIMON PPTY GROUP LP B/E 03.375% 100124 DTD091014	840NQ1	-1,900,000.00	REDEMPTION	1,900,000.0
10/1/2024	10/1/2024		PAYPAL HOLDINGS INC NTS 02,400% 100124 DTD092619	818FL1	-2,250,000 00	REDEMPTION	2,250,000.0

Entry Date	Sottle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
2/31/2024	1/2/2025	BOUGHT	GOLDMAN SACHS GROUP INC 05.000% 123129 DTD123124 Trade#:16483 Blot:97	611455	2,000,000.00	\$99.50	-1,990,555 56
2/30/2024	12/31/2024	BOUGHT	ELI LILLY & CO NTS B/E 04.500% 020929 DTD020924 Trade#:09441 Blot:97	753904	1,500,000.00	\$99.50	-1,519,185 0
2/24/2024	12/26/2024	BOUGHT	AMER EXPRESS CO NTS B/E 04.050% 050329 DTD050322 Trade#:14760 Blot:97	7022V1	2,000,000 00	\$97.32	-1,958,265 0
2/24/2024	12/26/2024	BOUGHT	LAM RESEARCH CORP B/E 04.000% 031529 DTD030419 Trade#:13502 Blot:97	7517C1	1,500,000.00	\$97.14	-1,473,858 3
1/19/2024	11/20/2024	BOUGHT	GENERAL DYNAMICS CORP 03.750% 051528 DTD051118 Trade#:19650 Blot:97	753HD0	1,500,000.00	\$97.36	-1,461,106
1/19/2024	11/20/2024	BOUGHT	SALESFORCE.COM INC NTS 03.700% 041128 DTD041118 Trade#:19667 Blot:97	846473	1,500,000.00	\$97.79	-1,472,832 5
11/7/2024	11/8/2024	BOUGHT	WALMART INC NTS B/E 03.950% 090927 DTD090922 Trade#:36920 Blot:97	706GA0	2,000,000.00	\$99.23	-1,997,527
0/28/2024	10/29/2024	BOUGHT	COCA-COLA CO NTS B/E 03 375% 032527 DTD032520 Trade#:07084 Blot:97	690XL2	1,675,000.00	\$98.18	-1,649,921 (
10/4/2024	10/7/2024	BOUGHT	MERCK & CO INC NTS B/E 04.050% 051728 DTD051723 Trade#:47250 Blot:97	763276	1,975,000.00	\$100,19	-2,009,760 0
10/4/2024	10/7/2024	BOUGHT	UNION PAC CORP B/E 03.950% 091028 DTD060818 Trade#:46958 Blot:97	881741	2,250,000.00	\$99,15	-2,237,495 6

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

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

The information is based upon the market value of your account(s) as of the close of business on **December 31**, 2024, is subject to daily market fluctuation and in some cases may be rounded for convenience. Your UBS account statements and trade confirmation are the official records of your accounts at UBS. We ossign index benchmarks to our asset allocations, strategies in our separately managed accounts and discretionary programs based on our understanding of the allocation, strategy, the investment style and our research. The benchmarks to our asset allocations, strategies in our separately managed accounts and discretionary programs based on our understanding of the allocation, strategy, the investment style and our research. The benchmarks included in this report can differ from those assigned through our research process. As a result, you may find that the performance comparisons may differ, sometimes significantly, from that presented in performance reports and other materials that are prepared and delivered centrality by the firm. Depending upon the composition of your partfolio and your investment objectives, the indexes used in this report may not be an appropriate measure for comparison purposes, and as such, are represented for illustration only. Your partfolio holdings and performance may vary significantly from the index. Your financial advisor can provide additional information about how benchmarks within this report were selected. You have discussed the receipt of this halividually custamized report with your Financial Advisor and understand that it is being provided for informational purposes only. If you would like to revoke such consent, and no longer receive this report, please notify your Financial Advisor and understand that it is being provided for informational purposes only. If you would like to revoke such consent, and no longer receive this report, please notify your Financial Advisor and Udor Branch Manager.

Page 1 of 1

# WELLS FARGO

Wells Fargo Bank, N.A. 333 S GRAND AVE LOS ANGELES CA 90071

JONATHAN CHUANG 1-213-253-6202

# Bank Account Statement

# Wells Fargo Bank, N.A.

Page 1 of 6

# Statement Period

12/01/2024 - 12/31/2024

KERN HEALTH SYSTEMS						Accou	int Numbe	er
2900 BUCK OWENS BOULEVAR	-					-		
Account Value Sumr	nary	USD						This summary does not reflect the
		Amount	ast	-	_	Amount This	%	<ul> <li>value of unpriced securities.</li> <li>Repurchase agreements are reflected</li> </ul>
		Statement Pe			Sta	tement Period	Portfolio	at par value
Cash Money Market Mutual Funds Bonds Stocks	\$	163,852,375 294,112,811		\$		0.00 010,980.47 062,121.92 0.00	0% 12% 88% 0%	
Total Account Value	\$	457,965,186	.76	\$	519,0	073,102.39	100%	
Value Change Since Last Sta Percent Increase Since Last				\$	61,	107,915.63 13%		
Value Last Year-End Percent Increase Since Last	Year-	End		\$	409,0	049,809.76 27%		
Income Summary US	D							
	-		-	This Peri	od	Year-To-	Date	
Interest Dividends/Capital Gains Money Market Mutual Funds Other	s Divid	\$ ends		97,500.0 0.0 13,910.5 0.0	00 55	\$ 12,065,850 ( 6,309,649	0.86 0.00	
Income Total		\$	84	1,410.5		\$ 18,375,500		
Interest Charged Usi	)	Ŷ		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		<b>,</b> 10,070,000		
Description			-	-	-	This Po	eriod	
Debit Interest For December	2024		_		-	(	0.00	
Total Interest Charged					:	\$ (	0.00	
Money Market Mutua	l Fu	nds Sumr	nar	<b>y</b> USD			-	
Description						Am	ount	
Opening Balance Deposits and Other Addition Distributions and Other Subi Dividends Reinvested		ns			\$	<b>163,852,37</b> 367,511,500 (471,996,805 643,910	0.00 5.50)	
Change in Value								



#### Important Information

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

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

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

Mutual Funds: You have the right, in the course of normal business operations, to withdraw balances in the Bank Deposit Sweep or redeem shares of the money market mutual fund used in the sweep, subject to any open commitments in any of your accounts and have the proceeds returned to your accounts or remitted to you. Note, however, that as required by federal banking regulations, the banks in the Bank Deposit Sweep reserve the right to require seven days prior notice before permitting a transfer out of the Bank Deposit Sweep. In addition, the money market mutual funds in the sweep reserve the right to require one or more day's prior notice before permitting withdrawals. The Bank makes certain money market mutual funds available through the Bank Deposit Sweep and has entered into agreements with the mutual fund companies with respect to the available funds. Mutual funds are sold by prospectus only. Please read the prospectus for further information including sales charges, deferred sales charges, withdrawal charges and management or other fees.

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

Non-deposit investment products offered or sold by the Bank, including investments in mutual funds available through the Bank, are not federally insured or guaranteed by or obligations of the U.S. government, the Federal Deposit Insurance Corporation ("FDIC"), the Federal Reserve System or any other government agency; are not bank deposits; are not obligations of, or endorsed or guaranteed in any way by any bank or the Bank; and are subject to risk, including the possible loss of principal, that may cause the value of the investment and the investment return to fluctuate. When the investment is sold, the amount may be higher or lower than the amount originally invested. Customer Complaints and Reporting Discrepancies: All inquiries, statement reporting inaccuracies or discrepancies, or complaints regarding your account or the activity therein should be directed to: Customer Service 90 South 7<sup>th</sup> Street 5th Floor, MAC N9303-054 Minneapolis, MN 55402 1-800-645-3751, option 5, WFSCustomerService@Wellsfargo.com. To further protect their rights, customers should also reconfirm in writing to the above address any oral communications with the Bank relating to inaccuracies or discrepancies.

The Bank's financial statements are available upon request.

#### KERN HEALTH SYSTEMS Account Number:

Page 3 of 6 Statement Ending: December 31, 2024

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

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds US	D							
912797MW4	UNITED STATES TREASURY BILL	01/07/25	0.000%	50,000,000.000	99.9432	49,971,581.00		
912797MX2	UNITED STATES TREASURY BILL	01/14/25	0.000%	50,000,000.000	99.8603	49,930,139.00		
912797MY0	UNITED STATES TREASURY BILL	01/21/25	0.000%	50,000,000.000	99.7761	49,888,028.50		
912797MZ7	UNITED STATES TREASURY BILL	01/28/25	0.000%	150,000,000.000	100.0000	150,000,000.00		
3134GXS88	FREDDIE MAC	02/28/25	4.000%	5,000,000.000	99.9345	4,996,725.15		Y
3130B3D83	FEDERAL HOME LOAN BANK	10/15/26	4.750%	5,000,000.000	99.8882	4,994,412.00		Y
3135GAQE4	FANNIE MAE	03/19/27	5.200%	5,000,000.000	100.1611	5,008,055.65		Y
3133ERMV0	FEDERAL FARM CREDIT BANK	04/30/27	5.180%	5,000,000.000	99.9434	4,997,171.05		Y
3130B1R90	FEDERAL HOME LOAN BANK	07/02/27	5.400%	5,000,000.000	99.9986	4,999,931.65		Y
3130B2TV7	FEDERAL HOME LOAN BANK	09/10/27	5.000%	5,000,000.000	99.9914	4,999,571.30		Y
3133ERHV6	FEDERAL FARM CREDIT BANK	09/24/27	5.430%	5,000,000.000	100.0000	5,000,000.00		Y
3134HAXS7	FREDDIE MAC	11/12/27	5.000%	10,000,000.000	99.9104	9,991,035.90		Y
3136GA2K4	FANNIE MAE	12/30/27	4.800%	5,000,000.000	99.7947	4,989,734.60		Y
3135GAUP4	FANNIE MAE	03/06/28	5.080%	5,000,000.000	100.0844	5,004,218.15		Y
3134HAG56	FREDDIE MAC	08/25/28	5.000%	5,000,000.000	99.9126	4,995,631.95		Y
3136GA2J7	FANNIE MAE	09/05/28	4.750%	5,000,000.000	99.9359	4,996,792.65		Y
3133ERSD4	FEDERAL FARM CREDIT BANK	09/06/28	4.930%	5,000,000.000	99.7377	4,986,885.30		Y
3134HAXW8	FREDDIE MAC	11/08/28	5.000%	10,000,000.000	100.0441	10,004,408.80		Y
3133ERC41	FEDERAL FARM CREDIT BANK	11/20/28	4.740%	5,000,000.000	99.8018	4,990,089.55		Y
3133ERN49	FEDERAL FARM CREDIT BANK	12/26/28	4.910%	5,000,000.000	99.8330	4,991,649.10		Y
3130B0N47	FEDERAL HOME LOAN BANK	03/26/29	5.000%	5,000,000.000	99.7066	4,985,328.05		Y
3133EP6X8	FEDERAL FARM CREDIT BANK	04/02/29	5.370%	5,000,000.000	99.7883	4,989,413.50		Y
3134H1G56	FREDDIE MAC	04/17/29	5.500%	4,500,000.000	100.2060	4,509,269.87		Y
3134H17F4	FREDDIE MAC	07/17/29	5.500%	5,000,000.000	99.9336	4,996,680.20		Y
3130B2BA2	FEDERAL HOME LOAN BANK	08/20/29	5.050%	5,000,000.000	99.7274	4,986,368.75		Y
3130B2UD5	FEDERAL HOME LOAN BANK	09/10/29	5.010%	5,000,000.000	99.9569	4,997,843.35		Y
3130B2KZ7	FEDERAL HOME LOAN BANK	09/11/29	5.000%	5,000,000.000	99.7086	4,985,432.30		Y
3133ERVL2	FEDERAL FARM CREDIT BANK	10/01/29	4.620%	10,000,000.000	99.4996	9,949,958.60		Ŷ
3133ERXP1	FEDERAL FARM CREDIT BANK	10/15/29	4.600%	10,000,000.000	99.5042	9,950,416.00		Ŷ
3135GAWL1	FANNIE MAE	10/15/29	5.050%	10,000,000.000	99.9332	9,993,321.20		Ŷ
3133ERC58	FEDERAL FARM CREDIT BANK	11/20/29	4.600%	5,000,000.000	99.6406	4,982,028.80		Ŷ



#### KERN HEALTH SYSTEMS

Account Number:

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

Security ID Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
Bonds USD							
			459,500,000.000	-	459,062,121.92	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**

	Settlemer	nt /							
Transaction /		A					Principal	Income	Debit / Credit
Trade Date	Date	Activity	Security ID	Description	Par / Quantity	Price	Amount	Amount	Amount
Transact	tion Act	ivity USD							
12/02/24	12/03/24	Security Receipt	912797MZ7	UNITED STATES TREASURY BILL	50,000,000.00	99.3140000	(49,657,000.00)	0 00	(49,657,000.00
12/02/24	12/03/24	Security Receipt	912797MZ7	UNITED STATES TREASURY BILL	50,000,000.00	99.3140000	(49,657,000.00)	0.00	(49,657,000.00
12/02/24	12/05/24	Security Receipt	3136GA2J7	FANNIE MAE	5,000,000.00	100.000000	(5,000,000.00)	0.00	(5,000,000.00
12/02/24	12/05/24	Security Receipt	3136GA2K4	FANNIE MAE	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00
12/11/24	12/12/24	Security Receipt	912797MZ7	UNITED STATES TREASURY BILL	50,000,000.00	99.4464440	(49,723,222.00)	0 00	(49,723,222.00
12/18/24	12/18/24	Security Receipt	912797MX2	UNITED STATES TREASURY BILL	50,000,000 00	99.6850000	(49,842,500.00)	0.00	(49,842,500.00
12/18/24	12/18/24	Security Receipt	912797MY0	UNITED STATES TREASURY BILL	50,000,000.00	99.6061670	(49,803,083.50)	0.00	(49,803,083.50)
12/17/24	12/26/24	Security Receipt	3133ERN49	FEDERAL FARM CREDIT BANK	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5.000.000 00
Income /	Payme	nt Activity USD							
12/03/24	12/03/24	Matured	912797ME4	UNITED STATES TREASURY BILL			30,000,000.00		30,000,000.00
12/03/24	12/03/24	Matured	912797ME4	UNITED STATES TREASURY BILL	(30,000,000.00)				
12/04/24	12/04/24	Matured	3134H1KW2	FREDDIE MAC			5,000,000.00		5,000,000.00
12/04/24	12/04/24	Matured	3134H1KW2	FREDDIE MAC	(5,000,000.00)				
	12/04/24	Interest	3134H1KW2	FREDDIE MAC				138,750.00	138,750.00
12/04/24		Matured	912797MN4	UNITED STATES TREASURY BILL			30,000,000 00		30,000,000.00
	12/10/24	Matureu	512/5/101144	UNITED STATES THEASUNT BILL					
12/10/24	12/10/24 12/10/24	Matured	912797MN4	UNITED STATES TREASURY BILL	(30,000,000.00)				
12/10/24 12/10/24					(30,000,000.00)		30,000,000 00		30,000,000.00
12/10/24 12/10/24 12/17/24	12/10/24	Matured	912797MN4	UNITED STATES TREASURY BILL	(30,000,000.00)		30,000,000 00		30,000,000.00
12/10/24 12/10/24 12/17/24 12/17/24	12/10/24 12/17/24	Matured Matured	912797MN4 912797MP9	UNITED STATES TREASURY BILL UNITED STATES TREASURY BILL			30,000,000 00		. ,
12/04/24 12/10/24 12/10/24 12/17/24 12/17/24 12/19/24 12/19/24	12/10/24 12/17/24 12/17/24	Matured Matured Matured	912797MN4 912797MP9 912797MP9	UNITED STATES TREASURY BILL UNITED STATES TREASURY BILL UNITED STATES TREASURY BILL					30,000,000.00 5,000,000.00

KERN HEALTH SYSTEMS

Account Number:

Page 5 of 6 Statement Ending: December 31, 2024

Your investment transactions during this statement period.						
Cash Ac	tivity U	SD				
Transaction /		it /		Debit Amount /	Credit Amount	
Trade Date	Eff. Date	Activity	Description	Disbursements	Receipt	
12/03/24	12/03/24	ACH/DDA Transaction	DESIGNATED DDA	29.000.000 00		
12/10/24	12/10/24	ACH/DDA Transaction	DESIGNATED DDA	30,000,000.00		
12/12/24	12/12/24	ACH/DDA Transaction	DESIGNATED DDA		99.000.000.0	
12/12/24	12/12/24	ACH/DDA Transaction	DESIGNATED DDA		99,000,000 0	
12/19/24	12/19/24	ACH/DDA Transaction	DESIGNATED DDA	15,000,000.00		
12/26/24	12/26/24	ACH/DDA Transaction	DESIGNATED DDA	65,000,000.00		

# Money Market Fund Activity

Morgan Stan *As of Decemi	TreasSvc 8314 ber 31, 2024		Dividend paid this period	7 day* simple yield	30 day* simple yield	
USD			241.52	4.310%	4.380%	
Transaction Date	Activity	Shares	Price	Market Value 🕲	Dividend Amount	Share Balance
	Beginning Bala	nce	1.0000	64,991.48		64,991.48000
12/02/24	Reinvest	241.52000			241.52	65,233.00000
	Ending Balance		1.0000	65,233.00		65,233.00000
Goldman FS * *As of Decemb			Dividend paid this period	7 day* simple yield	30 day* simple yield	
USD			330,881.05	4.340%	4.450%	
Transaction	1	100 Mart 100				
Date	Activity Beginning Bala	Shares	Price 1.0000	Market Value (S) 63,572,855.98	Dividend Amount	Share Balance 63,572,855.98000
12/02/24 12/03/24	Reinvest Redemption	330,881.05000 (63,903,737.03000)		(63,903,737.03)	330,881.05	63,903,737.03000 0.00000
12/03/24 12/03/24	Purchase Redemption	99,314,000.00000 (29,000,000.00000)		99,314,000.00 (29,000,000.00)		99,314,000.00000 70,314,000.00000
12/03/24 12/04/24	Redemption Purchase	(5,410,262.97000) 5,138,750.00000		(5,410,262.97) 5,138,750.00		64,903,737.03000 70,042,487.03000
12/05/24 12/10/24	Redemption Purchase	(10,000,000.00000) 30,000,000.00000		(10,000,000.00) 30,000,000.00		60,042,487.03000 90,042,487.03000
12/10/24 12/12/24	Redemption Redemption	(30,000,000.00000) (49,723,222.00000)		(30,000,000.00) (49,723,222.00)		60,042,487.03000 10,319,265.03000

Safekeeping

# KERN HEALTH SYSTEMS Account Number:

# Money Market Fund Activity (Continued)

Transaction						
Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
12/12/24	Purchase	99,000,000.00000		99,000,000.00		109,319,265.03000
12/17/24	Purchase	30,000,000.00000		30,000,000.00		139,319,265.03000
12/18/24	Redemption	(99,645,583.50000)		(99,645,583.50)		39,673,681.53000
12/19/24	Purchase	5,058,750.00000		5,058,750.00		44,732,431.53000
12/19/24	Redemption	(15,000,000.00000)		(15,000,000.00)		29,732,431.53000
12/26/24	Redemption	(5,000,000.00000)		(5,000,000.00)		24,732,431.53000
	Ending Balance		1.0000	24,732,431.53		24,732,431.53000
-	T Plus Inst 3918		Dividend paid this period	7 day* simple yield	30 day⁺ simple yield	
*As of Decemb	ber 31, 2024		•			
USD			312,787.98	4.350%	4.410%	
Transaction						
Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balar	nce	1.0000	100,214,527.96		100,214,527.96000
12/02/24	Reinvest	312,787.98000			312,787.98	100,527,315,94000
12/03/24	Redemption	(99,314,000.00000)		(99,314,000.00)		1,213,315.94000
12/12/24	Purchase	99,000,000.00000		99,000,000.00		100,213,315.94000
12/26/24	Redemption	(65,000,000.00000)		(65,000,000.00)		35,213,315.94000
	Ending Balance		1.0000	35,213,315.94		35,213,315.94000



# PMIA/LAIF Performance Report as of 01/22/25



# Quarterly Performance Quarter Ended 12/31/24

### PMIA Average Monthly Effective Yields<sup>(1)</sup>

LAIF Apportionment Rate <sup>(2)</sup> :	4.62	December	4.434	
LAIF Earnings Ratio <sup>(2)</sup> :	0.00012664187216722	November	4.477	
LAIF Administrative Cost <sup>(1)*</sup> :	0.28	October	4.518	
LAIF Fair Value Factor <sup>(1)</sup> :	0.999621985	September	4.575	
PMIA Daily <sup>(1)</sup> :	4.40	August	4.579	
PMIA Quarter to Date <sup>(1)</sup> :	4.48	July	4.516	
PMIA Average Life <sup>(1)</sup> :	252			



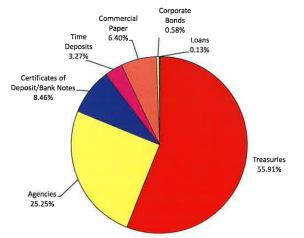


Chart does not include \$1,239,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

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

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

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

Source:

<sup>(1)</sup> State of California, Office of the Treasurer <sup>(2)</sup> State of California, Office of the Controller



# MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Robert Landis, Chief Financial Officer
SUBJECT:	2024 Annual Review of Kern Health Systems Investment Policy
DATE:	February 20, 2025

# **Background**

The KHS Investment Portfolio follows the Board approved Investment Policy (Attachment 1). As part of their annual review, Senior Management **is not recommending any revisions to the Investment Policy at this time.** The Investment Policy stipulates the following order of investment objectives:

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

- Preservation of principal
- Liquidity
- Yield

**UBS** is a national brokerage firm with a Bakersfield office that administers the KHS Board approved investment policy in a segregated account. Investments are in high quality bonds with an average effective maturity of approximately 3 years.

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

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

# **Requested Action**

Receive and File.

Attachment 1



KERN H	EALTH SY	STEM	S	
POLICY A	ND PROC	EDUR	ES	
nent Policy		PO	LICY #: 80.11-I	
Finance				
Review/Revised Date:	DMHC		PAC	
1/17/2025	DHCS		EQIHECOMMITTEE	
	BOD	X	FINANCE COMMITTEE	
	POLICY A nent Policy Finance Review/Revised Date:	POLICY AND PROC       nent Policy       Finance       Review/Revised Date:       1/17/2025       DHCS	POLICY AND PROCEDUR         nent Policy       PO         Finance       POHRC         Review/Revised Date:       DMHC         1/17/2025       DHCS	Finance Review/Revised Date: DMHC PAC 1/17/2025 DHCS EQIHECOMMITTEE

Emily Duran	Date 1/17/2025	
Emily Duran		
Chief Executive Officer		
Robert Landis	Date 1/16/2025	
Chief Financial Officer		
Alan Avery	Date 1/9/2025	
Chief Operating Officer		
Veronica Barker	Date 1/10/2025	
0 11		

Controller

**POLICY:** 

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

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

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

#### I. OBJECTIVES

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

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

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

#### **II. PRUDENCE**

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

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

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

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

#### **IV. DELEGATION OF AUTHORITY**

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

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

### A. Financial Benchmarks

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

#### B. Safekeeping

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

# C. Periodic Review of the Investment Policy

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

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

### **D.** Chief Financial Officer's Procedures

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

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

#### E. Duties and Responsibilities of Finance Committee:

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

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

- 1. Annually review Kern Health Systems' Investment Policy before its consideration by the Board of Directors and recommend revisions, as necessary, to the Finance Committee of the Board of Directors.
- 2. Quarterly review Kern Health Systems' investment portfolio for conformance with Kern Health Systems' Investment Policy diversification and maturity guidelines and make recommendations to the Finance Committee of the Board of Directors as appropriate.
- 3. Provide comments to Kern Health Systems' staff regarding potential investments and potential investment strategies.

4. Perform such additional duties and responsibilities as may be required from time to time by specific action and direction of the Board of Directors.

# **V. DEFINITIONS**

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

#### **VI. PERMITTED INVESTMENTS**

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

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

Permitted investments shall include:

#### A. United States (U.S.) Treasuries

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

U.S. Government securities include:

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

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

Maximum term: Five Years

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

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

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

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

Maximum Term: Five years

#### C. State of California and Local Agency Obligations

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

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Maximum Term: Five years

#### D. State and Local Agency Obligations Outside of California

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

Maximum Term: Five years

Maximum of 20% of the portfolio

#### E. Bankers Acceptances

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

Eligible bankers' acceptances:

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

Maximum Term: 180 days

#### F. Commercial Paper

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

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

issuing corporation.

Maximum Term: 270 days

#### G. Negotiable Certificates of Deposit

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

Maximum Term: Five years

#### H. Repurchase Agreements

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

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

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

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Maximum Term: One year

Reverse repurchase agreements are not allowed.

#### I. Corporate Debt Securities

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

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

Maximum Term: Five years

#### J. Money Market Funds

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

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

#### K. Mortgage or Asset-backed Securities

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

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

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

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

Maximum Term: Five years

#### L. Variable and Floating Rate Securities

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

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

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

Maximum Term: Five Years

#### M. Local Agency Investment Fund (LAIF)

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

Maximum Term: Five Years

## **VII. POLICIES**

## A. Securities Lending

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

#### B. Leverage

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

### C. Other Investments

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

#### **D.** Underlying Nature of Investments

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

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

#### E. Investment Managers

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

#### F. Derivatives

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

#### G. Rating Category

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

#### **H. Rating Downgrades**

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

If the rating of any security held as an investment falls below the investment guidelines, the Investment Manager shall notify the Chief Financial Officer or designee within two (2) business

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days of the downgrade. A decision to retain a downgraded security shall be approved by the Chief Financial Officer or designee within five (5) business days of the downgrade.

### I. Maximum Stated Term

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

### J. Diversification Guidelines

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

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

	MAXIMUM % OF PORTFOLIO AT
INSTRUMENTS	TIME OF PURCHASE
<ul> <li>U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPs)</li> </ul>	100%
B. Federal Agencies and U.S. Government Sponsored Enterprises	100%
C. State of California and Local Agency Obligations	100%
D. State and Local Agency Obligations Outside of California	20%
E. Bankers Acceptances	40%
F. Commercial Paper	25%
G. Negotiable Certificates of Deposit	30%
H. Repurchase Agreements	100%
I. Corporate Securities	40%
J. Money Market Funds	40%
K. Mortgage and Asset-backed Securities	20%
L. Variable and Floating Rate Securities	30%
M. Local Agency Investment Fund (LAIF)	50%

1. Issuer/Counterparty Diversification Guidelines – The percentages specified below shall be

adhered to on the basis of the entire portfolio:

a.	Any one Federal Agency or Government Sponsored Enterprise	35%
b.	Any one repurchase agreement counterparty name	

If maturity/term is $\leq$ 7 days	50%
If maturity/term is $> 7$ days	25%

- Issuer/Counterparty Diversification Guidelines for All Other Securities described in Subsections A-K in VII. Permitted Investments of this Investment Policy. Any one corporation, bank, local agency, or other corporate name for one or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage and asset-backed securities, the maximum applies to all such securities backed by the same type of assets of the same issuer. 5%
  - a. Negotiable Certificates of Deposit with maturities greater than one year and less than five years shall not exceed the FDIC Insurance maximum amount at the time of purchase.
  - b. Each Investment Advisor shall adhere to the diversification limits discussed in this section. If one Investment Advisor exceeds the aforementioned diversification limits, the Investment Advisor shall inform the Kern Health Systems Chief Financial Officer and second Investment Advisor (if any) by close of business on the day of the occurrence. Within the parameters authorized by the Government code, the Committee recognizes the practicalities of portfolio management, securities maturing, and changing status, and market volatility, and, as such, will consider breaches in:
    - i. The context of the amount in relation to the total portfolio concentration.
    - ii. Market and security specific conditions contributing to a breach in policy; and
    - iii. The managers' actions to enforce the spirit of the policy and decisions made in the best interest of the portfolio.

# **REFERENCE:**

**Reference 2024-02:** Updates made by the Chief Financial Officer. The policy was approved by the KHS Board of Directors on 2/15/2024. **Revision 2020-06:** Policy updated to reflect Board of Directors approved changes. **Revision 2015-04:** Item "M" Local Agency Investment Fund (LAIF) added to Section VII Permitted Investments as approved by KHS Board of Directors at April 2015 meeting. **Revision 2014-08:** Policy revised by Controller to allow for non-California municipal investments as approved by KHS Board of Directors. **Revision 2010-11:** Policy revised to conform to government code requirements. The Board of Directors approved current policy on October 14, 2010.

(ATTACHMENT 2)

#### KERN HEALTH SYSTEMS 2024 INVESTMENT ANALYSIS

	UBS	LAIF	Wells Fargo Securities
December 31, 2024 Balance	75,167,424	15,090,229	519,073,102
Average Monthly Balance	64,339,377	14,876,900	486,253,486
Total Dividend/Revenue (YTD)	2,795,555	658,767	27,379,071
Percentage	4.35%	4.43%	5.63%

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# MEMORANDUM

TO: Kern Health Systems Board of Directors
FROM: Emily Duran, Chief Executive Officer
SUBJECT: Special Requests for Funding
DATE: February 20, 2025

#### BACKGROUND

At the December 19, 2024, Kern Health Systems (KHS) Board of Directors (Board) Meeting, I brought to the Board's attention the numerous funding requests that were being sent unsolicited and outside of the current grant programs cycle. After discussion, it was at the request of the Board that these ad-hoc funding requests be presented to the KHS Finance Committee for review and consideration. The Finance Committee would then make recommendations to the full Board.

The 2023 – 2025 Grants and Strategic initiatives include four (4) different programs totaling \$20 million ranging from quality improvement to provider recruitment to workforce expansion and to community-based initiatives. The Quality Grant focuses on enhancing the quality of care delivered to members with the goal of increasing preventive health services and closing gaps in care; the Provider capacity/appointment availability in the areas of primary care, specialty care, and behavioral health; the Healthcare Workforce Expansion Initiative aims to expand local nursing and physician residency programs; and lastly Community Based Initiative aims to reduce barriers to care and focus on wellness and healthy living. We anticipate these current Grants and Strategic Initiatives to be completed by December 2025.

The grant funding process is usually a decision made by the Board after the annual review by Milliman of KHS' Tangible Net Equity and Minimum Liquidity Tests. This report, which includes 5-year proforma financial statements to assist with capital reserve requirements, is provided to the Finance Committee and the Board in June of each year. At that time, and with the most recent reserve balance projections, the KHS board decides if there are excess reserves to distribute through a grant program or fund strategic initiatives. Further, the grants programs are also correlated with the KHS Strategic Plan and funded projects support reaching those goals.

The attached Special Requests for funding were submitted to KHS by local community partners and providers. Please refer to **Exhibit A** for a summary of the Special Grant requests.

The KHS Finance Committee considered this matter at its February 14, 2025, meeting and referred to the full Board of Directors with the recommendation that KHS direct all such requests through its normal process and following existing KHS Grants and Strategic Initiatives RFP process.

# **REQUESTED ACTION**

Direct KHS staff to manage grant requests in accordance with KHS Grants and Strategic Initiatives RFP process in the normal course of business.

\$0		Exhibit A: Special Grants (Outside o	f the Current Grant Pa	eriod)			
	<b>D</b>			Active (	Grants		
Organization Name	Project Name	Summary of Request	Geographical Area	Name	Amount	Amount Requested \$	
Advanced Gastro Medical Associates (Dr. Rahal)	Recruitment of MD	Recruitment of a GI provider from Cedars-Sinai	Delano, CA Service Area: Delano, CA	N/A	A	\$ 30,000	
Adventist Health	Residency - Healthcare Workforce	Bakersfield Internal Medicine 2025 and Tehachapi Family Medicine 2026. <b>TEHACHAPI</b> – The Rural Family Practice residency request is to help cover resident salaries/ benefits and building expansion. Tehachapi is a Critical Access Hospital and resident time, and costs can be claimed by Adventist Health Bakersfield. <b>BAKERSFIELD</b> – The Bakersfield site and Internal Medicine launch coincides with the planning effort to launch the Rural Family Practice residency (4-4-4) at Adventist Health Tehachapi, which is in its preliminary phase of its accreditation application.	Bakersfield, Delano, & Tehachapi Service Area: Kern County	Healthcare Workforce Initiative	\$ 100,000	Tehachapi Residency: \$750,000 Bakersfield Residency: \$859,600	
						\$ 1,609,600	
Bakersfield American Indian	Community Support	Day Habilitation Services & Housing Trio.	Lake Isabella & Bakersfield	,	\$ 550,000	- \$ 300,000	
Health Project	Services	Day Habilitation Scivices & Housing 116.	Service Area: Kern County	IPP Year 3 - ECM (Lake Isabella)	\$ 800,000		
Bakersfield Memorial Hospital Foundation	Residency Expansion Program	Expansion of Pediatric Residency, Family Medicine, OB/GYN & Neurology. In additon to these residencies, the funding will support partnerships with Morehouse School for Medicine and support Scholarly and Quality at Mercy and Memorial Hospital	Bakersfield, CA	Healthcare Workforce	\$ 1,000,000	\$ 5,000,000	
Casa Delano Assisted Living	Assisted Living	This project entails the construction of a three-story assisted living and memory care facility in Delano, California. The facility will encompass approximately 98,750 square feet and feature 110 residential units, with a capacity of up to 180 beds. The facility will plan to operate all beds under a Medi-Cal waiver, providing rooms at no cost to Medi-Cal participants.	tia. The facility will encompass ture 110 residential units, with a ill plan to operate all beds under N/A		λ	TBD	
City of Bakersfield	MLK Community Center	Grant Funding for Community Center. Impact: To improve the wellbeing and health outcomes of the community through: Health and wellness Programs, Recreation Opportunities (Playgrounds, fitness equipment, and organized sports leagues for all ages), and Community Engagement: Space for healthcare services, screenings, and educational events	Bakersfield, CA Service Area: Kern County	N/A	A	\$1,000,000 - \$5,000,000	

		Exhibit A: Special Grants (Outside o	f the Current Grant Pe			
Organization Name	Project Name	Summary of Request	Geographical Area	Active G Name	Frants Amount	Amount Requested \$
City of Bakersfield	Distracted Driving Awareness Campaign 2025	Educate the public, enforce safety measures, and build a culture of responsibility on our roads through multiple platforms including public service announcements (PSAs), visual media, community outreach, and enforcement.	Bakersfield, CA Service Area: Kern County	N/A		S 100,000
Children's Clinic of Bakersfield (Kimberly Dixon, MD)	Children with Autism	Extend comprehensive care for this special population (children with autism) at the clinic by hiring a child psychiatrist or developmental pediatrician, an occupational therapist, a speech therapist, an ABA therapist, and a child pscyhologist.*	Bakersfield, CA Service Area: Kern County	N/A		\$ 90,000
Community Action Partnership of Kern (CAPK)	Special Grants, Food Insecurity Support, and Miscellaneous and Emerging Needs	Special Grants: Vehicles and Access to transportation Food Insecurity Support: Food Bank Program Miscellaneous and Emerging Needs: Contingency Fund	Bakersfield, CA Service Area: Kern County	IPP Year 3 - CSS, Housing Trio Services	\$ 550,000	\$ 105,000
First 5 Kern	Help Me Grow	Sustainability for the Help Me Grow Program. 1) Facilitates family access to early childhood information 2) Connects families with medical professionals and specialists 3) Helps guide informed decisions about early intervention 4) Promotes the importance of developmental and behavioral milestones	Bakersfield, CA Service Area: Kern County	Community Based Initiative	\$ 150,000	\$ 261,000
Friends of Mercy Foundation	Hardt Foundation Tower: Endoscopy Suites	Purchase of equipment for the endoscopy suites. Impact: Increase endoscopy care to 486 of the 36,247 KHS patients treated at Mercy. Enhance GI services for all Kern County patients.	Bakersfield, CA Service Area: Kern County	Community Health Partnership Grant	\$ 5,000	Endoscopic Ultrasound: \$235,940 (2) CV-190 EVIS Exera III Video Processor, w/accessories: \$149,654 (8) Assorted Olympus Scopes: \$519,600
					\$ 5,000	\$ 905,194
		Purchase of Lung Cancer Screening (LCS) equipment for the Nodule Clinic. Impact: Detect lung cancer at an earlier stage to improve changes of long term survival. Prevent unnecessary thoracic resection surgeries for benign nodules by		Quality Grant	\$ 1,362,885	ION Robotic Endoluminal Platform:
Kern Medical Center	Lung Cancer         detecting and confirming the proper diagnosis at an earlier stage with a screening (LCS)         detecting and confirming the proper diagnosis at an earlier stage with a smaller tumor size. Quickly and certainly differentiate cancerous vs benign nodules, particularly given the high occurrence of valley fever nodules in Kern County.         S	Bakersfield, CA Service Area: Kern County	Healthcare Workforce	\$ 4,000,000	SP60,000 Radial and Linera EBUS Capabilities: \$350,000 C-Arm: \$370,000	
		Avoid watchful follow-up CT studies on suspicious nodules; every millimeter of cancerous nodule growth decreases long-term survival rates		Recruitment and Retention	\$ 817,731	
					\$ 6,180,616	\$ 1,680,000

Ourse the News	Dens to at Niemer	Denter A Norman Community of Demonstra		Active G	Frants		
Organization Name	Project Name	Summary of Request	Geographical Area	Name	Amount	Amount Requested \$	
The Mission of Kern	Building a Better Bakersfield	Education vocational training center, commercial kitchen, and transitional living spaces. Impact: Educational Training center: include 13 workstations with computers, allowing homeless and low-income men and women to build a resume, learn basic computer skills, apply for jobs and housing. Kitchen & Transitional Living Space.	Bakersfield, CA Service Area: Kern County	Community Based Initiative	\$ 20,000	\$ 500,0	
The Open Door Network	Domestic Violence (DV) Emergency Shelter	Grant funding for sustainability of project: Rent, operating expenses, supplies, etc. Impact: Continue to support up to 16 families and children at risk of homelessness or people experiencing homelessness.	Arvin, CA Service Area: Arvin, CA	Incentive Payment Funding for Enhanced Care Management (ECM)	\$ 700,000	\$ 300,	
		1		I		\$ 15.880	



# MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Robert Landis, Chief Financial Officer
SUBJECT:	2024 Annual Travel Report
DATE:	February 20, 2025

# **Background**

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

# **Discussion**

KHS encourages employees to attend conferences and seminars to:

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

Examples of KHS travel include attending meetings with State regulators such as DHCS & DMHC, attending trade association conferences hosted by the Local Health Plans of California & the California Association of Health Plans, participating on vendor advisory boards and professional education and training seminars.

During 2024 \$4,425 was spent on regulatory or trade association travel, \$11,482 was spent on professional development, \$101,029 was spent on conference attendance travel and \$14,845 was spent on on-site staff meetings and vendor meetings. The total travel expenses incurred for 2024 was \$131,781 which was approximately \$162,000 under budget.

# **Requested Action**

Receive and file for informational purposes only.



EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOCIATON (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	IN County (IN), OUT of County (OUT), or OUT of State (OS)		START DATE	END DATE	TRAVEL & LODGING	MEALS	TOTAL AMOUNT SPENT
1 Chief Executive Officer	LHPC Strategic Planning Retreat	С	OUT	Huntington Beach CA	01 17 24	01 19 24	1,157 71	166 50	1,324 2
2 Chief Information Officer	LHPC CIO Meetine	0	OUT	Martinez CA	02 01 24	02 02 24	714 73	111.00	825 7
3 Chief Operating Officer	Inland Empire Health Plan (IEHP)	0	OUT	Rancho Cucamonga CA	02 07 24	02 08.24	393 68	80 00	473 68
4 Chief Information Officer	Gartner CIO Leadership Forum	С	OS	Phoenix AZ	02 25 24	02 27 24	993 20	138 00	1,131.20
5 Chief Operating Officer	Microsoft AI Meeting	0	OUT	Irvine CA	03 13 24	03 14 24	207 97	92 50	300 4
6 Chief Information Officer	Microsoft AI Meeting	0	OUT	Irvine CA	03 13 24	03 14 24	388 46		388 4
7 Chief Financial Officer	DHCS All Plan CFO Meeting	С	OUT	Sacramento CA	03 13 24	03 14 24	731 61	86 25	817 8
8 Chief Executive Officer	LHPC Board Meeting	С	OUT	Sacramento CA	04 14 24	04 15 24	671 34	103 50	774 8
9 Chief Operating Officer	LHPC Medicare D-SNP Collaborative Workgroup	с	OUT	Sacramento CA	07 15 24	07 16 24	672 23	103 50	775 7
0 Chief Executive Officer	CSUB Presidential Search Advisory Committee	С	IN	Long Beach CA	09 11 24	09 12 24	181 17	111 00	292 1
1 Chief Operating Officer	CAHP 2024 Annual Conference	С	OUT	Palm Desert CA	10 20 24	10 23 24	1.273 75	236 50	1 510 2
2 Chief Executive Officer	CAHP 2024 Annual Conference	с	OUT	Palm Desert CA	10 20 24	10 23.24	1,213 67	309 28	1.522 9
3 Chief Financial Officer	CAHP 2024 Annual Conference	с	OUT	Palm Desert CA	10 20 24	10 23 24	564 19	69 00	633 1
4 Deputy Chief Information Officer	Gartner IT Symposium Expo-	с	OS	Lake Buena Vista FL	10 20 24	10 24 24	2.659 73	320 00	2,979 7
5 Chief Operating Officer	LHPC December Medicare D-SNP Collaborative Workgroup	с	OUT	Rancho Cucamonga CA	12 08 24	12 09 24	359 77	150 50	510 2
					Ex	ecutive Total	12,183.21	2,077.53	14,260.74





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Senior Director of Government Relations & 16 Strategic Development	LHPC Strategic Planning Retreat	C	OUT	Huntington Beach CA	01 17 24	01 19 24	I 100 57	166 50	1.267 07
Deputy Director of Government Relations & 17 Strategic Development	ACAP Feb Fly-In & Leadership Academy Meetings	с	OS	Washington DC	02 06 24	02 08 24	1 362 38	197 50	1.559.88
Senior Director of Government Relations & 18 Strategic Development	ACAP Feb Fly-In & Leadership Academy Meetines	с	OS	Washington DC	02 06 24	02 08 24	1,467 56	158 00	1.625 56
Deputy Director of Government Relations & 19 Strategic Development	LHPC Legislative Briefing	с	OUT	Sacramento CA	02 26 24	02 27 24	324 18	103 50	427 68
Senior Director of Government Relations & 20 Strategic Development	LHPC Legislative Briefing	с	OUT	Sacramento CA	02 26 24	02 27 24	717 68	103 50	821 18
Deputy Director of Government Relations & 21 Strategic Development	CAHP State Program Committee Meeting	С	OUT	Long Beach CA	04 02 24	04 02 24		18 50	18 50
Senior Director of Government Relations & 22 Strategic Development	CAHP State Program Committee Meeting	С	OUT	Long Beach CA	04 02 24	04 02 24	179 83	18 50	198 33
Deputy Director of Government Relations & 23 Strategic Development	CAHP State Program Committee Meeting	С	OUT	Sacramento CA	06 17 24	06 18 24	670 52	85.50	756 02
Deputy Director of Government Relations & 24 Strategic Development	CAHP 38th Annul Conference	С	OUT	Pal m Desert CA	10 20 24	10 23 24	1,308 21	236 50	1,544 71
Senior Director of Government Relations & 25 Strategic Development	CAHP 2024 Annual Conference	С	OUT	Palm Desert CA	10 20 24	10 23 24	1.307 95	215.00	1,522 95
			Gor	ernment Relations &	Strategic Develo	opment Total	8,438.88	1,303.00	9.741.88
26 Payroll & Accounting Marager	2024 CalPERS Educational Forum	с	OUT	San Diego CA	10 27 24	10 30 24	1,377 18	301 00	1.678 18
100010					Ą	inance Total	1,377.18	301.00	1,678.18
27 Network Operations Supervisor	Cisco Live 2024	С	OS	Las Vegas NV	06.02 24	06.06.24	1.004 39	207 00	1.211.39
28 Network Operations Supervisor	Data Security & Compliance Protections for M365	Р	OUT	Irvine CA	09 04 24	09 04 24	211 05	55 50	266 55
29 Network Operations Supervisor	Cisco Tech Davs	с	OUT	Clovis CA	11 14 24	11 14 24	155 44	64.50	219 94
				1		MIS Total	1,370.88	327.00	1,697.88



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30 Senior Director of Business Intelligence	LHPC CIO Meeting	с	OUT	Martinez CA	2 01 24	2 02 24	1.166 76	92 50	1,259 26
31 Senior Director of Business Intelligence	Microsoft Al Meeting	с	OUT	Irvine CA	3 13 24	3 14 24	361 36	92.50	453.86
Business Intelligence Data Insights & Analytics 2 Manager	Security Governance Risk & Compliance of Data	0	OUT	Irvine CA	05 15 24	05 15 24	207 70	48 00	255 70
33 Business Intelligence Supervisor	Ai4 2024 Conference	С	OS	Las Vegas NV	08 11 24	08 15 24	1.504.54	241 50	1,746,04
34 BI Data Analyst II	Ai4 2024 Conference	с	OS	Las Vegas NV	08 11 24	08 15 24	1,195 87	189 75	1.385 62
Business Intelligence Data Insights & Analytics 35 Manager	Data Security & Compliance Protections for M365	р	OUT	Irvine CA	09 03 24	09 24 24	399 29	92 50	491 79
Business Intelligence Data Insights & Analytics Manager	John Hopkins ACG System Conference	С	OS	New Orleans LA	10 06 24	10 09 24	2,434 27	200 00	2,634.27
37 Business Intelligence Analyst IV	John Hopkins ACG System Conference	С	OS	New Orleans LA	10 06 24	10 09 24	2,233 60	200 00	2 433 60
					Business Innel	ligence Total	9,503.39	1,156.75	10,660.14
8 Director of Development (Remote EE)	IEHP	R	OUT	Rancho Cucamonea CA	2.06.24	02 06 24	55 61	32 00	87 61
9 Director of Development (Remote EE)	Connecting for Better Health	R	OUT	Sacramento CA	3 07 24	3724	683 16	34 50	717 66
0 Database Development Supervisor	Pass Data Community Summit 2024	С	OS	Seattle WA	11.05 24	11 08 24	1 500 28	299 00	1.799 28
1 Database Administrator IV	Pass Data Community Summit 2024	С	OS	Seattle WA	11 05 24	11 08 24	1.244 66	299 00	1,543,66
A second second second				-	Enterprise	Development	3,483.71	664.50	4,148.21
2 Enterprise Configuration Manager	2024 Cognizant Conference	С	OS	Orlando FL	06 09 24	06 13 24	1.846 40	236 00	2.082 40
3 Enterprise Configuration Manager	Cognizant Fall Customer Group Conference	С	OS	Las Vegas NV	09 09 24	09 12 24	1,523 18	172 50	1.695 68
4 EC Configuration Analyst II	Cognizant Fall Customer Group Conference	С	OS	Las Vegas NV	09 09.24	09 12 24	1.067 22	120 75	1,187 97
					Enterprise C	onfiguration	4,436.80	529.25	4.966.05



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45 EC Configuration Analyst II	Cognizant Fall Customer Group Conference	С	OS	Las Vegas NV	09 09 24	09 12 24	1,302 81	203 50	1.506 31
				Techn	ical Administra	tive Services	1.302.81	203.50	1,506.31
46 Deputy Director of Claims	2024 Cognizant Conference	С	OS	Orlando FL	06 09 24	06 13 24	2.835 07	221 25	3 056 32
47 Claims Administrative Manager	Cognizant Fall Customer Group Conference	С	OS	Las Vegas NV	09 09 24	09 12 24	1,498 15	189 75	1,687 90
48 Deputy Director of Claims	LHPC Claims Director Meeting	R	OUT	Orange CA	09 19 24	09.20 24	231 67	74.00	305 67
49 Senior Director of Claims	LHPC Claims Director Meeting	R	OUT	Orange CA	09 19 24	09 20 24	159 60	74 00	233 60
50 Senior Director of Claims	HICE 2024 Annual Conference	с	OUT	Indian Wells CA	12 08 24	12 11 24	1.209 87	207 50	1.417.37
		1			-	Claims Total	5.934.36	766.50	6,700.86
51 Project Manager III	Inland Empire Health Plan (IEHP)	0	OUT	Rancho Cucamonga CA	02 07 24	02 08 24	391.00	96 00	487 00
52 Director of Project Management	Central California Alliance for Health	R	OUT	Scotts Valley CA	02 28 24	02 29 24	468.96	86 25	555 21
53 Project Manager III	Central California Alliance for Health	R	OUT	Scotts Valley CA	02 28 24	02 29 24	127 68	86 25	213 93
54 Project Manager III	2024 Medicare, Medicaid Forum	с	OS	Baltimore MD	03 11 24	03 15 24	1,840 97	258.75	2.099 72
55 Project Management Supervisor	Leadership Forum 2024	0	IN	Fresno CA	04.12 24	04 12 24	57 08	17 25	74 33
56 Project Manager III	LHPC Medicare D-SNP Collaborative Workgroup	с	OUT	Sacramento CA	07 15 24	07.15 24	165 89		165 89
57 PM Program Manager	Global Summit 2024	С	OUT	Los Angeles CA	09 18 24	09 21 24	1.426 70	222 00	1,648 70
58 Project Manager III	Global Summit 2024	С	OUT	Los Angeles CA	09 18 24	09 21 24	1,411 81	222 00	1.633.81
59 Director of Project Management	PMI-CCVC AI in Project Management	Р	OUT	Visalia CA	11 07 24	11 07 24	95 82		95 82
50 Project Manager II	PMI-CCVC AI in Project Management	Р	OUT	Visalia CA	11 07 24	11 07 24	95 84	2	95 84
					Project Manag	ement Total	6,081.75	988.50	7.070.25



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61 Senior Director Health Services	CAHP Annual Conference	С	OUT	Palm Desert CA	10 20 24	10 23 24	1.169 67	215.00	1,384 67
					Health Service	- UM Total	1,169.67	215.00	1,384.67
62 NCQA Manager	NCOA HE Forum	С	OUT	Los Angeles CA	03 03 24	03 05 24	758 97	92.50	851 47
63 Medical Director OI	DHCS Chief Medical Officers Meeting	С	OUT	Sacramento CA	09 11 24	09 12 24	633 55	103 50	737 05
64 NCOA Manager	NCQA Health Innovation Summitt 2024	С	OS	Nashville TN	10.30 24	11 02 24	1.475 22	193 50	1,668 72
			_	Health Services -	Quality Improv	encet Total	2,867.74	389.50	3,257.24
65 Cultural & Linguistics Specialist II	CHIA 24th Annual Conference	СС	OUT	San Jose CA	05 16 24	05,18 24	793 21	148.00	941-21
66 Cultural & Linguistics Specialist I	CHIA 24th Annual Conference	C	OUT	San Jose CA	05 16 24	05 18 24	793.08	148 00	941 08
			100	Healt	h Services - Hea	lth Ed Total	1.586.29	296.00	1,882.29
67 Director of Pharmacy	Inland Empire Health Plan (IEHP)	0	OUT	Rancho Cucamonea CA	02 07 24	02 08 24	390 60	112 00	502.60
68 Director of Pharmacy	Nat'l Pharmacy Convention	С	OS	Orlando FL	03 21.24	03 26 24	2 003 62	379 50	2,383 12
69 Director of Pharmacy	DHCS Global DUR Board Meeting	С	IN	Sacramento CA	11 18 24	11 19 24	384 38	150 50	534 88
				Hea	Ith Services Pha	rmacy Total	2,778,60	642.00	3,420.60
70 Director of Enhanced Care Management	CalAIM What is next for ECM & Community Supports	С	OUT	Los Angeles CA	08 06 24	08 06 24	425 04		425 04
71 ECM Manager	6th Annual California Street Medicine Symposium	С	OUT	Los Angeles CA	08 08.24	08 09 24	60 60	111.00	171 60
72 ECM Manager	6th Annual California Street Medicine Symposium	С	OUT	Los Angeles CA	08.08 24	08 09.24	275 39	111 00	386 39
73 Director of Enhanced Care Management	NASW-CA Annual Conference	С	OUT	Oakland CA	11 07 24	11 09 24	672 05	138 00	810 05
		1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1		Enhand	ed Care Manag	ement Total	1,433.08	360.00	1,793.08



EMPLOYEE TITLE	CONFERENCE TITLE	'REGULATORY OR TRADE ASSOCIATON (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	IN County (IN), OUT of County (OUT), or OUT of State (OS)		START DATE	END DATE	TRAVEL & LODGING	MEALS	TOTAL AMOUNT SPENT
74 Population Health Medical Director	ACAP Leadership Academy	с	OS	Washington DC	02 07 24	02 09 24	1,187 60	217 75	1,405 35
75 PHM Case Management Social Worker II	2024 Summit Breaking Barriers & Building Bridges to Whole Person Care	С	OUT	Sacramento CA	04 02 24	04 04 24	834 67	138 00	972 67
76 PHM Manager of Case Management	2024 Summit Breaking Barriers & Building Bridges to Whole Person Care	С	OUT	Sacramento CA	04 02.24	04 04 24	819 70	120 75	940 45
				Popular	ion Health Manag	sensent Total	2,841.97	476,50	3,318,47
77 Director of Community & Social Services	2024 Advancing the Art & Science of Psychotherapy	С	OUT	Los Angeles CA	05 02.24	05 04 24	639 58	119.00	758 58
78 Director of Community & Social Services	CalAIM Implementation MCP Community In Person Gathering	С	OUT	Merced CA	10.17 24	10 18 24	225 91		225 91
2				Com	nunity Support Se	ervices Total	865.49	119.00	984.49
79 Homeless Services Manager	Clarity Connect 2024	С	OS	Las Vegas NV	09 16 24	09 19 24	811 15	138 00	949,15
	1.11.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1			Homeless Manageme	ent Information S	ystems Total	811.15	138.00	949.15
80 Senior Director of Provider Network	Speakeasy Communication Programs	0	OUT	San Francisco CA	07 28 24	07 31 24	1 022 91	276 50	1.299 41
81 Deputy Director of Grants & Special Programs	Clarity Connect 2024	С	OS	Las Vegas NV	09 16 24	09 19 24	442 03	138 00	580 03
82 Senior Director of Provider Network	CAHP 38th Annual Conference	C	OUT	Pal m Desert CA	10 20 24	10 23 24	1.313 57	236 50	1.550.07
83 Grants & Special Programs Manager	Stars Align - A New Era of Healthcare Delivery	С	OUT	Universal City CA	11 13 24	11 15 24	774 54	150 50	925 04
M. Telenceni,				Provide	r Network Manag	ement Total	3.553.05	801.50	4,354.55



EMPLOYEE TITLE	CONFERENCE TITLE	'REGULATORY OR TRADE ASSOCIATON (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	IN County (IN), OUT of County (OUT), or OUT of State (OS)	LOCATION	START DATE	END DATE	TRAVEL & LODGING	MEALS	TOTAL AMOUNT SPENT
84 Senior Director of Delegation and Oversight	Inland Empire Health Plan (IEHP)	0	OUT	Rancho Cucamonea CA	02 07 24	02 08 24	191 34		191 34
85 Senior Director of Delegation and Oversight	2024 Medicare. Medicaid Forum	С	OS	Baltimore MD	03 11 24	03 15.24	1.441.95	258.75	1.700 70
86 Delegation Oversight Manager	2024 Medicare, Medicaid Forum	С	OS	Baltimore MD	03 11 24	03 15 24	700 19	241 50	941.69
87 Senior Director of Delegation and Oversight	LHPC Medicare D-SNP Collaborative Workgroup	С	OUT	Sacramento CA	07 15 24	07 15 24	165 89		165 89
88 Director of Delegation & Oversight	D-SNP Fall Forum	С	OS	Arlington VA	10 19 24	10 22 24	1,560 76	322 00	1.882 76
89 Senior Director of Delegation and Oversight	D-SNP Fall Forum	С	OS	Arlington VA	10 20 24	10 20 24	1,478 96	322 00	1.800 96
90 Director of Delegation & Oversight	LHPC Medicare D-SNP Collaborative Workgroup	с	OUT	Rancho Cucamonga CA	12 09 24	12 09 24	201 00	43 00	244 00
91 Senior Director of Delegation and Oversight	LHPC Medicare D-SNP Collaborative Workgroup	с	OUT	Rancho Cucamonea CA	12 09 24	12 09 24	201 00	43.00	244.00
				D	elegation & On	resight Total	5,941.09	1,230.25	7,171.34
92 Member Services Manager	NMT/NEMT Summit	С	OUT	Sacramento CA	2 15 24	2 16 24	711 39	69 00	780 39
93 Senior Director of Member Services	Microsoft AI Meeting	0	OUT	Irvine CA	03 13.24	03 14 24		92 50	92 50
94 Member Services Manager	American Logistics Site Audit	0	OS	St George UT	03 20 24	03 21 24	212 29		212 29
					Member 5	ervices Total	923.68	161.50	1.085.18
95 Director of Procurement & Facilities	Disaster Expo USA	С	OUT	Los Angeles CA	09 05 24	09 06 24	486 28	111 00	597 28
96 Facilities Manager	Disaster Expo USA	с	OUT	Los Angeles CA	09 05 24	09 06 24	212 64	111.00	323 64
			1		Corporate Se	ervices Total	698.92	222.00	920.92



#### **2024 ANNUAL TRAVEL REPORT**

EMPLOYEE TITLE	CONFERENCE TITLE	'REGULATORY OR TRADE ASSOCIATON (R), PROFESSIONAI DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	IN County (IN), OUT of County (OUT), or OUT of State (OS)	LOCATION	START DATE	END DATE	TRAVEL & LODGING	MEALS	TOTAL AMOUNT SPENT
97 Chief Compliance & Fraud Prevention Officer	Inland Empire Health Plan (IEHP)	0	OUT	Rancho Cucamonga CA	02 07 24	02 08 24	393 68	80 00	473 68
98 Chief Compliance & Fraud Prevention Officer	Microsoft AI Meeting	0	OUT	Irvine CA	03 13 24	03 14 24	224 84	92 50	317.34
99 Compliance Manager	DOJ Training for the FWA Team	Р	OUT	Los Angeles CA	05 07 24	05 07 24	44.28		64.28
100 Chief Compliance & Fraud Prevention Officer	HCCA 2024 Healthcare Basic Compliance Academies	С	OUT	San Diego	12.08 24	12 12 24	1.434 31	215 00	1.649 31
101 Compliance Analyst I	HCCA 2024 Healthcare Basic Compliance Academies	С	OUT	San Diego	12 08 24	12 12 24	1.911.80	240 00	2.151 80
					Com	pliance Total	4,008.91	627.50	4,636,41
Senior Director of Marketing & Member Engagement	Microsoft Al Meeting	С	OUT	Irvine CA	3 13 24	3 14 24	333 36	92 50	425 86
					Ma	seting Total	333.36	92.50	425.86
103 Employee Experience Program Manager	HR Generalist Certification	Р	OUT	Burbank CA	2 25 24	2 28 24	799 14	259 00	1,058 14
104 Chief Legal and Human Resources Officer	CAHP 38th Annual Conference	с	OUT	Pal m Desert CA	10.20 24	10 23 24	1.296 92	64 50	1,361 42
105 Chief Legal and Human Resources Officer	Gartner Reimagine HR Conference	С	OS	Orlando FL	10 27 24	10 30 24	2.819 29	260 00	3 079 29
106 Benefits Analyst	2024 CalPERS Educational Forum	с	OUT	San Diego CA	10 27 24	10 30 24	1 227 79	172.00	1,399.79
107 Assistant General Counsel	HCCA 2024 Healthcare Basic Compliance Academies	р	OUT	San Diego CA	12 08 24	12 13 24	1.811 64	365 50	2.177 14
	-				Huma	n Resources	7.954.78	1,121.00	9,075.78
108 Chief Health Equity Officer	ITUP Annual Conference	С	OUT	Sacramento CA	02 04 24	02 07 24	8 37	155 25	163 62
109 Health Equity Manager	NCQA Health Equity Forum	0	OUT	Los Angeles CA	3 03 24	3 05 24	396 72		396 72
Senior Health Equity	NCQA Health Equity Forum	0	OUT	Los Angeles CA	3 03.24	3 05 24	734 58	92 50	827 08
111 Chief Health Equity Officer	DHCS-MCP HE & Quality Workgroup	Р	OUT	Sacramento CA	06 19 24	06 20 24	780 02	86 25	866 27
112 Chief Health Equity Officer	Health Equity Leadership Summit	С	OUT	Sacramento CA	07 10 24	07 12 24	613 85	120 75	734 60
113 Health Equity Manager	Health Equity Leadership Summit	С	OUT	Sacramento CA	07 10 24	07 12 24	314 06		314.06
114 Senior Health Equity Analyst	TOP Facilitation Methods	С	OUT	San Bernadino CA	09 17 24	09 20 24	726 25	240 00	966 25
15 Chief Health Equity Officer	DHCS-MCP HE Think Tank	с	OUT	San Francisco CA	10 03 24	10 04 24	589 18	111 00	700 18
16 Chief Health Equity Officer	CAHP Annual Conference	С	OUT	Palm Desert CA	10 20 24	10 23 24	1,167.95	257 43	1.425 38
				Qual	ity and Health	Equity Total	5.330.98	1,063,18	6,394.16



#### **2024 ANNUAL TRAVEL REPORT**

EMPLOYEF TITLE	CONFERENCE TITLE	'REGULATORY OR TRADE ASSOCIATON (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	IN County (IN), OUT of County (OUT), or OUT of State (OS)	LOCATION	START DATE	END DATE	TRAVEL & LODGING	MEALS	TOTAL AMOUNT SPENT
117 QP MCAS/HEDIS Supervisor	LHPC Partnering to Improve	с	OUT	North Hollywood CA	10 09 24	10 09,24	164 67	64 00	228 67
					Quality Perfor	mance Total	164.67	64.00	228.67
118 QP Director of Quality Performance	P4P Dinner	0	IN	Bakesfield CA	1.29.24	2.01.74	659 20	235 37	\$94,57
119 Director of Development	Gartner Workshop	Р	IN	Bakersfield CA	02 14 24	02 16 24	699 14	112 00	811 14
120 Business Intelligence Supervisor	Gartner Workshop	Р	IN	Bakersfield CA	2 15 24	2 17 24	936 66		936 66
121 Data Analytics and Reporting Supervisor	Gartner Workshop	Р	IN	Bakersfield CA	2 15 24	2 17 24	1,238 23	192.00	1,430 23
122 System Configuration Supervisor	Gartner Workshop	Р	IN	Bakersfield CA	2 15 24	2 17 24	1.096 54	112.00	1.208 54
123 Enterprise Configuration Manager	Gartner Workshop	р	IN	Bakersfield CA	2 15 24	2 17 24	283 89	128 00	411 89
Director - Technical Operations & Information 124 Technology	Gartner Workshop /Meeting	Р	IN	Bakersfield CA	2 13 24	2 17 24	1 107 22	224 00	1.331 22
125 Quality Assurance Program Manager	Onsite Meeting & CEI meeting offsite	0	IN	Bakersfield CA	03 11.24	03 11 24	215 07	16.00	231 07
126 Director of Development	LHPC CIO Onsite meeting	С	IN	Bakersfield CA	05 16 24	05 17.24	178 40		178,40
127 Director Technical Operations & Security	LHPC CIO Meeting	С	IN	Bakersfield CA	05 14 24	05 18 24	1.273.31	192 00	1,465 31
128 Quality Assurance Program Manager	Onsite Meeting & CEI meeting offsite	0	IN	Bakersfield CA	06 20 24	06 20 24	212 39	48 00	260 39
Director Clinical Operations, Strategy & 129 Analysis	Onsite Meetings	0	IN	Bakersfield CA	05 17 24	05 24 24	1.636 94	400.00	2,036 94
Director Clinical Operations, Strategy & 130 Analysis	Onsite Meetings	0		Bakersfield CA	07 22 24	07 29 24	1.625 95	448 00	2,073 95
131 Director of Development	Leadership Discussion	р		Bakersfield CA	08.14 24	08 14 24	208 37	448 00	256,37



#### **2024 ANNUAL TRAVEL REPORT**

EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOCIATON (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (J)	IN County (IN), OUT of County (OUT), or OUT of State (US)		START DATE	END DATE	TRAVEL &	MEALS	TOTAL AMOUNT SPENT
Director Technical Operations & Security	Onsite Merringe	0	lN	finansfield CA	08.17.24	08 14 24	1,256.65	160 00	1,416,65
133 Director of Compliance & Repulsory Affers	DHICS Audit	R	IN	Bakenfield CA	12.08,24	12 21 24	2,310.96		2,310,58
134 QP Director of Quality Performance	Quality and Health Ensity Awards	0	IN	Bakerafield CA	10 16 24	10.18.24	813,45	-	813.45
						Onsite Total	15,752.39	2,315,37	18,067.76

	<b>Regulatory or Trade</b>	Professional			
	Associations	Development	Conferences	Other-Vendor	Total
Sub-Totals by Travel Type	4,424.66	11.481.88	101,029.23	14,845.35	131,781.12



#### MEMORANDUM

Kern Health Systems Board of Directors
Robert Landis, Chief Financial Officer
2024 Annual Report for Disposed Assets
February 20, 2025

#### **Background**

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

#### **Discussion**

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

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

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

During 2024, a loss of \$628 was recorded on the disposition of obsolete equipment.

#### **Requested Actions**

Receive and file for informational purposes only.

### KERN · HEALTH SYSTEMS

#### Attachment 1

#### 2024 Asset Dispositions

Date in			Book Value at			
Date in Service	Category	Description	Date of Disposal	Disposition Date	Reason for Disposal	<ul> <li>Disposition</li> <li>Notes</li> </ul>
0/15/2014	Equipment	1 - Latitude E7440		3/31/2024	Obsolete	Deposed Recycle
0/23/2014	Equipment	1 - Optiplex 3020		3/31/2024	Obsolete	Disposed-Recycle
7/9/2015	Equipment	1 - Optiplex 3020		3/31/2024	Obsolete	Disposed-Recycle
9/22/2016	Equipment	1 - Optiplex 3040 XCTO	-	3/31/2024	Obsolete	Disposed-Recycl
9/21/2017	Equipment	2 - Optiplex 3040 XCTO		3/31/2024	Obsolete	Disposed-Recycl
8/11/2016	Equipment	1 - Latitude E5470 XCTO	2	3/31/2024	Obsolete	Disposed-Recycl
0/27/2016	Equipment	1 - Latitude E5470 XCTO		3/31/2024	Obsolete	Disposed-Recycl
10/6/2017	Equipment	1 - Optiplex 3050 Small Form Factor XCTO	-	3/31/2024	Obsolete	Disposed-Recycl
2/9/2018	Equipment	1 - Latitude 5480 XCTO		3/31/2024	Obsolete	Disposed-Recycl
5/31/2019	Equipment	1 - Latitude 5490XCTO	60	3/31/2024	Obsolete	Disposed-Recyc
7/27/2012	Equipment	1 - ImageRunner adv435		8/31/2024	Obsolete	Disposed-Recyc
7/27/2012	Equipment	1 - IR Advance 4035	-	8/31/2024	Obsolete	Disposed-Recyc
7/11/2013	Equipment	1 - IR Advance 6255	-	8/31/2024	Obsolete	Disposed-Recyc
7/11/2013	Equipment	1 - IR Advance C5051	-	8/31/2024	Obsolete	Disposed-Recyc
7/29/2016	Equipment	1 - IR Advance C5235		8/31/2024	Obsolete	Disposed-Recycl
9/4/2019	Equipment	1 - IR Advance 6575	465	8/31/2024	Obsolete	Disposed-Recycl
3/31/2012	Equipment	1 - HP Laserjet 9050	465	8/31/2024	Obsolete	Disposed-Recycl
2/31/2013	Equipment	1 - PowerEdge R720, Intel Xeon E-26XX Processor	2			Disposed-Recycl
4/9/2014	Equipment	1 - PowerEdge R720, Intel Xeon E-26XX Processor		8/31/2024 8/31/2024	Obsolete Obsolete	Disposed-Recycl
3/5/2015	Equipment	1 - Optiplex 3020 Small Form Factor CTO		8/31/2024		Disposed-Recyc
5/11/2015	Equipment	1 - Optiplex 3020			Obsolete	Disposed-Recycl
8/6/2015	Equipment	1 - Optiplex 3020 Small	· · · · · · · · · · · · · · · · · · ·	8/31/2024	Obsolete	Disposed-Recyc
10/5/2015	Equipment	1 - Optiplex Small Form Factor		8/31/2024	Obsolete Obsolete	. ,
5/5/2016	Equipment	1 - Dell Ltitude E5470		8/31/2024		Disposed-Recyc
9/30/2016	Equipment	3 - PowerEdge M360 Blade Serve		8/31/2024	Obsolete	Disposed-Recyc
0/27/2016				8/31/2024	Obsolete	Disposed-Recyc
	Equipment	1 - Dell Latitude E5470 XCTO		8/31/2024	Obsolete	Disposed-Recyc
3/31/2017 2/27/2016	Equipment	2 - Brocade 6510 24-48 port 16GB Server		8/31/2024	Obsolete	Disposed-Recycl
	Equipment	5 - Dell PowerEdge M630 Blade		8/31/2024	Obsolete	Disposed-Recycl
3/31/2017	Equipment	2 - Brocade M6505 FC16 Switch		8/31/2024	Obsolete	Disposed-Recycl
3/1/2017	Equipment	4 - Dell Force10 MXL 10/40 GBE DCB		8/31/2024	Obsolete	Disposed-Recycl
3/1/2017	Equipment	2 - Brocade M6505 fc16 switch, 24 Port		8/31/2024	Obsolete	Disposed-Recycl
3/1/2017	Equipment	1 - Blade Server Enclosure		8/31/2024	Obsolete	Disposed-Recycl
1/6/2017	Equipment	4 - PowerEdge M630 Blade Server		8/31/2024	Obsolete	Disposed-Recycl
1/13/2017	Equipment	2 - Brocade 6510 24-48 Port, 8Gb		8/31/2024	Obsolete	Disposed-Recycl
2/23/2017	Equipment	1 - Optiplex 7040 Mini Tower XCTO		8/31/2024	Obsolete	Disposed-Recycl
5/4/2017	Equipment	1 - Latitude E5470 CXCTO		8/31/2024	Obsolete	Disposed-Recycl
9/21/2017	Equipment	1 - Latitude E5470 CXCTO		8/31/2024	Obsolete	Disposed-Recycl
1/2/2017	Equipment	4 - PowerEdge M630 Blade Server		8/31/2024	Obsolete	Disposed-Recycl
2/31/2021	Equipment	50 - (2) HPE CACHE SHELF-50 VLA Citrix Device		8/31/2024	Obsolete	Disposed-Recycl
/30/2018	Equipment	1 - Latitude 5480 XCTO		9/30/2024	Obsolete	Disposed-Recycl
7/9/2018	Equipment	1 - Latitude 5480 XCTO		9/30/2024	Obsolete	Disposed-Recycle
/31/2018	Equipment	1 - Latitude 5490		9/30/2024	Obsolete	Disposed-Recycle
6/12/2008	Equipment	2 - Catalyst 3560		9/30/2024	Obsolete	Disposed-Recycle
6/9/2016	Equipment	1 - Latitude E5470 XCTO		9/30/2024	Obsolete	Disposed-Recycle
/21/2017	Equipment	1 - Latitude E5470 XCTO		9/30/2024	Obsolete	Disposed-Recycle
/23/2017	Equipment	1 - Latitude E5470 XCTO		9/30/2024	Obsolete	Disposed-Recycle
4/5/2017	Equipment	1 - Latitude E5470 XCTO		9/30/2024	Obsolete	Disposed-Recycle
/13/2016	Equipment	1 - Latitude E7470, CTO	×	9/30/2024	Obsolete	Disposed-Recycl
/19/2019	Equipment	2 - Latitude 5400 XCTO Base	103	9/30/2024	Obsolete	Disposed-Recycle
/26/2014	Equipment	1 - Optiplex 3020		9/30/2024	Obsolete	Disposed-Recycle
/27/2011	Equipment	1 - 2510 Document Scanner		12/31/2024	Obsolete	Disposed-Recycle
/10/2019	Equipment	1 - Latitude 5400 XCTO	- (A)	12/31/2024	Obsolete	Disposed-Recycle
/19/2015	Equipment	1 - Optiplex 3020 Small Form Factor CTO		12/31/2024	Obsolete	Disposed-Recycle
/19/2015	Equipment	1 - Optiplex 3020 Small Form Factor CTO		12/31/2024		Disposed-Recycle
8/1/2015	Equipment	1 - Optiplex 3020 Desktop		12/31/2024		Disposed-Recycle
/22/2016	Equipment	1 - Optiplex 3040XCTO	+	12/31/2024		Disposed-Recycle
/19/2014	Equipment	1 - HP Laser Printer		12/31/2024		Disposed-Recycle
/28/2012	Equipment	1 - ID Badge Printer		12/31/2024		Disposed-Recycle
/12/2015	Equipment	1 - Fujitsu FI-7160 Document Scanner	2	12/31/2024		Disposed-Recycle
/26/2017	Equipment	1 - Latitude E5470 XCTO		12/31/2024		Disposed-Recycle
/22/2017	Equipment	1 - Latitude E5470 XCTO	-			Disposed-Recycle
/12/2018	Equipment	1 - Latitude 5480 XCTO		12/31/2024		
7/6/2018	Equipment	2 - SEEPOINT MBR KIOSKS 19"DELL BLK HIPPAA KEYB		12/31/2024		Disposed-Recycle
	Lyupment	2 - OLLI OINT MOR RIOGRA 19 DELL BLK HIPPAA KEYB		12/31/2024	Obsolete	Disposed-Recycle

TOTAL LOSS RECOGNIZED ON DISPOSITION OF OFFICE FURNITURE & EQUIPMENT \$ 628

#### Attachment 2



	KERN HEALTH SYS POLICY AND PROCE		
Policy Title	Asset and Surplus Property or Equipment Disposition	Policy #	80.21-I
Policy Owner	Accounting	Original Effective Date	01/06/2012
<b>Revision Effective Date</b>	01/24/2024	Approval Date	
Line of Business	🛛 Medi-Cal 🛛 Medicare		

#### I. PURPOSE

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

#### II. POLICY

#### A. ASSET DISPOSITION AUTHORITY

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

#### **B. NOTIFICATION AND VERIFICATION**

1. Notification to Accounting of intent to dispose of property

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

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

#### C. DISPOSITION METHODS

The principal methods for disposal of surplus equipment are:

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

Kern Health Systems

80.21-I, Asset and Surplus Property or Equipment Disposition

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

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

#### **III. DEFINITIONS**

Kern Health Systems 80.21-I, Asset and Surplus Property or Equipment Disposition

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

#### ATTACHMENTS rv.

Attachment A: Intent to Dispose of KHS Property

Attachment B: Disposal of Fixed Asset(s)

#### V. REFERENCES

Reference Type	Specific Reference	
Other	N/A	

#### **REVISION HISTORY** VI.

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

#### **VII. APPROVALS**

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

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

Title	Signature	Date Approved
Chief Executive Officer	and.	1/31/24
Chief Financial Officer	Robert Landrs	1/29/24

Kern Health Systems 80.21-I, Asset and Surplus Property or Equipment Disposition



#### **Policy and Procedure Review**

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

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

Director Approval		
Title	Signature	Date Approved
Veronica Barker Controller	Veronica Barker	1/26/2024
Andrea Hylton Director of Procurement and Facilities	Q	1/26/2024

Date posted to public drive:

2/1/2024 N/A

5

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

Kern Health Systems 80 21-I, Asset and Surplus Property or Equipment Disposition



Department:	
Contact Person:	Phone:

QTY	Serial nu	ımber	Description	KHS Tag #
Status	of Item:	□Non-Repaira	ble 🖸 Obsolete	

Comments:			

Verification of Item Status:	
	_

New Location of Surplus Equipment: \_\_\_\_\_\_

Provider Network Management\_\_\_\_\_

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

80.21-I, Attachment A, Intent to Dispose of Property Plant & Equipment



Department:	
Contact Person:	Phone:

QTY	Serial number	Description	KHS Tag #
p. diller.			

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

#### **CHAIN OF CUSTODY**

MIS (computer equip only):	Date:	Time:	
Relinquished:	Date:	Time:	
Received:	Date:	Time:	

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

80.21-I, Attach B, Disposal of Fixed Asset



#### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Cesar Delgado, Deputy Chief Information Officer
SUBJECT:	Proposed agreement with mPulse
DATE:	February 20, 2025

#### **Background**

A Member and Provider Portal is essential for ensuring seamless service delivery, enhancing member engagement, and meeting regulatory requirements. As a critical component of the CalAIM initiative, the Member and Provider portal plays a key role in meeting DHCS requirements while also improving healthcare access to our members and operational efficiency for Kern Health Systems (KHS) and its provider network. The Member and Provider Portal ensures DHCS compliance by providing members with timely access to benefits and provider directories, while enabling providers to check claims status, manage referrals, and meet reporting requirements. It supports CalAIM initiatives, enhances care coordination, ensures HIPAA security standards, and facilitates regulatory reporting, making it a critical tool for operational efficiency and compliance.

In December 2015 Kern Health Systems (KHS) issued a Request for Proposal (RFP) to implement a Member and Provider Portal. Following a thorough evaluation, KHS selected HealthX as the vendor. In 2023, KHS was notified by Zipari that the existing portal would no longer be supported. Recognizing the need for continuity, the Board of Directors approved an extension of the Zipari contract through December 2025 during its October 2024 meeting. This extension provided KHS with adequate time to issue a new RFP and select a replacement vendor. In July of 2024 KHS issued a RFP to replace Zipari and has selected a new vendor.

#### **Discussion**

The Member and Provider portal is designed to meet DHCS regulatory requirements and to improve operational efficiency and member satisfaction by addressing the unique needs of both members and providers. For members, the portal serves approximately 90,000 registered users, offering self-service solutions that address common Member Services call reasons. Additionally, the portal provides:

- Easy access to care gap insights
- Comprehensive provider network geo-mapping to help members efficiently locate services.
- Integrated SMS text messaging engagement, enabling proactive member outreach, care gap reminders, and real-time support to enhance overall member experience

For providers, the portal enables approximately 5,000 provider and provider staff users to perform essential tasks with ease, including:

- Submitting 97% of prior authorization requests and 99% of inpatient admissions
- Verifying member eligibility
- Checking claims
- Addressing care gaps
- Utilizing provider network geo-mapping for strategic insights.

#### **Financial Impact**

Cost for a five-year (5) term is not to exceed \$5,966,116 in budgeted expenses.

#### **Requested Action**

Approve; Authorize the CEO to enter into, sign a new five (5) year contract with mPulse for the procurement of the Member and Provider Portal, support, and maintenance in an amount not to exceed \$5,966,116 in operating expenses for the entire term of the contract.

Attachment A



#### AGREEMENT AT A GLANCE

Department Name: <u>IT</u> Vendor Name: mPulse Department Head: <u>Cesar Delgado</u> Contact name & e-mail: <u>David Schaffner</u>,

David Schaffner@mpulse.com

What services will this vendor provide to KHS? <u>mPulse will provide KHS with a Member and Provider Portal including</u> support and maintenance for a five-year (5) term,

Description of Contract		
Sype of Agreement: Software	Background: A Member and Provider Portal is essential for	
	ensuring seamless service delivery, enhancing member	
Contract	engagement, and meeting regulatory requirements. As a	
	critical component of the CalAIM initiative, the Member and	
Purchase	Provider portal plays a key role in meeting DHCS	
	requirements while also improving healthcare access to our	
New agreement	members and operational efficiency for Kern Health Syster	
- Ŭ	(KHS) and its provider network. The Member and Provider	
Continuation of Agreement	Portal ensures DHCS compliance by providing members w	
	timely access to benefits and provider directories, while	
Addendum	enabling providers to check claims status, manage referrals	
	and meet reporting requirements. It supports CalAIM	
Amendment No.	initiatives, enhances care coordination, ensures HIPAA	
	security standards, and facilitates regulatory reporting,	
Retroactive Agreement	making it a critical tool for operational efficiency and	
	compliance,	
	compriance	
	In December 2015 Kern Health Systems (KHS) issued a	
	Request for Proposal (RFP) to implement a Member and	
	Provider Portal. Following a thorough evaluation, KHS	
	selected HealthX as the vendor. In 2023, KHS was notified	
	Zipari that the existing portal would no longer be supported	
	Recognizing the need for continuity, the Board of Director	
	approved an extension of the Zipari contract through	
	December 2025 during its October 2024 meeting. This	
	extension provided KHS with adequate time to issue a new	
	RFP and select a replacement vendor. In July of 2024 KHS	
	issued a RFP to replace Zipari and has selected a new venc	
	Brief Explanation: mPulse will provide KHS with a Memb	
	and Provider Portal including support and maintenance for	
	five-year (5) term.	

Form updated 01/02/24

### KHS Board of Directors Meeting, February 20, 2025

		At	tachment A
nore if not but seted (\$100,000.00) and Two Hundred Thousand D form (Attachment A). Actual bid, sole or since source justification Hundred Thousand Dollars or more if not but seted (\$100,000.00) for Proposal (RPP) shall be used to solicit bids for professional ser accepted must be fully explained and justified in writing. All bids w charts.)	and/or cost price analysis documents are required for and Two Hundred Thousand Dollars or more if bu vices over Two Hundred Thousand Dollars (\$200,000)	purchases ove ed (\$200,000.) . Lowest bid j	er One 00). Request orice not
Brief vendor selection justification:			
Sole source – no competitive process can be perfor	med.		
Brief reason for sole source			
Conflict of Interest Form is required for this Contra	act		
HIPAA Business Associate Agreement is required	for this Contract		-
Subcontractor Disclosure of Ownership and Control			
	iseal Impact		1
KHS Governing Board previously approved this expen			<b>YES</b>
Will this require additional funds?	se in Kins 1 1 2023 Administrative Databet		
			⊠ YES
Capital project Project type: Provider and Member Portal Implementat	ion #5		
Budgeted Cost Center CAP GL# 1800	INIT HS		
Maximum cost of this agreement not to exceed: \$5,966	.116		
and the second			
Notes: Implementation cost: \$418,600 Contract 7	Ferms and Conditions		
Effective date: 3/1/2025	Termination date: 12/31/2030		-
Explain extension provisions, termination conditions and	nd required notice: Implementation will occu	r from Mar	ch I.
2025, to December 31, 2025, with services set to comm			
	Approvals		
Compliance DMHC/DHCS Review:	Legal Review:		
Chief Compliance and Fraud Prevention Officer or Director of Compliance and Regulatory Affairs	Legal Counsel		
Date	Date		
Contract Owner:	Purchasing:		
Department Head	Director of Procurement and Facilities		
Date	Date		
Form updated 01/02/24	Date		

Reviewed as to Budget:	Recommended by the Executive Committee:
Pett Fuls	antin
Chief Financial Officer or Controlle	Chief Operating Officer
2625	
Date	Date
IT Approval:	Chief Executive Officer Approval:
Chief Information Officer or IT Dire	tor Chief Executive Officer
Date	Date
Board of Directors approval is re	uired on all contracts over \$100,000 if not budgeted and \$200,000 if budgeted
70	Board Chairman
KI	Board Chaiman
Dat	

Form updated 01/02/24

# Provider and Member Portal

Cesar Delgado Deputy Chief Information Officer February 20, 2025



# Agenda

- Background
- Purpose of the Provider and Member Portal
- RFP Process
- Bid Matrix
- Cost Analysis
- Finalist Comparison
- Board Request



# Background

A Member and Provider Portal is essential for ensuring seamless service delivery, enhancing member engagement, and meeting regulatory requirements. As a critical component of the CalAIM initiative, the Member and Provider portal plays a key role in meeting DHCS requirements while also improving healthcare access to our members and operational efficiency for Kern Health Systems (KHS) and its provider network. The Member and Provider Portal ensures DHCS compliance by providing members with timely access to benefits and provider directories, while enabling providers to check claims status, manage referrals, and meet reporting requirements. It supports CalAIM initiatives, enhances care coordination, ensures HIPAA security standards, and facilitates regulatory reporting, making it a critical tool for operational efficiency and compliance.

In December 2015 Kern Health Systems (KHS) issued a Request for Proposal (RFP) to implement a Member and Provider Portal. Following a thorough evaluation, KHS selected HealthX as the vendor. In 2023, KHS was notified by Zipari that the existing portal would no longer be supported. Recognizing the need for continuity, the Board of Directors approved an extension of the Zipari contract through December 2025 during its October 2024 meeting. This extension provided KHS with adequate time to issue a new RFP and select a replacement vendor. In July of 2024 KHS issued a RFP to replace Zipari and has selected a new vendor.



# Purpose of the Member and Provider Portal

- **Purpose:** Meets DHCS regulatory requirements and enhances provider and member access with a user-friendly portal that streamlines processes and connects to Kern Health Systems' core platforms.
- **Provider Efficiency and Tools:** Enables approximately 5,000 provider and provider staff users to submit 97% of prior authorization requests and 99% of inpatient admissions, verify member eligibility, check claims, address care gaps, and use provider network geo-mapping.
- Member Self-Service and Insights: Serves approximately 90,000 registered members (and continually increasing) with self-service solutions, addressing top Member Services call reasons (new member issues, demographic changes, PCP changes, ID Cards, referral status), while providing care gap insights and provider network geomapping



### **RFP** Process

- July 2024
  - > KHS launched an RFP to replace its Member and Provider Portal.
- Proposal Evaluation
  - ➢ 6 Proposals Received:
    - 4 vendors offered design only services which means that the platform does not currently exist. This would have resulted in extended timelines and higher costs.
    - 2 proposals were reviewed for further demonstration. Although, one of the platforms does have an out-of-the box solution, it would require significant additional customizations and cost.
- December 2024
  - Final Selection made
  - Vendor Chosen: mPulse
- Why mPulse?
  - Robust, user-friendly portal.
  - Aligned with KHS's strategic and operational goals.
  - The out-of-the-box functionalities match those of our current portals, with options for customization available.
  - Can support D-SNP



# Bid Matrix

	Vendor	Offers Both Provider & Member Portal	Current QNXT & JIVA Integration	Pricing	Future Product Enhanements	Current CA Plans	References	Total
1	mPulse	5	5	3	5	5	5	28
	mPulse Weighted	1.5	1	0.6	0.5	0.5	0.5	4.60
2	Vendor A	5	2	5	2	3	3	20
	Vendor A Weighted	1.5	0.4	1	0.2	0.3	0.3	3.70

Evaluation Criteria	Description	Scoring Categories Each category is scored on a 0-5 scale, where:
Offers Both Provider & Member Portal (30%)	Comprehensive solution for both members and providers, ensuring seamless experience and minimizing platform redundancy.	<b>0</b> = Does not meet expectations
Current QNXT & JIVA Integration (20%)	& JIVA Integration (20%) Compatibility with existing systems reduces operational disruptions and ensures smooth implementation. 1 = Poor	
Pricing (20%)	Evaluates total cost of ownership, implementation, and ongoing support costs to ensure financial feasibility.	2 = Below average
Future Product Enhancements (10%)	Assesses vendor's innovation roadmap and ability to align with future requirements.	3 = Meets expectations
Current CA Plans (10%)	Preference for vendors already supporting California health plans, ensuring regulatory familiarity.	<b>4</b> = Above average
References (10%)	Vendor reputation assessment through existing client references to gauge performance and reliability.	5 = Excellent



# Cost Analysis

### **Current Cost**

### Vendor Cost Comparison

Current Vendor: Zipari <sup>(1)</sup> 6/8/2022-12/31/2025		
Amount		
\$1,128,912		
5 Year Texting Solution from outside Vendor <sup>(2)</sup> \$1,150,000		

mPulse 3/1/2025-12/31/2030				
PMPM Rate: \$0	.215			
Year	Ar	nount		
2025 Implementation Fee	\$	418,600		
2026	\$	1,044,900		
2027	\$	1,076,247		
2028	\$	1,108,534		
2029	\$	1,141,790		
2030	\$	1,176,044		
5 Year Texting Solution	\$	-		
5 Year Total Cost	\$	5,966,116		

Vendor A \$38,015/mo			Text M	omization and lessaging ation Cost	
Year	Ar	nount	integr	0031	
2025 Implementation Fee	\$	454,634	\$	1,064,960	1
2026	\$	456,180	\$	931,840	
2027	\$	456,180	\$	959,795	
2028	\$	456,180	\$	988,589	
2029	\$	456,180	\$	1,018,247	
2030	\$	456,180	\$	1,048,794	
5 Year Texting Solution	\$	-	\$	1,150,000	(3
5 Year Cost	\$	2,735,534	\$	7,162,225	
Total C	ost Ven	dor A + KHS	\$	9,897,759	1

(1) One year cost shown due to extension

(2) Texting solution current cost is \$200,000 per year, which expires 5/31/2025; renewal cost will be approximately \$230,000 per year.

(3) 5 Year texting solution is an integration cost to utilize an outside vendor.



### Finalist Comparison

### mPulse

 The portal's design enhances multiple functions. mPulse's integrated texting enables proactive outreach and real-time support, improving engagement and reducing call volume. With multilingual support (150+ languages) and seamless core system integration, it eliminates thirdparty dependencies and costly custom development, ensuring a smooth, cost-efficient transition.

### Vendor A

• The platform lacks essential features like online forms, chatbots, and built-in texting, requiring third-party integrations. Limited language support and provider alerts need custom development, while core system integration challenges add complexity. Additional costs for key features, such as a cost estimator and digital ID cards, make it less efficient and more resource-intensive than our current portal.

Category	mPulse (Selected Vendor) Vendor	
Base Cost (5yr)	\$5,966,116	\$2,735,534
Customization and Integration Cost	\$0 <sup>(1)</sup> \$7,162,225 <sup>(2).(3)</sup>	
Time to Implement	Faster (Minimal setup) Slower (Customization required)	
Texting Integration	Built-in, seamless (4) Requires third-party integration	
Care Gap Insights	Fully integrated Requires additional developmer	
Total Cost of Ownership	Higher upfront, but lower long-term cost Lower upfront, but higher long-te	

(1) Upfront customization is not included as mPulse is a turnkey solution.

(2) Cost is comprised of KHS Developers, Database Administrators, and Project Managers for initial and ongoing customization of the solution to meet KHS needs. (3) Cost includes 5 year texting integration solutions of assumed cost of \$1,150,000.

(4) mPulse will provide a texting solution which will replace our current solution at no additional cost as the texting solution is part of the portal.



## Requested Action

Approve; Authorize the CEO to enter into, sign a new five (5) year contract with mPulse for the procurement of the Member and Provider Portal, support, and maintenance in an amount not to exceed \$5,966,116 in operating expenses for the entire term of the contract.



# You + Us = a better day!



Please contact:

Cesar Delgado Deputy Chief Information Officer 661-617-2518 cesar.delgado@khs-net.com





#### MEMORANDUM

TO:Kern Health Systems Board of DirectorsFROM:Isabel Silva, Senior Director of Wellness and PreventionSUBJECT:Contract Extension and Retroactive Approval for Language Line SolutionsDATE:February 20, 2025

#### **Background**

Kern Health Systems ("KHS") has a contract with Language Line Solutions (LLS) to provide limited English proficient (LEP) Members with equal access to health services by arranging interpreter services in accordance with statutory, regulatory, and contractual requirements. Language Line Solutions is an industry leader that KHS has utilized for over 15 years to provide high quality interpreter and translation services.

#### **Discussion**

Language Line Solutions (LLS) has been identified as a sole source provider for language interpretation and translation services due to the significant cost savings realized through our Group Purchasing Organization (GPO) contract. The GPO negotiated rates are substantially lower than those offered by other vendors for similar services, ensuring optimal use of organizational resources. Health plans such as IEHP and LA Care are also utilizing this GPO with LLS for their interpreting and translations services. KHS extends the savings from the GPO rate to Clinica Sierra Vista (CSV) and Kern Medical (KM) to communicate with KHS and non-KHS LEP members. CSV and KM reimburse KHS for the estimated non-KHS member usage. Additionally, the exclusive terms added value, such as enhanced support, and training provided under this agreement, are not available through alternative suppliers and LLS' robust audit and quality assurance process for the services they provide meet NCQA and DHCS regulatory standards. Given these unique benefits and the inability of other vendors to match this comprehensive value, a competitive bidding process would not yield comparable results. Therefore, we recommend maintaining LLS as the sole source provider for these services.

It is estimated that 30% of KM and CSV patients who utilize interpreting services at their appointments are KHS members. KM and CSV have agreed on a new process where staff will include the Medical Record Number (MRN) in the call prompt to verify which interpreting services are used for KHS members. Both KM and CSV anticipate an increase in KHS' share of costs once this is implemented in Q'2 of 2025. To ensure accuracy, KHS will monitor and adjust its share of costs based on the results of crossmatching MRNs on the invoice with KHS member IDs.

#### **Financial Impact**

Fiscal impact is \$11,678,000 which comprises the cost for a three (3) year renewal term for \$10,910,000, plus a retroactive and remaining year expenditures of the LLS agreement term until January 2025 for \$768,000 for CSV and KM, in which KHS' portion is \$230,000. Annual expenditures are as follows:

- 1. KHS pays 100% of cost for direct line services to KHS
- 2. CSV pays 70% of total invoice amount and KHS pays 30%
- 3. KM pays 70% of total invoice amount and KHS pays 30%

	KHS	KM	CSV	Total NTE
<b>Retroactive Payment</b>	\$230,000	\$118,000	\$420,000	\$768,000(1)
KHS Direct Line	\$310,000	\$0	\$0	\$310,000
CSV Direct Line	\$2,280,000	\$0	\$5,320,000	\$7,600,000 (1)
KM Direct Line	\$900,000	\$2,100,000	\$0	\$3,000,000 (1)
Grand Total	\$3,720,000	\$2,218,000	\$5,740,000	\$11,678,000

(1) Assumes 30% of total expenses incurred as a result of Kern Health Systems members and 70% non-KHS members.

#### **Requested Action**

Approve; Authorize the CEO in extending services to a three (3) year term and a retroactive approval increasing the not to exceed under the agreement by \$11,678,000 for the entire term of the contract.

Attachment A



#### **AGREEMENT AT A GLANCE**

Department Name: HE	Department Head: Isabel Silva Contract Owner: Cynthia Cardona
Vendor Name: Language Line Solutions (LLS)	Contact name & e-mail: Erik Sharp, esharp@languageline.com
What services will this vendor provide to KHS?	LLS provides KHS with interpreting services, which have also been
integrated with Clinica Sierra Vista (CSV) and )	Kem Medical (KM),

Desc	cription of Contract
Type of Agreement: Professional Services	Background: Kern Health Systems ("KHS") has a contract with Language Line Solutions (LLS) to provide
Contract	limited English proficient (LEP) Members with equal access to health services by arranging interpreter
Purchase	services in accordance with statutory, regulatory, and contractual requirements. Language Line Solutions is an
New agreement	industry standard that KHS has utilized for over 15 years to provide high-standard quality interpreter and
Continuation of Agreement	translation services. LLS is also integrated with Clinica Sierra Vista and Kern Medical to serve our members.
Addendum	
Amendment No	Brief Explanation: KHS Provides equal access to health services for limited English (LEP) members by
Retroactive Agreement	arranging appropriate interpreter services.

Summary of Quotes and/or Bids attached. Parsnam to KHS Pater 88.11-1. KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail fax) solicitation may be used for purchases of up to One Hundred Thousand Dollars or more if not bulge ted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00) but must be documented on the RFQ form (Hundred Thousand Dollars or more if budgeted (\$200,000.00) but must be documented on the RFQ form (Hundred Thousand Dollars or more if not budgeted (\$200,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). Request for Proposal (NFF) shall be used to solicit bids for professional services over Two Hundred Thousand Dollars (\$200,000). 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 "charge orders" used to track any charges.)

#### Brief vendor selection justification:

Sole source – no competitive process can be performed.

Brief reason for sole source: Language Line Solutions (LLS) has been identified as a sole source provider for language interpretation and translation services due to the significant cost savings realized through our Group Purchasing Organization (GPO) contract. The GPO negotiated rates are substantially lower than those offered by other vendors for similar services, ensuring optimal use of organizational resources. Health plans such as IEHP and LA Care are also utilizing this GPO with Language Line Solutions for their language and translations services. The exclusive terms added value, such as enhanced support, and training provided under this agreement, are not available through alternative suppliers. Additionally, Language Line's robust audit and quality assurance process for the services they provide meet NCQA and DHCS regulatory standards.

Form updated 6/12/23

Attachment A

Conflict of Interest For	n is required for this Cor	atract		
	iate Agreement is requir			
Subcontractor Disclosu	re of Ownership and Cor	ntrol form is required for th	is Contract	
		Fiscal Impact		
KHS Governing Board prev	iously approved this exp	ense in KHS' FY 2025 Ad	ministrative Budget	
Will this require additional	funds?			
Capital project				NO YES
Project type:				
Budgeted Cost Center <u>312</u>	GL# 5645	5		
Maximum cost of this agree			which 70% is estimated	to be reimbursed
from KM and CSV				
Notes: The "not to exceed a	amount include	s both retroactive costs	and the cost of the new	term. Please
reference breakdown belo		is bour reabactive costs e	and the cost of the fiew	Willing Freeze
	KHS	KM	CSV	Total NTE
Retroactive Payment	\$230,000	\$118,000	\$420,000	\$768,000 (1)
KHS Direct Line	\$310,000	\$0	\$0	\$310,000 \$7,600,000 (1
CSV Direct Line	\$2,280,000	\$0 \$2,100,000	\$5,320,000 \$0	\$3,000,000 (1
KM Direct Line Grand Total	\$900,000 \$3,490,000	\$2,100,000	\$5,320,000	\$11,678,000
(1) Assumes 30% of total expense	es incurred as a result of Ke	rn Health Systems members and		1
	Contra	ct Terms and Conditions		
Effective date: 2/28/2025		Termination date: 2/2	7/2028	
Explain extension provision	s, termination conditions	s and required notice: The	retroactive payment cove	ers invoices from
June to November 2024 for	CSV. It also includes fu	nding for the remaining exp	penses under the LLS age	reement (covering
KM, CSV, and KHS) through	gh January 2025. The rer		t will take effect on Febr	uary 28, 2025
		Approvals		
Compliance DMHC/DHC	S Review:	Legal Review:		
Chief Compliance and Frau	d Prevention Officer or J	Director of Legal Counsel		
Compliance and Regulatory		Ũ		
		D.		
Date		Date		
Date		$\sim$		
Contract Owner:		Purchasing	6	
a second s	1.101	H		
Approvad by E	sabel Silva	Director of	urement and Facilities	
Approved by 15 Department Head fer contract med		Director of Proc	-1	
Per contract meet	ma 12/3/24	25	2025	_
Date	)	Date		

Form updated 6/12/23

Reviewed as to Budget:	Recommended by the Executive Committee:		
Chief Financial Officer or Controller	Chief Operating Officer 2-5-2025		
Date	Date		
IT Approval:	Chief Executive Officer Approval:		
Chief Information Officer or IT Director	Chief Executive Officer		
Date	Date		
Board of Directors approval is required on all o	contracts over \$100,000 if not budgeted and \$200,000 if budg		
KHS Board Chaim	nan		

Date

Form updated 6/12/23



### MEMORANDUM

revention

#### **Background**

Kern Health Systems ("KHS") has a contract with LIFESIGNS, INC. to provide American Sign Language (ASL) members with equal access to health services by arranging face-to-face interpreter services in accordance with statutory, regulatory, and contractual requirements. LIFESIGNS, INC. is an industry leader that KHS has utilized for over 18 years to provide high-standard quality interpreter services.

#### Discussion

LIFESIGNS, INC. has been identified as a sole source provider for face-to-face American Sign Language (ASL) interpreter services due to no other competitive companies that would provide the same capacity of services as LIFESIGNS, INC. in Kern County. In addition, LIFESIGNS, INC., robust audit and quality assurance process for the interpreter services they provide meet NCQA and DHCS regulatory standards. Given the unique inability for other vendors to service the county of Kern we recommend maintaining LIFESIGNS, INC. as the sole source provider for these services.

#### **Financial Impact**

Not to exceed \$120,000.00 for a two (2) year term from the date of February 23, 2025 through February 22, 2027. This accounts for 6% rate increase and anticipated 8% increase in Member utilization of interpreting services. Yearly expenditures are as follows:

2025-2026	2026-2027	Total Cost
\$60,000.00	\$60,000.00	\$120,000.00

#### **Requested Action**

Approve; Authorize the CEO to extend the contract for a two (2) year term and increasing the not to exceed amount under LIFESIGNS, INC by \$120,000 from \$160,000 to \$280,000 for the entire term of the contract.



#### AGREEMENT AT A GLANCE

 Department Name: HE
 Department Head: Isabel Silva

 Vendor Name: LIFESIGNS, INC
 Contact name & e-mail: Denise Galvan, dgalvan@lifesignsinc.org

 What services will this vendor provide to KHS?
 Fate-to-Face American Sign Language (ASL) interpreting for member

 medical and non-medical appointments. Vendor provides services throughout Kern County.

more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000 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 One Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if but, eted (\$200,000.00). Reques for Proposal (RFP) shall be used to solicit bids for professional services over Two Hundred Thousand Dollars (\$200,000). 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.)	Description of Contract		
<ul> <li>Contract</li> <li>nembers to effectively communicate with their health care team. KHS is required to arrange appropriate ASI interpreting services in accordance with the statutory, regulatory, and contractual requirements.</li> <li>New agreement</li> <li>Continuation of Agreement</li> <li>Addendum</li> <li>Addendum</li> <li>Anendment No</li></ul>	Type of Agreement: Software		
Purchase       interpreting services in accordance with the statutory.         Rew agreement       Reif Explanation: Face-to-Face American Sign Language         Addendum       Brief Explanation: Face-to-Face American Sign Language         Amendment No.       County.         Retroactive Agreement       County.         Summary of Quotes and/or Bids attached. Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/gay solicitation may be used for purchases of up to Ome Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). Lowest bid of 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: LIFESIGNS, INC. is the sole source for ASL services for KFHC members because we were mable to find other competitive companies that would provide the same capasity of services as LIFESIGNS, INC. in Kern County.         Conflict of Interest Form is required for this Contract       HIPAA Business Associate Agreement is	Contract	members to effectively communicate with their health care	
Image: Second			
<ul> <li>New agreement</li> <li>Continuation of Agreement</li> <li>Addendum</li> <li>Arendment No.</li> <li>Retroactive Agreement</li> <li>Summary of Quotes and/or Bids attached. <i>Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to One Hundred Thousand Dollars or more if not budgeted (\$100,000) and Two Hundred Thousand Dollars on more if budgeted (\$200,000 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 One Hundred Thousand Dollars or more if not budgeted (\$200,000 00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000 00). One. Request for Proposal (RFP) shall be used to solicit bids for professional services over Two Hundred Thousand Dollars or more if on budgeted (\$200,000.00). Acquest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.)</i></li> <li>Brief reason for sole source: LIFESIGNS, INC, is the sole source for ASL services for KFHC members because we were mable to find other competitive companies that would provide the same capacity of services as LIFESIGNS, INC, in Kern County.</li> <li>Conflict of Interest Form is required for this Contract</li> <li>HIPAA Business Associate Agreement is required for this Contract</li> <li>Subcontractor Disclosure of Ownership and Control form is required for this Contract</li> </ul>	Purchase		
<ul> <li>Addendum</li> <li>Brief Explanation: Face-to-Face American Sign Language (ASL) interpreting for members medical and non-medical appointments. Vendor provides services throughout Kern County.</li> <li>Retroactive Agreement</li> <li>Summary of Quotes and/or Bids attached. Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/jax) solicitation may be used for purchases of up to Ome Hundred Thousand Dollars or more if budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services our Two Hundred Thousand Dollars or more if budgeted (\$100,000.00). Lowest bid price nat 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.)</li> <li>Brief reason for sole source: LIFESIGNS. INC. is the sole source for ASL services for KFHC members because we were mable to find other competitive companies that would provide the same capacity of services as LIFESIGNS, INC. in Kern County.</li> <li>Conflict of Interest Form is required for this Contract</li> <li>HIPAA Business Associate Agreement is required for this Contract</li> <li>Subcontractor Disclosure of Ownership and Control form is required for this Contract</li> </ul>	New agreement	regulatory, and contraction regul chester.	
<ul> <li>Addendum</li> <li>Amendment No</li></ul>	Continuation of Agreement	a second s	
<ul> <li>Amendment No</li></ul>			
<ul> <li>Amendment No.</li> <li>Retroactive Agreement</li> <li>Summary of Quotes and/or Bids attached. Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to One Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000 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 One Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). 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.)</li> </ul> Brief vendor selection justification: <ul> <li>Sole source – no competitive process can be performed.</li> <li>Brief reason for sole source: LIFESIGNS, INC. is the sole source for ASL services for KFHC members because we were mable to find other competitive companies that would provide the same capacity of services as LIFESIGNS, INC. in Kern County. <ul> <li>Conflict of Interest Form is required for this Contract</li> <li>HIPAA Business Associate Agreement is required for this Contract</li> </ul></li></ul>	Addendum	(ASL) interpreting for members medical and non-medical	
Summary of Quotes and/or Bids attached. Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to One Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00) 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 One Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). A construction of the sole	Amendment No.		
<ul> <li>maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to One Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00) 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 One Hundred Thousand Dollars or more if not budgeted (\$100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Two Hundred Thousand Dollars (\$200,000). 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.)</li> <li>Brief vendor selection justification:</li> <li>Sole source – no competitive process can be performed.</li> <li>Brief reason for sole source: LIFESIGNS, INC, is the sole source for ASL services for KFHC members because we were unable to find other competitive companies that would provide the same capacity of services as LIFESIGNS, INC, in Kern County.</li> <li>Conflict of Interest Form is required for this Contract</li> <li>HIPAA Business Associate Agreement is required for this Contract</li> <li>Subcontractor Disclosure of Ownership and Control form is required for this Contract</li> </ul>	Retroactive Agreement		
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Kern County.         Conflict of Interest Form is required for this Contract         HIPAA Business Associate Agreement is required for this Contract         Subcontractor Disclosure of Ownership and Control form is required for this Contract	Brief reason for sole source LIFESIGNS, INC. is the sole	source for ASL services for KFHC members because we were	
<ul> <li>Conflict of Interest Form is required for this Contract</li> <li>HIPAA Business Associate Agreement is required for this Contract</li> <li>Subcontractor Disclosure of Ownership and Control form is required for this Contract</li> </ul>		vide the same capacity of services as LIPESIGNS, INC. In	
<ul> <li>HIPAA Business Associate Agreement is required for this Contract</li> <li>Subcontractor Disclosure of Ownership and Control form is required for this Contract</li> </ul>			
Subcontractor Disclosure of Ownership and Control form is required for this Contract		this Contract	
Fiscal Impact			

		A	ttachment
KHS Governing Board previously approved this expense	se in KHS' FY 2024 Administrative Budget	□ NO	<b>YE</b> S
Will this require additional funds?			
Capital project		— ⊠ NO	YE
Project type:		-	
Budgeted Cost Center: 312 GL# 6260			
Maximum cost of this agreement not to exceed: \$120.0	00 per two (2) years		
Notes: includes 6% rate increase and 8% increase in uti	lization of interpreting services		
	ferms and Conditions		
Effective date: 2/23/2025	Termination date: 2/22/2027		
Explain extension provisions, termination conditions an	nd required notice:		
	Approvals		
Compliance DMHC/DHCS Review:	Legal Review:		
Chief Compliance and Fraud Prevention Officer or	Legal Counsel		
Director of Compliance and Regulatory Affairs			
	Date		
Date			
Contract Owner:	Purchasing:		
Department Head	Director of Procurement and Facilities		
Date	Date		
Product Products	Recommended by the Executive Com	mittee.	
Reviewed as to Budget:	recommendad by the Steentive Com	muce.	
four this	Chief Operating Officer	_	
Chief Financial Officer or Controller			
216 25	x - (g-1)23		
Date	Date		
IT Approval:	Chief Executive Officer Approval:		
Chief Information Officer or IT Director	Chief Executive Officer		
	Date		

Board of Directors approval is required on all contracts over \$100,000 if not budgeted and \$200,000 if budgeted.

KHS Board Chairman

Date



### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Isabel Silva, Senior Director of Wellness and Prevention
SUBJECT:	Contract Extension with Coffey Communications for Member Newsletter
DATE:	February 20, 2025

#### BACKGROUND

As a contractual requirement with DHCS, KHS must maintain a health education system that provides educational interventions addressing:

- Appropriate use of health care services
- Risk-reduction and healthy lifestyles
- Self-care and management of health conditions

KHS is also contractually required to ensure all written member communications are at or below a 6<sup>th</sup> grade reading level and available in alternative formats, such as large font. One of the strategies leveraged by KHS and other Medi-Cal Managed Care Health Plans to inform and educate our membership is the development and distribution of member newsletters to all member households.

Coffey Communications provides the following services:

- Designs the layout of the newsletter
- Allows KHS access to their national library of articles
- Translates the newsletter to Spanish
- Coordinates the printing and fulfillment of household mailings

Each member newsletter issue is produced in English, Spanish and large font, averages about 14 articles and covers an array of topics which include but are not limited to:

- Health education
- Access to services
- Member rights and responsibilities
- Instructions on accessing interpreting services or filing a grievance
- Changes in benefits
- Availability of community resources

To enhance member education, the frequency of the newsletter will increase from two (2) to three (3) times per year. Additionally, a digital publication of the newsletter will be sent to members who have opted in for text messaging, replacing the printed edition for these members.

#### FINANCIAL IMPACT

Not to exceed \$200,000 for one (1) year from the date of February 15, 2025 through February 14, 2026 for the development, publication and fulfillment of the Member Newsletter three (3) times a year in English and Spanish. The per piece printing cost for standard size is \$0.3225 for 121,000 pieces and \$3.58 for 3,100 pieces in large font. The annual cost includes the publication (digital and print), mail prep and shipping fees for standard and large font editions.

#### **REQUESTED ACTION**

Approve; Authorize the CEO to extend the contract for a one (1) year term and increasing the not to exceed amount under Coffey Communications by \$200,000 from \$170,000 to \$370,000 for the entire term of the contract.



#### **AGREEMENT AT A GLANCE**

 Department Name: <u>HE</u>
 Department Head: Isabel Silva

 Vendor Name: <u>Coffey Communications</u>
 Contact name & c-mail: <u>Ashley Landwehr</u>, Alandwehr@coffeycomm.com

 What services will this vendor provide to KHS? <u>Development (including access to library of national articles, ability to localize 100% of content and design/layout), printing, and mailing of member newsletters in English

 and Spanish to members three (3) times a year.

</u>

De	scription of Contract
Type of Agreement: Professional Services Contract	Background: <u>Three (3) issues per year and digital editions in</u> lieu of print version to all members who have opted in for text messaging. Member newsletters contain health, member and
Purchase	benefit related articles in compliance with state contract and KHS P&Ps
New agreement	
Continuation of Agreement	Brief Explanation: API 22-002 requires we send our member
Addendum	newsletter in an alternative format based on member requests and APL21-004 requires the full nondiscrimination notice and
Amendment No.	18 language access taglines in the newsletter which adds additional pages to our current newsletter
Retroactive Agreement	

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 One Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00) 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 One Hundred Thousand Dollars or more if not budgeted (\$200,000.00) 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 (\$200,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Two Hundred Thousand Dollars (\$200,000). 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

Subcontractor Disclosure of Ownership and Control form is required for this Contract

**Fiscal Impact** 

		At	tachment .
KHS Governing Board previously approved this expense	e in KHS' FY 2025 Administrative Budget	□ NO	<b>⊠YE</b> S
Will this require additional funds?		🛛 NO	<b>YE</b>
Capital project		🛛 NO	<b>YES</b>
Project type:			
Budgeted Cost Center 312 GL# 5645			
Maximum cost of this agreement not to exceed: \$200,00	0 per one year		
Notes: Postage paid through KHS mail permit. Increasin newsletters to members who have opted in for text mess	g to frequency of newsletter to 3 times a yea aging in lieu of printed version. erms and Conditions	r and sendi	ing digital
Effective date: 2/15/2025	Termination date: 2/14/2026		
Explain extension provisions, termination conditions and			
			_
Compliance DMHC/DHCS Review:	Approvals Legal Review:		
Complance Divite	- Building		
Chief Compliance and Fraud Prevention Officer or Director of Compliance and Regulatory Affairs	Legal Counsel		
	Date		
Date			
Contract Owner:	Purchasing:		
Department Head	Director of Procurement and Facilities		
Date	Date	-	
Reviewed as to Budget:	Recommended by the Executive Comm	nittee:	
Chief Financial Officer or Controller	Chief Operating Officer		
Date	Date		
IT Approval:	Chief Executive Officer Approval:		
Chief Information Officer or IT Director	Chief Executive Officer		
Date	Date	_	

Board of Directors approv	val is required on all contracts over \$100,000 if	not budgeted and \$200,000 if budgeted.
	KHS Board Chairman	
	Date	





**WINTER 2024** 

# Meet the Member Engagement team!

Kern Family Health Care (KFHC) wants to make sure our members get the best care, no matter where they live. We are here to serve you in your community. We are very happy to announce that we now have offices in more areas of Kern County.

The Member Engagement team is here to serve you with all your KFHC needs. Our offices are now in Taft, Frazier Park, Delano, Shafter, Mojave, Ridgecrest and Lake Isabella. Your local Member Engagement representative will be happy to see you! They can help with primary care provider changes, your address and phone number updates, and so much more! Turn to page 2 to see when and where you can meet with our representatives.

-Continued on page 2

#### In this issue

Page Be rewarded for health steps Page Get timely access to care Page Keep your child's development 6 on track



Mary Scott, Member **Engagement Representative** (Northeast Kern)

Engagement Supervisor Stephanie Rico, Member **Engagement** Coordinator Valente Guzman, Member Engagement Project Manager

Permit No. 162 Standard Pastage PAID Yakima, WA

## Meet the Member Engagement team!

-Continued from page 1

Lupe Rodriguez	661-332-9076	Claudia Valdivia	661-333-9635
<b>Delano</b> Delano Union School District 1405 12th Ave., Delano, CA 93215	<b>Shafter</b> Shafter Family Resource Center 340 South Valley St., Shafter, CA 93263	<b>Taft</b> The Fort Preservations Society 915 N. 10th St., Suite 4, Taft, CA 93225	<b>Frazier Park</b> Mountain Community Family Resource Center 3015 Mt. Pinos Way, Suite 201, Frazier Park,
8 a.m. to 4:30 p.m. Mondays and Tuesdays; second and fourth Wednesdays, Thursdays and Fridays	8 a.m. to noon the first and third Wednesdays of each month	8 a.m. to 4:30 p.m. Mondays, Tuesdays, Thursdays and Fridays	CA 93225 8 a.m. to noon every first, second and third Wednesday, and noon to 4:30 p.m. every fourth Wednesday
Mary Scott   66	1-204-8108	Vincent Trevino	661-332-7779

Mary Scott   661-204-8108		VINCENT IREVINO   661-332-7779		
<b>Ridgecrest</b> Oasis Family Resource Center 814 N. Norma St.,	<b>Lake Isabella</b> Kern River Valley Family Resource Center 6416 Lake Isabella Blvd.,	<b>Mojave</b> East Kern Family Resource Center 15662 K St., Mojave,	8 a.m. to 4:30 p.m. Monday through Friday	
Ridgecrest, CA 93555	Suite C, Lake Isabella, CA 93240	CA 93501		
8 a.m. to 4:30 p.m. Tuesdays, Thursdays and Fridays	10 a.m. to 2:30 p.m. every first, second and fourth Wednesday and third Tuesday	This story was made 11/1/20 team members are subject t		

### **Combat winter isolation: You are not alone!**

As winter sets in, feelings of loneliness can grow. For those living with depression, there are ways to cope and connect during these cold months. Reach out to friends or family for virtual

2 FAMILY HEALTH

hangouts or phone calls.

If you feel you are having a mental crisis, call the **988** hotline. They are open 24 hours, 7 days a week. They can help people in crisis and those having thoughts of suicide.

If you happen to visit the Emergency Department for drug use or mental illness, follow up with your doctor after release. KFHC will give you a reward for following up with your doctor.

# Boost your health with natural wellness

Modern medicine can feel like healing only comes from a long process of tests and pills. But our bodies also have the amazing ability to heal on their own! It's vital to involve your doctor in your health choices. Talk with them about natural methods you'd like to try. Here are eight ideas:

- 1. Find your favorite way to be active! Invite friends or family to join you, and celebrate when you reach your goals.
- 2. Try **MyPlate.gov** for a free and tasty wholefoods plan in both English and Spanish.
- 3. Reduce stress by saying no to things. Avoid stressful triggers like traffic or negative people.
- 4. Learn about your health: If you have a long-term health issue, learning about it can empower you to live your best life. KFHC hosts group classes on asthma, diabetes and high blood pressure. Check them out by scanning the QR code below.
- 5. Practice being grateful to lift your spirits and boost your immune system.
- 6. Think of a calm and peaceful place to help you relax. Slowly squeeze and release muscles around your body until you feel more at ease.
- 7. Take a warm bath: It can improve blood flow and relieve stress and pain. Breathing in the steam from a warm bath also helps open airways—great for people with asthma and allergies!
- 8. Get out into bright morning light to improve your mood and blood sugar.

In the end, working on the root causes of chronic disease can help improve your wellness in every area of life!

Sources: Harvard Health; Mayo Clinic; National Heart, Lung, and Blood Institute



# Be rewarded for health steps

KFHC wants to thank you for taking care of your health and the health of your family. There are three rewards added to our list.

# Check below to see if you qualify for any of these gift card rewards

<b>Follow-up after a mental</b> <b>health emergency room visit</b> Members 6 years of age and older. Visit your doctor within 30 days of being seen for mental health in the emergency room.**	\$25
<b>Follow-up for a substance</b> <b>abuse emergency room visit</b> Members 13 years of age and older. Visit your doctor within 30 days of being seen for substance abuse in the emergency room.**	\$25
Hemoglobin A1c blood test screening Members 18 to 75 years of age with diabetes: Get an A1c blood test screening.**	\$25

\*\*All gift cards or rewards can change at any time. Please check **kernfamilyhealthcare.com** for any updates.



WANT TO LEARN MORE ABOUT OUR REWARDS? Go to kernfamilyhealth care.com or scan the OR code.

FAMILY HEALTH 3

### Get timely access to care

KFHC has standards for timely access to care. The amounts of time you should have to wait when making your office visit with your doctor, specialists and other health experts are listed at right. If you have to wait longer than these wait times when making an office visit, please give us a call at **800-391-2000** or TTY/TDD: **711**, Monday through Friday, 8 a.m. to 5 p.m., and we will help you set up a timely office visit.



Type of medical visits	Visit wait times
Routine primary care doctor and follow-ups	10 business days*
Specialists	15 business days*
Mental health	10 business days*
Urgent visits for services that do not need pre-approval (prior authorization)	Within 48 hours*
Urgent visits for care that need pre-approval (prior authorization)	Within 96 hours*
Ancillary services such as x-rays, lab tests and physical therapy	15 business days*
Telephone wait times during normal business hours	10 minutes
Advice Nurse Line/telephone triage, 24/7 services	No more than 30 minutes
First prenatal visit	10 business days
*Health care providers can be flevib	le in making an

\*Health care providers can be flexible in making an office visit. This can be if a longer wait time is not harmful to the member's health. It must be noted in the member's record that a longer wait time will not be harmful to the member.

### **Care after hours**

Did you know that KFHC has an Advice Nurse Line?

You can call and speak to an advice nurse to help you decide what to do when you or someone in your family gets sick or hurt. Our advice nurses can be reached 24 hours a day, 7 days a week. They can answer health care questions when you can't reach your doctor. To speak with an advice nurse, call us at **800-391-2000**.







# NONDISCRIMINATION NOTICE

Discrimination is against the law. Kern Family Health Care follows State and Federal civil rights laws. Kern Family Health Care does not unlawfully discriminate, exclude people, or treat them differently because of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, gender, gender identity, or sexual orientation.

Kern Family Health Care provides:

- Free aids and services to people with disabilities to help them communicate better, such as:
  - ✓ Qualified sign language interpreters
  - ✓ Written information in other formats (large print, audio, accessible electronic formats, other formats)
- Free language services to people whose primary language is not English, such as:
  - ✓ Qualified interpreters
  - ✓ Information written in other languages

If you need these services, contact Kern Family Health Care at **1-800-391-2000** between 8:00am – 5:00pm, Monday through Friday. If you cannot hear or speak well, please call the California Relay Service at 711. Upon request, this document can be made available to you in braille, large print, audiocassette, or electronic form. To obtain a copy in one of these alternative formats, please call or write to:

Kern Family Health Care 2900 Buck Owens Boulevard Bakersfield, CA 93308 **1-800-391-2000** 711 (California Relay Service)

#### HOW TO FILE A GRIEVANCE

If you believe that Kern Family Health Care has failed to provide these services or unlawfully discriminated in another way on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, gender, gender identity, or sexual orientation, you can file a grievance with Kern Family Health Care's Discrimination Grievance Coordinator. You can file a grievance by phone, in writing, in person, or electronically:

- By phone: Contact Kern Family Health Care's Discrimination Grievance Coordinator between 8:00am – 5:00pm, Monday through Friday by calling 1-800-391-2000. Or, if you cannot hear or speak well, please call the California Relay Service at 711.
- **In writing:** Fill out a complaint form or write a letter and send it to:

Discrimination Grievance Coordinator Kern Family Health Care 2900 Buck Owens Boulevard Bakersfield, CA 93308

- **In person:** Visit your doctor's office or Kern Family Health Care and say you want to file a grievance.
- Electronically: Visit Kern Family Health Care's website at www.kernfamilyhealthcare.com.

### OFFICE OF CIVIL RIGHTS – CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

You can also file a civil rights complaint with the California Department of Health Care Services, Office of Civil Rights by phone, in writing, or electronically:

- **By phone:** Call **916-440-7370**. If you cannot speak or hear well, please call 711 (California Relay Service).
- **In writing:** Fill out a complaint form or send a letter to:

-Continued on the next page

#### -Continued from the previous page

Deputy Director, Office of Civil Rights Department of Health Care Services Office of Civil Rights P.O. Box 997413, MS 0009 Sacramento, CA 95899-7413

Complaint forms are available at http://www .dhcs.ca.gov/Pages/Language\_Access.aspx.

• Electronically: Send an email to CivilRights@dhcs.ca.gov.

#### OFFICE OF CIVIL RIGHTS – U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

If you believe you have been discriminated against on the basis of race, color, national origin, age, disability or sex, you can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights by phone, in writing, or electronically:

- By phone: Call 1-800-368-1019. If you cannot speak or hear well, please call TTY/TDD 1-800-537-7697.
- **In writing:** Fill out a complaint form or send a letter to:

U.S. Department of Health and Human Services 200 Independence Avenue, SW Room 509F, HHH Building Washington, D.C. 20201

# Complaint forms are available at **http://www**.hhs.gov/ocr/office/file/index.html.

• Electronically: Visit the Office for Civil Rights Complaint Portal at https://ocrportal.hhs.gov/ ocr/portal/lobby.jsf.

## TAGLINES

#### **English Tagline**

ATTENTION: If you need help in your language call 1-800-391-2000 (TTY: 711). Aids and services for people with disabilities, like documents in braille and large print, are also available. Call 1-800-391-2000 (TTY: 711). These services are free of charge.

#### الشعار بالعربية (Arabic)

يُرجى الانتباه: إذا احتجت إلى المساعدة بلغتك، فاتصل بـ 2000-391-300-1 (TTY: 711). تتوفر أيضًا المساعدات والخدمات للأشخاص ذوي الإعاقة، مثل المستندات المكتوبة بطريقة بريل والخط الكبير. اتصل بـ 2000-391-800-1 (TTY: 711). هذه الخدمات مجانية.

#### Հայերեն պիտակ (Armenian)

ՈՒՇԱԴՐՈՒԹՅՈՒՆ։ Եթե Ձեզ օգնություն է հարկավոր Ձեր լեզվով, զանգահարեք 1-800-391-2000 (TTY: 711)։ Կան նաև օժանդակ միջոցներ ու ծառայություններ հաշմանդամություն ունեցող անձանց համար, օրինակ` Բրայլի գրատիպով ու խոշորատառ տպագրված նյութեր։ Զանգահարեք 1-800-391-2000 (TTY: 711)։ Այդ ծառայություններն անվՃար են։

#### ឃ្លាសម្គាល់ជាភាសាខ្មែរ (Cambodian)

ចំណាំ៖ បើអ្នក ត្រូវ ការជំនួយ ជាភាសា របស់អ្នក សូមទូរស័ព្ទទៅលេខ 1-800-391-2000 (TTY: 711)។ ជំនួយ និង សេវាកម្ម សម្រាប់ ជនពិការ ដូចជាឯកសារសរសេរជាអក្សរផុស សម្រាប់ជនពិការភ្នែក ឬឯកសារសរសេរជាអក្សរពុម្ពធំ ក៍អាចរកបានផងដែរ។ ទូរស័ព្ទមកលេខ 1-800-391-2000 (TTY: 711)។ សេវាកម្មទាំងនេះមិនគិតថ្លៃឡើយ។

#### 简体中文标语 (Chinese)

请注意:如果您需要以您的母语提供帮助,请致电 1-800-391-2000 (TTY: 711)。另外还 提供针对残疾人士的帮助和服务,例如盲文和需要较大字体阅读,也是方便取用的。请致 电 1-800-391-2000 (TTY: 711)。这些服务都是免费的。

مطلب به زبان فارسی (Farsi)

توجه: اگر میخواهید به زبان خود کمک دریافت کنید، با (TTY: 711) 2000-981-080-1 تماس بگیرید. کمکها و خدمات مخصوص افراد دارای معلولیت، مانند نسخههای خط بریل و چاپ با حروف بزرگ، نیز موجود است. با (TTY: 711) 2000-391-800-1 تماس بگیرید. این خدمات رایگان ارائه میشوند.

#### <u>हिंदी टैगलाइन (Hindi)</u>

ध्यान दें: अगर आपको अपनी भाषा में सहायता की आवश्यकता है तो 1-800-391-2000 (TTY: 711) पर कॉल करें। अशक्तता वाले लोगों के लिए सहायता और सेवाएं, जैसे ब्रेल और बड़े प्रिंट में भी दस्तावेज़ उपलब्ध हैं। 1-800-391-2000 (TTY: 711) पर कॉल करें। ये सेवाएं नि: शुल्क हैं।

#### Nge Lus Hmoob Cob (Hmong)

CEEB TOOM: Yog koj xav tau kev pab txhais koj hom lus hu rau 1-800-391-2000 (TTY: 711). Muaj cov kev pab txhawb thiab kev pab cuam rau cov neeg xiam oob qhab, xws li puav leej muaj ua cov ntawv su thiab luam tawm ua tus ntawv loj. Hu rau 1-800-391-2000 (TTY: 711). Cov kev pab cuam no yog pab dawb xwb.

#### 日本語表記 (Japanese)

注意日本語での対応が必要な場合は 1-800-391-2000 (TTY: 711)へお電話ください。点 字の資料や文字の拡大表示など、障がいをお持ちの方のためのサービスも用意していま す。 1-800-391-2000 (TTY: 711)へお電話ください。これらのサービスは無料で提供し ています。

#### <u>한국어 태그라인 (Korean)</u>

유의사항: 귀하의 언어로 도움을 받고 싶으시면 1-800-391-2000 (TTY: 711) 번으로 문의하십시오. 점자나 큰 활자로 된 문서와 같이 장애가 있는 분들을 위한 도움과 서비스도 이용 가능합니다. 1-800-391-2000 (TTY: 711) 번으로 문의하십시오. 이러한 서비스는 무료로 제공됩니다.

#### <u>ແທກໄລພາສາລາວ (Laotian)</u>

ປະກາດ: ຖ້າທ່ານຕ້ອງການຄວາມຊ່ວຍເຫຼືອໃນພາສາຂອງທ່ານໃຫ້ໂທຫາເບີ 1-800-391-2000 (TTY: 711). ຍັງມີຄວາມຊ່ວຍເຫຼືອແລະການບໍລິການສໍາລັບຄົນພຶການ ເຊັ່ນເອກະສານທີ່ເປັນອັກສອນນູນແລະມີໂຕພິມໃຫຍ່ ໃຫ້ໂທຫາເບີ 1-800-391-2000 (TTY: 711). ການບໍລິການເຫຼົ່ານີ້ບໍ່ຕ້ອງເສຍຄ່າໃຊ້ຈ່າຍໃດໆ.

#### Mien Tagline (Mien)

LONGC HNYOUV JANGX LONGX OC: Beiv taux meih qiemx longc mienh tengx faan benx meih nyei waac nor douc waac daaih lorx taux 1-800-391-2000 (TTY: 711). Liouh lorx jauv-louc tengx aengx caux nzie gong bun taux ninh mbuo wuaaic fangx mienh, beiv taux longc benx nzangc-pokc bun hluo mbiutc aengx caux aamz mborqv benx domh sou se mbenc nzoih bun longc. Douc waac daaih lorx 1-800-391-2000 (TTY: 711). Naaiv deix nzie weih gong-bou jauv-louc se benx wang-henh tengx mv zuqc cuotv nyaanh oc.

#### <u>ਪੰਜਾਬੀ ਟੈਗਲਾਈਨ (Punjabi)</u>

ਧਿਆਨ ਦਿਓ: ਜੇ ਤੁਹਾਨੂੰ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿੱਚ ਮਦਦ ਦੀ ਲੋੜ ਹੈ ਤਾਂ ਕਾਲ ਕਰੋ 1-800-391-2000 (TTY: 711). ਅਪਾਹਜ ਲੋਕਾਂ ਲਈ ਸਹਾਇਤਾ ਅਤੇ ਸੇਵਾਵਾਂ, ਜਿਵੇਂ ਕਿ ਬ੍ਰੇਲ ਅਤੇ ਮੋਟੀ ਛਪਾਈ ਵਿੱਚ ਦਸਤਾਵੇਜ਼, ਵੀ ਉਪਲਬਧ ਹਨ| ਕਾਲ ਕਰੋ 1-800-391-2000 (TTY: 711). ਇਹ ਸੇਵਾਵਾਂ ਮੁਫਤ ਹਨ|

#### Русский слоган (Russian)

ВНИМАНИЕ! Если вам нужна помощь на вашем родном языке, звоните по номеру 1-800-391-2000 (линия TTY: 711). Также предоставляются средства и услуги для людей с ограниченными возможностями, например документы крупным шрифтом или шрифтом Брайля. Звоните по номеру 1-800-391-2000 (линия TTY: 711). Такие услуги предоставляются бесплатно.

#### Mensaje en español (Spanish)

ATENCIÓN: si necesita ayuda en su idioma, llame al 1-800-391-2000 (TTY: 711). También ofrecemos asistencia y servicios para personas con discapacidades, como documentos en braille y con letras grandes. Llame al 1-800-391-2000 (TTY: 711). Estos servicios son gratuitos.

#### Tagalog Tagline (Tagalog)

ATENSIYON: Kung kailangan mo ng tulong sa iyong wika, tumawag sa 1-800-391-2000 (TTY: 711). Mayroon ding mga tulong at serbisyo para sa mga taong may kapansanan,tulad ng mga dokumento sa braille at malaking print. Tumawag sa 1-800-391-2000 (TTY: 711). Libre ang mga serbisyong ito.

#### <u>แท็กไลน์ภาษาไทย (Thai)</u>

โปรดทราบ: หากคุณต้องการความช่วยเหลือเป็นภาษาของคุณ กรุณาโทรศัพท์ไปที่หมายเลข 1-800-391-2000 (TTY: 711) นอกจากนี้ ยังพร้อมให้ความช่วยเหลือและบริการต่าง ๆ สำหรับบุคคลที่มีความพิการ เช่น เอกสารต่าง ๆ ที่เป็นอักษรเบรลล์และเอกสารที่พิมพ์ด้วยตัวอักษรขนาดใหญ่ กรณาโทรศัพท์ไปที่หมายเลข

ที่เป็นอักษรเบรลล์และเอกสารที่พิมพ์ด้วยด้วอักษรขนาดใหญ่ กรุณาโทรศัพท์ไปที่หมายเลข 1-800-391-2000 (TTY: 711) ไม่มีค่าใช้จ่ายสำหรับบริการเหล่านี้

#### Примітка українською (Ukrainian)

УВАГА! Якщо вам потрібна допомога вашою рідною мовою, телефонуйте на номер 1-800-391-2000 (ТТҮ: 711). Люди з обмеженими можливостями також можуть скористатися допоміжними засобами та послугами, наприклад, отримати документи, надруковані шрифтом Брайля та великим шрифтом. Телефонуйте на номер 1-800-391-2000 (ТТҮ: 711). Ці послуги безкоштовні.

#### Khẩu hiệu tiếng Việt (Vietnamese)

CHÚ Ý: Nếu quý vị cần trợ giúp bằng ngôn ngữ của mình, vui lòng gọi số 1-800-391-2000 (TTY: 711). Chúng tôi cũng hỗ trợ và cung cấp các dịch vụ dành cho người khuyết tật, như tài liệu bằng chữ nổi Braille và chữ khổ lớn (chữ hoa). Vui lòng gọi số 1-800-391-2000 (TTY: 711). Các dịch vụ này đều miễn phí.

# **Health Education Corner**



### What is health education?

Health education teaches people about how to prevent disease and protect and manage health.

### Why is health education important?

Health education is important because it teaches healthy habits for all ages. The goal of health education is to help people live longer and healthier. Health education also raises health literacy. This teaches people how to reach better health by knowing and using health information.

### KFHC health education classes include:

- Learning materials.
- Trained health education facilitators.
- Follow-up calls.
- Extra learning support.

Scan the QR code to reach our calendar webpage.

### KFHC offers health education classes on:

- Asthma Education.
- Nutrition and Weight Management.
- Prediabetes Education.
- Diabetes Education.
- Tobacco Cessation.

Scan the QR code to reach our education programs webpage.

*IF YOU ARE INTERESTED* in taking any KFHC health education classes, please call **800-391-2000**.

Sources: World Health Organization; Centers for Disease Control and Prevention; Office of the Assistant Secretary for Health

#### KFHC is here to help on your health and wellness journey

Great news! We have revamped our Member Wellness & Prevention Team to better help you in your health and wellness journey.

Here are some of the great members of our team:

**Health educators:** Our team of health educators is training and evaluating our team of class facilitators. This gives you great health education programs and services.

Health education specialists: Our specialists are trained to give health education classes and provide new learning tools. This helps you receive useful tips on many health topics.

**Lifestyle coaches:** Our lifestyle coaches are here to support you each step of the way by making sure you have the tools and support to make long-lasting changes.

**Scheduling team:** Not sure which classes are right for you? Our scheduling team is here to help find the perfect fit for your needs and choices.

We are here to support you in your health journey. Call our team today. If you have any questions, give us a call at **800-391-2000** and ask for the Member Wellness & Prevention Team.







# Keep your child's development on track

Developmental milestones (how a child plays, learns, speaks, acts or moves) are specific things most children can do by a certain age. All young children need both developmental monitoring and screening to help you and your child's doctor, teachers and other providers know if your child's development is on track. Here is some handy information.

Develo	pmental screening		When:	From birth to 5 years of	
Who:	Health care provider, early childhood teacher or other trained provider.		Why:	To help you: • Celebrate your	
What:	Look for developmental milestones.			<ul> <li>child's development.</li> <li>Talk about your child' progress with doctor and child care provid</li> <li>Learn what to expect next.</li> </ul>	
When:	<b>Developmental screening</b> at 9, 18 and 30 months of age. <b>Autism screening</b> at 18 and 24 months of age.				
Why:	<ul> <li>If your child poods more holp with dovelopment</li> </ul>			• Find any concerns ear	
	<ul> <li>If your child needs more help with development, because it is not always obvious to doctors, child care providers or parents.</li> <li>If more developmental evaluations are</li> </ul>	How:	With easy, free checklists. Get yours a cdc.gov/milestones.		
	recommended.		Source: Ce and Preve	nters for Disease Control ntion	
How:	With a formal, validated screening tool. Learn more at <b>acf.hhs.gov/archive/ecd/child-health- development/watch-me-thrive</b> .	 	Sources: C Prevention	enters for Disease Control a ; Office of the Assistant Secr World Health Organizatior	



**Developmental monitoring** 

6 FAMILY HEALTH



# Get tips for better health

Are you looking to take control of your health and learn more about it? We've got some great self-management tools that can help you on your journey to better health.

Our self-help tool offers many health topics for you to explore. This includes nutrition, exercise, diabetes, mental health and more. You can watch helpful videos that give you tips on how to improve your overall health and well-being.

We also have a "check your symptom" tool that lets you enter your health status to get tips on what can likely be causing your health concern. It's a great way to get quick and clear health tips.

To use these tools, scan the QR code at right. We hope you find

these resources helpful on your path to better health. Stay healthy and take care!





# Cancel colds and other bugs these holidays

Colder weather makes us more likely to catch a cold, flu or other breathing illnesses. Children and older adults are at risk for more serious symptoms.

Washing your hands well is important to reduce the risk of sickness during colder months. Lather up with soap and water for at least 20 seconds before rinsing. Keep track of time with a short song. For example, kids can have fun singing the ABCs!

Talk with your doctor about how best to prevent sickness this holiday season. Call our 24-hour Advice Nurse Line at 800-391-2000, option 2, to discuss symptoms and next steps. If you have a fever over 103 degrees or have trouble breathing, go to the hospital.

Check out these guides to winter illnesses for more information:





 "Winter Illness Guide" (scan the QR code at left).

• "Your Guide to Respiratory Season" (scan the QR code at right).



# Tips for talking to your doctor when using an interpreter

If you are getting ready for your doctor's visit and using an interpreter for the first time, please remember to:

- Talk directly to your doctor.
- Speak clearly and slowly.
- Speak in a normal tone.
- Pause after a full thought.
- Ask one guestion at a time.
- Don't forget that everything you say during your visit will be interpreted.

KFHC makes it easy to use our interpreter services, 24/7, at no cost to our members. We can help you get an interpreter for your next doctor's visit. Call us at 800-391-2000 or TTY/TDD: 711.

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

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

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▲ at x.com/\_KFHC



### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Cori McMahan, Director of Human Resources - People Operations
SUBJECT:	Contract Extension with Ceridian for Payroll and the Human Resources Information System
DATE:	February 20, 2025

#### **Background**

Dayforce is the Human Resources Information System (HRIS) currently being utilized by Kern Health Systems. The main functions HRIS are for:

- Payroll
- Benefits
- Time and attendance
- Recruitment

Additionally, the HRIS is also used for performance management, compensation management, and learning management. Senior Management is asking to add the artificial intelligence capability to ensure that KHS remains current with technology efficiencies in the HRIS space. The AI feature will enhance the user experience, help leaders with administrative tasks within the platform and streamline process and tasks allowing time for more strategic work. The HRIS is also being utilized for time and attendance for our temporary staff and contractors as of 2024.

Kern Health Systems signed its master agreement in 2016, and has renewed in 2019, and again in 2022. Senior Management would like to renew this contract for an additional (2) two-year term and conduct a full RFP for a potential replacement and potentially implement a new system.

#### **Financial Impact**

The cost for the upcoming extension, from March 18, 2025, through March 17, 2027, will be \$772,224 bringing the total cost for Ceridian, including the changes above to a total of \$1,420,224.

#### **Requested Action**

Approve; Authorize the CEO to extend the contract for a (2) year term and increasing the not to exceed amount under the Ceridian agreement by \$772,224 from \$648,000 to \$1,420,224 for the term of the contract.



#### AGREEMENT AT A GLANCE

Department Head: Devin Brown

Department Name: HR Vendor Name: Ceridian

Contact name & e-mail: Jill Zager, Jill Zager@dayforce.com

What services will this vendor provide to KHS? Payroll and HCM services

	Description of Contract
Type of Agreement: Other	Background: In April 2015, Kern Health Systems ("KHS")
	issued a Request for Proposal ("RFP") to provide Human
Contract	Resource and Pavroll Services. KHS selected Ceridian as the
	vendor for these services. As a descendent of the original
Purchase	Control Data Corporation (CDC) founded in 1957, Ceridian is
	a global leader of HR software and services operating in the
New agreement	USA, Canada, Europe and Mauritius with 9,500 employees
	worldwide.
Continuation of Agreement	
Addendum	
	Brief Explanation: KHS is proposing to renew the services of
Amendment No	Ceridian to provide our HCM platform. Ceridian delivers
	Dayforce HCM, a SaaS (cloud -based) application for
Retroactive Agreement	Benefits, Compensation, Employee Engagement, HR Admin,
	Learning and Development (LMS), Payroll, Performance
	reviews, Talent/Recruiting, Workforce Management and
	Succession Planning. Dayforce HCM has the ability to
	deliver a "real-time" HR application based on one employee
	record which has eliminated our previous latency issues and
	eliminated errors created as a result of multiple platform
	entries such as experienced with our previous provider.
maximum value from the expenditures. Electronic (e-mail/ more if not budgeted (\$100,000 00) and Two Hundred Tho form (Attachment A). Actual bid, sole or single source just Hundred Thousand Dollars or more if not budgeted (\$100, for Proposal (RFP) shall be used to solicit bids for profess accepted must be fully explained and justified in writing. A changes.)	rsuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the fax) solicitation may be used for purchases of up to One Hundred Thousand Dollars or usand Dollars or more if budgeted (\$200,000.00) but must be documented on the RFQ ification and/or cost price analysis documents are required for purchases over One 000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). Request ional services over Two Hundred Thousand Dollars (\$200,000). Lowest bid price not 411 bids will be treated as a not to exceed amount with "change orders" used to track any
Brief vendor selection justification:	
Sole source – no competitive process can be	performed
Brief reason for sole source: KHS currently utili	
Conflict of Interest Form is required for this	Contract

HIPAA Business Associate Agreement is required		
Subcontractor Disclosure of Ownership and Contro		
	Fiscal Impact	
KHS Governing Board previously approved this expen	nse in KHS' FY 2025 Administrative Budget 🗌 NO	<b>Y</b> E
Will this require additional funds?	NO 🛛	<b>YE</b>
Capital project	NO 🛛	<b>YE</b>
Project type:		
Budgeted Cost Center 510 GL# 5495		
Maximum cost of this agreement not to exceed: \$772.2	224 for two years (\$580,112 annually)	
	Advanced Hub and removal of Dayforce Succession/En	igagemen
NTE was calculated using 800 employees. Contract 1	Terms and Conditions	-
Effective date: 3/18/2025	Termination date: 3/17/2027	-
Explain extension provisions, termination conditions a	nd required notice:	
	Approvals	
Compliance DMHC/DHCS Review:	Legal Review:	
Chief Compliance and Fraud Prevention Officer or	Legal Counsel	
	Legal Counsel	
Chief Compliance and Fraud Prevention Officer or Director of Compliance and Regulatory Affairs	Legal Counsel Date	
Director of Compliance and Regulatory Affairs		
Director of Compliance and Regulatory Affairs Date		
	Date	
Director of Compliance and Regulatory Affairs Date Contract Owner:	Date	
Director of Compliance and Regulatory Affairs Date	Date Purchasing:	
Director of Compliance and Regulatory Affairs Date Contract Owner:	Date Purchasing:	
Director of Compliance and Regulatory Affairs Date Contract Owner: Department Head Date	Date Purchasing: Director of Procurement and Facilities Date	
Director of Compliance and Regulatory Affairs Date Contract Owner: Department Head	Date Purchasing: Director of Procurement and Facilities	
Director of Compliance and Regulatory Affairs Date Contract Owner: Department Head Date Reviewed as to Badget:	Date Purchasing: Director of Procurement and Facilities Date Recommended by the Executive Committee:	
Director of Compliance and Regulatory Affairs Date Contract Owner: Department Head Date	Date Purchasing: Director of Procurement and Facilities Date	

			Attachment
IT Approval:		Chief Executive Officer Approval:	
Chief Information Officer or I	T Director	Chief Executive Officer	-
Date		Date	_
Board of Directors approve	al is required on all	contracts over \$100,000 if not budgeted and \$200,	000 if budgeted.
	KHS Board Chair	man	
	Date		



### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Robin Dow-Morales, Senior Director of Claims
SUBJECT:	Contract Extension with Change Healthcare Solutions LLC for Electronic Claims Processing
DATE:	February 20, 2025

#### **Background**

Kern Health Systems ("KHS") currently offers four different clearinghouses from which providers can choose to utilize to submit electronic claims to KHS at no charge to the provider. Change Healthcare Solutions is one of those clearinghouses. In February 2024, Change Healthcare experienced a Cyber Attack which resulted in KHS ceasing to accept electronic claims from the clearinghouse. The Cyber Security Division of KHS' Information Technology Department as well as our Compliance Department monitored all the communications from Change HealthCare with regulators and the industry to ensure corrective actions were completed. While CMS/DMHC opened the reactivation of Change Healthcare in March 2024, KHS required additional due diligence. Working with KHS Compliance Department and Change Healthcare, our cyber security team set up a separate staging area to accept the claims from Change HealthCare and to scrub and scan them prior to loading into our system. Based on this set up and discussions with Change Healthcare and receiving verifications from a security and risk perspective; we are now ready to re-establish the acceptance of claims from Change Healthcare Solutions.

As part of the re-activation, Change Healthcare has offered a lower rate of sixteen cents (\$.16) per claim from previous eighteen cents (\$.18) contingent upon a five (5) year term. KHS anticipates an average of 1,500,000 claims per year to clear with Change Healthcare, resulting in a savings of \$150,000 in savings.

#### **Financial Impact**

Cost for a five-year (5) term is not to exceed sixteen cents per claim, which includes implementation of new Payer ID's from the date of February 20, 2025 through February 19, 2030. Estimating claim usage to equate to history, the expected 5-year cost would roughly be \$1,275,000 (contingent upon claims volume).

#### **Requested Action**

Approve; Authorize CEO to extend the contract for a five (5) year term at sixteen cents per claim for the term of the contract.



#### AGREEMENT AT A GLANCE

 Department Name: Claims
 Department Head: Robin Dow-Morales

 Vendor Name: Change Healthcare Solutions (CHC)
 Contact name & e-mail: James Sample, jay sample@optum.com

 What services will this vendor provide to KHS? CHC will provide KHS with standard electronic transaction processing
 of health care claims for a five (5) year term.

Descriptio	n of Contract
Type of Agreement: Software	Background: Change Healthcare (CHC) provides
Contract	clearinghouse functions for providers and hospitals to submit electronic medical claims. The clearing house works with providers, typically free of charge and charge KHS \$.0.16 per
Purchase	transaction fee to process an electronic claim.
New agreement	
Continuation of Agreement	Brief Explanation: CHC will provide KHS with standard
Addendum	electronic transaction processing of health care claims for a five (5) year term.
Amendment No	
Retroactive Agreement	
form (Attachment A). Actual bid, sole or single source justification and/ Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and 1 for Proposal (RFP) shall be used to solicit bids for professional services	wo Hundred Thousand Dollars or more if budgeted (\$200,000.00). Request
Brief vendor selection justification:	
Sole source – no competitive process can be performed	
Brief reason for sole source: KHS holds an ongoing contract	t with this vendor and with other clearinghouse vendors.
Conflict of Interest Form is required for this Contract	
HIPAA Business Associate Agreement is required for t	his Contract
Subcontractor Disclosure of Ownership and Control for	m is required for this Contract
Fisca	l Impact
KHS Governing Board previously approved this expense in	KHS' FY 2025 Administrative Budget 🗌 NO 🛛 🛛 YES
Form updated 6/12/23	

	Attachmen
Will this require additional funds?	
Capital project	
Project type:	
Budgeted Cost Center         230         GL#         5642           Maximum cost of this agreement not to exceed:         \$1,275	.000
IDs added to the agreement after the amendment's effective	tion fee per claim, for a total of \$0.16 per claim. Any new Payer ctive date will incur a \$5,000 implementation fee Ferms and Conditions
Effective date: 2/20/2025	Termination date: 2/19/2030
Explain extension provisions, termination conditions ar	
	Approvals
Compliance DMHC/DHCS Review:	Legal Review:
Chief Compliance and Fraud Prevention Officer or Director of Compliance and Regulatory Affairs	Legal Counsel
Date	Date
	0
Contract Owner: Approved by Room Dow-Monales Department Head	Purchasing: Director of Procurement and Facilities
Per Control-timeeting 1/28/25	25 2025 Date
Reviewed as to Budget:	Recommended by the Executive Committee:
	2-5-2025
Date	Date
IT Approval:	Chief Executive Officer Approval:
Chief Information Officer or IT Director	Chief Executive Officer
Date	Date

Board of Directors approval is required on all contracts over \$100,000 if not budgeted and \$200,000 if budgeted.

**KHS Board Chairman** 

Date



### MEMORANDUM

то:	Kern Health Systems Board of Directors
FROM:	Veronica Barker, Controller
SUBJECT:	Contract Extension with Health Management Associates for Actuarial Services
DATE:	February 20, 2025

#### **BACKGROUND**

Health Management Associations ("HMA") is a leading national healthcare consulting firm which provides actuarial services to KHS for various regulatory reports required to be submitted to the Department of Healthcare Services ("DHCS"). HMA has extensive experience with other California Managed Care plans, and we rely on their understanding and knowledge to help with the review and completion of important regulatory submissions and communications.

#### **DISCUSSION**

HMA provides actuarial services for the following reports due to DHCS:

#### Rate Development Template ("RDT") Support

The RDT is the most complex and important annual actuarial deliverable that is required to be submitted by each health plan contracted with DHCS to serve the Medi-Cal population. The state uses the RDT submission as the primary data source for setting Medi-Cal capitation rates. The RDT template changes every year, goes through a data refresh period whereas a new template submission is required, and requires completion of a supplemental discussion guide in which written responses are required to address specific areas of focus from DHCS.

#### Supplemental Data Request ("SDR") Support

DHCS requests numerous supplemental data requests throughout the year. Prior to submission of the SDR, HMA reviews KHS' templates in comparison using current plan data, prior year SDR submissions, and other known data and benchmarks. As DHCS releases pricing workbooks, HMA will summarize the impact to KHS and share key assumptions. HMA will also provide a list of questions that KHS can consider asking DHCS.

#### FINANCIAL IMPACT

Not to exceed \$199,000 in budgeted expenses for the extension period March 1, 2025 through February 28, 2026.

#### **REQUESTED ACTION**

Approve; Authorize the CEO to extend the contract term from March 1, 2025 through February 28, 2026 and increasing the not to exceed amount under the agreement by \$199,000 to \$398,000.



#### AGREEMENT AT A GLANCE

 Department Name:
 ACCT
 Department Head:
 Veronica Barker

 Vendor Name:
 HMA
 Contact name & e-mail:
 Kyle Edrington, kedrington@healthmanagement.com

 What services will this vendor provide to KHS?
 Health Management Associates, Inc. will provide KHS with Actuarial

Services. These services will consist of RDT and discussion guide. Rate Analysis. SDRs. and other actuarial analysis

Description of Contract			
Type of Agreement: Professional Services	Background: In 2015 KHS posted an RFP for a qualified actuarial consulting firm that will assist KHS with a full range of actuarial services for its Medi-Cal line of business		
Contract	of actuartal services for its wear-cal time of business		
Purchase			
New agreement	Brief Explanation: <u>HMA will provide with Actuarial</u> Services. These services will consist of RDT and discussion		
Continuation of Agreement	guide, Rate Analysis, SDRs, and other actuarial analysis		
Addendum			
Amendment No.			
Retroactive Agreement			

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 One Hundred Thousand Dollars or more if not budgeted (\$100,000 00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00) 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 One Hundred Thousand Dollars or more if not budgeted (\$200,000.00) 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 One Hundred Thousand Dollars or more if not budgeted (\$100,000 00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Two Hundred Thousand Dollars (\$200,000). 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 will continue with HMA to provide actuarial services due to their extensive knowledge and experience with our plan and other California Managed Care Plans. KHS leverages its use of actuarial services between two industry leaders.

Conflict of Interest Form is required for this Contract

HIPAA Business Associate Agreement is required for this Contract

Subcontractor Disclosure of Ownership and Control form is required for this Contract

Fiscal Impact

		Attachmen
KHS Governing Board previously approved this expen-	se in KHS <sup>+</sup> FY 2024 Administrative Budget 🗌 No	D AL
Will this require additional funds?		O 🗌 YI
Capital project	🖂 N	O 🗌 YE
Project type:		
Budgeted Cost Center 210 GL# 5470		
Maximum cost of this agreement not to exceed: \$199.0	00.00 for one year	
Notes:		
Contract 1	Ferms and Conditions	
Effective date: 3/1/2025	Termination date: 2/28/2026	
Explain extension provisions, termination conditions and	nd required notice:	
the second s	Approvals	
Compliance DMHC/DHCS Review:	Legal Review:	
hier Compliance and Fraud Prevention Officer or	Legal Counsel	
Director of Compliance and Regulatory Affairs		_
Det :	Date	
Date		
Contract Owner:	Purchasing:	
		_
Department Head	Director of Procurement and Facilities	
Date	Date	-
Reviewed as to Budget:	Recommended by the Executive Committee:	
Col A fa la	(enlin	
Chief Financial Officer or Controller	Chief Operating Officer	
216/25	2-4-2025	
Date	Date	
T Approval:	Chief Executive Officer Approval:	
Chief Information Officer or IT Director	Chief Executive Officer	
Date	Date	

<b>Board of Directors approv</b>	al is required on all contracts over \$100,000 if not budgeted and \$200,000 if budgeted.
	KHS Board Chairman
	Date



### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Veronica Barker, Controller
SUBJECT:	Contract Extension with Milliman for Actuarial Services
DATE:	February 20, 2025

#### BACKGROUND

Milliman is an independent actuarial and consulting firm specializing in healthcare consulting. As experienced leaders in the Medi-Cal/Medicare industry, Milliman provides actuarial services and resources used by KHS to improve operations as well as comply with state and federal regulatory requirements.

#### **DISCUSSION**

Milliman provides actuarial services for the following lines of business:

#### Medi-Cal

- Develops analyses and reports estimating incurred but not paid liabilities for KHS at midyear and year-end
- Develops analyses and report estimating the Tangible Net Equity position for KHS as part of a five-year projection for the Board of Directors
- Provides support for KHS documentation of utilization management and quality initiatives (UMQI) for the purpose of medical loss ratio (MLR) reporting

#### **Dual Eligible Special Needs Plan (D-SNP)**

- Guidance and assistance with the bid planning and workflow development
- · Leads or attends regular virtual meetings with key staff and leadership
- Provides updates, summaries, and impacts of regulatory guidance from the Centers for Medicare and Medicaid Services (CMS).
- Provides strategic guidance on plan design
- Provides multiple rounds of formal bid projections
- Completes Bid pricing tool forms for the final pass of all Part C and Part D bids
- Responds to desk review questions from CMS reviewers (requires a 48-hour turnaround)
- Makes any necessary updates for rebate reallocation for Part D
- Provides access to Milliman research to support the bids as well as KHS's internal business needs

#### FINANCIAL IMPACT

Not to exceed \$750,000 in budgeted expenses for the extension period March 1, 2025 through December 31, 2026.

#### **REQUESTED ACTION**

Approve; Authorize the CEO to extend the contract term from March 1, 2025 through December 31, 2026 and to increase the not to exceed amount under Milliman agreement by \$750,000 from \$762,000 to \$1,512,000.

Attachment A



# **AGREEMENT AT A GLANCE**

 Department Name: ACCT
 Department Head: Veronica Barker

 Vendor Name: Milliman
 Contact name & e-mail: Aaron Gates, aaron.gates@milliman.com

 What services will this vendor provide to KHS?
 Milliman will provide Actuarial Services. These services will consist of

 Dual Eligible Special Needs Plan (D-SNP), IBNP, Total Net Equity (TNE) analysis, and other support services requested

 by KHS.

Description of Contract						
Type of Agreement: Professional Services	Background: In 2015 KHS posted an RFP for a qualified actuarial consulting firm that will assist KHS with a full range of actuarial services for its Medi-Cal line of business.					
Purchase						
New agreement	Brief Explanation: Milliman will provide Actuarial Services.					
Continuation of Agreement	These services will consist of D-SNP, IBNP, Total Net Equity (TNE) analysis, and other support services requested by KHS.					
Addendum						
Amendment No. 8						
Retroactive Agreement						
maximum value from the expenditures. Electronic (e-mail/fax) solicita more if not budgeted (\$100,000 00) and Two Hundred Thousand Doll. form (Attachment A) Actual bid, sole or single source justification an Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and for Proposal (RFP) shall be used to solicit bids for professional servic accepted must be fully explained and justified in writing. All bids will changes.)	HS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the tion may be used for purchases of up to One Hundred Thousand Dollars or ars or more if budgeted (\$200,000.00) but must be documented on the RFQ d/or cost price analysis documents are required for purchases over One d Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). Request es over Two Hundred Thousand Dollars (\$200,000). Lowest bid price not be treated as a not to exceed amount with "change orders" used to track any					
Brief vendor selection justification:	ad					

Brief reason for sole source: <u>KHS</u> will continue with <u>Milliman to provide actuarial services</u> due to their extensive knowledge and experience with our plan and other California Managed Care Plans. KHS leverages its use of actuarial services between two industry leaders.

Conflict of Interest Form is required for this Contract

HIPAA Business Associate Agreement is required for this Contract

**Fiscal Impact** 

Form updated 10/13/22

		Attachment
KHS Governing Board previously approved this exp	ense in KHS' FY 2024 Administrative Budget	
Will this require additional funds?	1	
Capital project	1 🖂	
Project type:		
Budgeted Cost Center 210 GL# 5470		
Maximum cost of this agreement not to exceed: \$750	0.000 twenty-two months	
Notes: D-SNP, IBNP, TNE Analysis, Employee Ben SOW#1: \$500,000   SOW#2: \$250,000		
Contrac	t Terms and Conditions	
Effective date: 3/1/2025	Termination date: 12/31/2026	
Explain extension provisions, termination conditions	and required notice:	
	Approvals	
Compliance DMHC/DHCS Review:	Legal Review:	
		5
Director of Compliance and Regulatory Affairs	Legal Counsel	
Date	Date	
Contract Owner:	Purchasing:	
Department Head	Director of Procurement and Facilities	-
Date	Date	
Reviewed as to Budget:	Recommended by the Executive Committee:	
Chief Financial Officer or Controller	Chief Operating Officer 2-6-W15	
Date	Date	-
IT Approval:	Chief Executive Officer Approval:	
Chief Information Officer or IT Director	Chief Executive Officer	
Date	Date	-

Form updated 10/13/22

Attachment A

Board of Directors approval is required on all contracts over \$100,000 if	not budgeted and \$200,000 if budgeted.
KHS Board Chairman	-
Date	-

Form updated 10/13/22



# MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Robert Landis, Chief Financial Officer
SUBJECT:	November 2024 Financial Results
DATE:	February 20, 2025

The November results reflect a \$3.9 million loss in Net Position which is a \$4.4 million unfavorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$33.3 million favorable variance primarily due to:
  - A) \$7.8 million favorable variance primarily due to higher-than-expected budgeted membership.
  - B) \$4.0 million unfavorable variance due to receiving Amended CY 2024 Rates from DHCS on September 24, 2024.
  - C) \$12.2 million favorable variance primarily due to receiving CalAim Incentive payments from DHCS.
  - D) \$14.7million favorable variance in MCO Tax Premium primarily due to receiving revised MCO Tax information from DHCS on September 24, 2024 offset against an unfavorable variance included in the MCO Tax Expense line item on the Income Statement for the same amount.
  - E) \$2.7 million favorable variance in Premium-Hospital Directed Payments primarily due to receiving updated rate information from DHCS for Calendar Year 2024 offset against amounts included in 2F below.
- 2) Total Medical Costs reflect a \$24.0 million unfavorable variance primarily due to:
  - A) \$8.5 million unfavorable variance in Physician Services is primarily due to higher-thanexpected utilization (\$4.0 million) and higher-than-expected Targeted Rate Increases ("TRI") amounts allocated to PCP, Specialty and Urgent Care services (\$4.5 million). As previously reported, we began paying TRI amounts in May and believed it was necessary to increase our accruals for these categories of expenses. This amount is offset against amounts included Other Professional Services included in 2B (4) below.

- B) \$5.3 million favorable variance in Other Professional Services primarily due from:
  - 1) \$1.0 million favorable variance due to the timing of hiring 2024 Budgeted Utilization Management Employees during 2024.
  - 2) \$.9 million favorable variance from lower-than-expected utilization of Autism services.
  - 3) \$.4 million favorable variance in Mental Health Services is primarily due to lowerthan- expected utilization.
  - 4) \$3.0 million favorable variance in Other Professional Services primarily due to lowering our accruals for TRI expenses offset against amounts included in 2A above.
- C) \$9.2 million unfavorable variance in Inpatient primarily due to higher-than-expected utilization over the last several months.
- D) \$1.5 million unfavorable variance in Outpatient Hospital primarily due to higher-thanexpected utilization over the last several months.
- E) \$8.4 million unfavorable variance in Other Medical primarily from:
  - \$3.2 million unfavorable variance in Ambulance and Non-emergency Medical Transportation ("NEMT") due to higher-than-expected utilization of NEMT services over the last several months by our members.
  - 2) \$3.5 million unfavorable variance in Long Term Care expense primarily due to higher-than-expected utilization over the last several months.
  - 3) \$1.4 million favorable variance in Ground Emergency Medical Transportation (GMET) due to lower-than-expected utilization during calendar year 2024.
  - 4) \$3.1million unfavorable variance in CalAim Incentive Programs due to timing differences of receiving provider invoices.
- F) \$2.7 million unfavorable variance in Hospital Directed Payments primarily due to receiving updated rate information from DHCS for Calendar Year 2024 offset against amounts included in 1E above.
- G) \$1.5 million favorable variance in Non-Claims Expense Adjustment primarily due to lower than expected Ground Emergency Medical Transportation (GMET) utilization during calendar year 2023.

The November Medical Loss Ratio is 97.1% which is unfavorable to the 92.4% budgeted amount. The November Administrative Expense Ratio is 5.1% which is favorable to the 6.0% budgeted amount. Including the \$4.0 million of negative retroactive revenue rate adjustments, the Medical Loss Ratio would have been 94.4% for the month and the Administrative Expense Ratio would have been 5.0%.

The results for the 11 months ended November 30, 2024 reflect a Net Decrease in Net Position of \$50.4 million. This is a \$55.9 million unfavorable variance to the budget and includes approximately \$15.5 million of favorable adjustments from the prior year and approximately \$47.4 million of unfavorable retroactive revenue rate adjustments for the current year. The year-to-date Medical Loss Ratio is 97.2% which is unfavorable to the 92.4% budgeted amount. Including the \$47.4 million of negative retroactive revenue rate adjustments, the Medical Loss Ratio would have been 94.1%. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 5.9% budgeted amount.



# KHS – Medi-Cal Line of Business

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# MEDI-CAL STATEMENT OF NET POSITION AS OF NOVEMBER 30, 2024

			Increase/
ASSETS	November	October	(Decrease)
Cash and Cash Equivalents	290,603,485	351,395,795	(60,792,311)
Short-Term Investments	248,319,881	181,248,858	67,071,023
Premiums Receivable	85,151,264	76,668,143	8,483,121
Premiums Receivable - MCO Tax	205,657,276	191,021,848	14,635,428
Premiums Receivable - Hospital Directed Payments	530,980,235	506,264,063	24,716,172
Interest Receivable	118,708	559,836	(441,129)
Provider Advance Payment	866,432	869,262	(2,831)
Other Receivables	3,799,514	2,245,057	1,554,457
Prepaid Expenses & Other Current Assets	7,285,329	8,017,849	(732,520)
Total Current Assets	1,372,782,122	1,318,290,711	54,491,411
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,206,604	1,275,126	(68,522)
Computer Equipment - Net	15,765,298	16,317,485	(552,187)
Building and Improvements - Net	32,352,593	32,429,649	(77,056)
Capital Projects In Process	5,399,966	5,035,465	364,501
Total Capital Assets	58,815,167	59,148,431	(333,264)
Restricted Assets	300,000	300,000	-
Officer Life Insurance Receivables	1,637,454	1,637,454	-
SBITA Asset	6,799,897	6,799,897	-
Total Long-Term Assets	8,737,351	8,737,351	-
Deferred Outflow of Resources	8,814,061	8,814,061	-
Total Assets and Deferred Outflows of Resources	1,449,148,702	1,394,990,555	54,158,147
CURRENT LIABILITIES			
Accrued Salaries and Benefits	8,180,684	6,975,596	1,205,088
Accrued Other Operating Expenses	6,899,742	6,779,569	120,173
MCO Tax Payable	309,603,050	250,009,721	59,593,328
Claims Payable (Reported)	5,466,650	16,345,888	(10,879,238)
IBNR - Inpatient Claims	80,246,804	67,435,282	12,811,523
IBNR - Physician Claims	17,386,564	9,639,093	7,747,470
IBNR - Accrued Other Medical	40,521,333	35,514,231	5,007,103
Risk Pool and Withholds Payable	6,414,716	7,175,913	(761,197)
Allowance for Claims Processing Expense	3,824,312	3,824,312	-
Other Liabilities	88,366,922	129,825,950	(41,459,028)
SBITA Liability – Current portion	2,617,467	2,617,467	-
Accrued Hospital Directed Payments	532,481,319	507,764,879	24,716,440
Total Current Liabilities	1,102,009,563	1,043,907,901	58,101,662
NONCURRENT LIABILITIES			
Net Pension Liability	12,965,462	12,965,462	-
SBITA Liability, net of current portion	4,182,430	4,182,430	-
Total NonCurrent Liabilities	17,147,892	17,147,892	-
Deferred Inflow of Resources	158,303	158,303	-
NET POSITION:			
Net Position at Beginning of Year	380,188,379	380,188,379	-
Increase (Decrease) in Net Position - Current Year	(50,355,434)	(46,411,920)	(3,943,514)
Total Net Position	329,832,944	333,776,458	(3,943,514)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	1,449,148,702	1,394,990,555	54,158,147



#### MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2024

	November	Budget	Variance	Year to Date	Budget	Variance				
Family Members	241,227	245,144	(3,917)	2,685,634	2,708,083	(22,449)				
Expansion Members	114,384	111,811	2,573	1,264,638	1,247,920	16,718				
SPD Members	23,252	19,927	3,325	251,515	222,196	29,319				
LTC Members	522	555	(33)	5,652	6,102	(450)				
Other Members	23,835	24,164	(329)	254,362	265,799	(11,437)				
Total Members - MCAL	403,220	401,600	1,620	4,461,801	4,450,100	11,701				
REVENUES	• • •	· · ·	· · ·	· · · ·	· · ·	,				
Medicaid - Family and Other	62,628,897	52,950,767	9,678,130	606,960,790	584,719,545	22,241,244				
Medicaid - Expansion Members	47,452,486	44,880,044	2,572,442	491,021,400	500,905,547	(9,884,147)				
Medicaid - SPD Members	24,507,942	20,956,459	3,551,483	255,061,955	233,676,048	21,385,907				
Medicaid - SFD Members Medicaid - LTC Members	4,337,441	4,470,309	(132,868)	45,422,614	49,173,395	(3,750,781)				
Premium - MCO Tax	59,673,120	44,971,168	14,701,952	659,474,074	498,322,198	161,151,876				
Premium - Hospital Directed Payments	24,699,036	21,994,308	2,704,729	270,749,316	244,371,969	26,377,347				
Investment Earnings And Other Income	24,699,038	21,994,308	72,077	28,962,074	22,920,520	6,041,553				
Reinsurance Recoveries	2,147,705	2,073,828	(112,448)	28,982,074	1,246,028	(1,246,028)				
Rate Adjustments - Hospital Directed Payments	17,404	- 112,440	17,404	(6,726,353)	1,240,020	(6,726,353)				
Rate/Income Adjustments	239,543	-	239,543		-	966,328				
Total Revenues	239,543	- 192,411,128	33,292,443	966,328 2,351,892,198	-	,				
	225,703,571	192,411,128	33,292,443	2,351,892,198	2,135,335,251	216,556,947				
EXPENSES										
MEDICAL COSTS										
Physician Services	37,671,697	29,139,677	(8,532,020)	376,511,759	323,327,109	(53,184,650)				
Other Professional Services	9,971,766	15,288,118	5,316,352	100,786,427	169,617,038	68,830,611				
Emergency Room	6,638,555	6,501,592	(136,963)	71,842,016	72,123,855	281,839				
Inpatient	37,175,106	27,941,545	(9,233,561)	357,376,208	310,620,511	(46,755,697)				
Reinsurance Expense	112,931	112,448	(483)	1,233,965	1,246,028	12,063				
Outpatient Hospital	14,401,513	12,896,934	(1,504,579)	161,464,301	143,367,640	(18,096,662)				
Other Medical	31,812,311	23,399,609	(8,412,702)	329,002,497	259,303,116	(69,699,381)				
Pay for Performance Quality Incentive	604,830	602,400	(2,430)	6,695,658	6,675,150	(20,508)				
Risk Corridor Expense	-	-	-	742,105	-	(742,105)				
Hospital Directed Payments	24,699,036	21,994,308	(2,704,729)	270,749,316	244,371,969	(26,377,347)				
Hospital Directed Payment Adjustment	17,404	-	(17,404)	(3,844,553)	-	3,844,553				
Non-Claims Expense Adjustment	(1,490,761)	-	1,490,761	(5,451,403)	-	5,451,403				
IBNR, Incentive, Paid Claims Adjustment	277,697	-	(277,697)	(11,970,405)	-	11,970,405				
Total Medical Costs	161,892,084	137,876,631	(24,015,453)	1,655,137,891	1,530,652,415	(124,485,476)				
GROSS MARGIN	63,811,487	54,534,498	9,276,990	696,754,307	604,682,836	92,071,471				
ADMINISTRATIVE COSTS	•									
Compensation	4,154,899	4,142,126	(12,774)	40,419,772	45,813,381	5,393,609				
Purchased Services	1,661,079	1,739,891	78,812	20,798,247	19,138,799	(1,659,448)				
Supplies	133,675	372,344	238.670	2,578,493	4,095,788	1,517,295				
Depreciation	691,764	710,921	19,157	7,899,198	7,820,134	(79,064)				
Other Administrative Expenses	608,620	554,843	(53,777)	6,263,384	6,103,274	(160,110)				
Administrative Expense Adjustment	(2,230)	(43,839)	(41,610)	114,780	(482,234)	(597,014)				
Total Administrative Expenses	7,247,808	7,476,286	228,478	78,073,874	82,489,142	4,415,268				
· · · · ·		; ;								
TOTAL EXPENSES	169,139,892	145,352,916	(23,786,976)	1,733,211,765	1,613,141,556	(120,070,209)				
OPERATING INCOME (LOSS) BEFORE TAX	56,563,679	47,058,212	9,505,467	618,680,433	522,193,694	96,486,738				
MCO TAX	59,673,120	44,971,168	(14,701,952)	659,474,074	498,322,198	(161,151,876)				
OPERATING INCOME (LOSS) NET OF TAX	(3,109,441)	2,087,044	(5,196,485)	(40,793,641)	23,871,496	(64,665,138)				
NON-OPERATING REVENUE (EXPENSE)		· · ·								
Provider Grants/CalAIM/Home Heath	(605,185)	(826,217)	221,032	(8,532,376)	(9,173,124)	640,748				
D-SNP Expenses	(228,888)	(826,217)	597,329	(1,029,418)	(9,173,124)	8,143,706				
Total Non-Operating Revenue (Expense)	(834,074)	(1,652,434)	818,361	(9,561,793)	(18,346,248)	8,784,455				
· · · · · · ·										
NET INCREASE (DECREASE) IN NET POSITION	(3,943,514)	434,610	(4,378,124)	(50,355,434)	5,525,248	(55,880,683)				
MEDICAL LOSS RATIO	97.1%	92.4%	-4.7%	97.2%	92.4%	-4.8%				
ADMINISTRATIVE EXPENSE RATIO	5.1%	6.0%	0.8%	5.5%	5.9%	0.5%				

#### MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2024



	November	Budget	Variance	Year to Date	Budget	Variance
Family Members	241,227	245,144	(3,917)	2,685,634	2,708,083	(22,449)
Expansion Members	114,384	111,811	2,573	1,264,638	1,247,920	16,718
SPD Members	23,252	19,927	3,325	251,515	222,196	29,319
LTC Members	522	555	(33)	5,652	6,102	(450)
Other Members	23,835	24,164	(329)	254,362	265,799	(11,437)
Total Members - MCAL	403,220	401,600	1,620	4,461,801	4,450,100	11,701
REVENUES	,	,	_,	,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,
	226.20	100.02	20.00	200.45	100.02	0.02
Medicaid - Family and Other Medicaid - Expansion Members	236.28 414.85	196.62 401.39	39.66 13.46	206.45 388.27	196.62 401.39	9.83 (13.12)
Medicaid - Expansion Members Medicaid - SPD Members		1,051.67	2.35	1,014.10	1,051.67	(37.56)
Medicaid - SPD Members Medicaid - LTC Members	1,054.01 8,309.27	8,058.24	2.35	8,036.56	8,058.24	(21.68)
Premium - MCO Tax	2,503.59	1,861.12	642.47	2,592.66	1,874.81	717.85
Premium - Hospital Directed Payments	61.25	54.77	6.49	60.68	54.91	5.77
Investment Earnings And Other Income	5.33	54.77	0.16	6.49	5.15	1.34
Reinsurance Recoveries		0.28	(0.28)		0.28	(0.28)
Rate Adjustments - Hospital Directed Payments	- 0.04	-	0.04	(1.51)	-	(0.28)
Rate/Income Adjustments	0.59	-	0.59	0.22	-	0.22
Total Revenues	559.75	479.11	80.64	527.12	479.84	47.28
lotal Revenues	559.75	479.11	80.64	527.12	479.84	47.28
EXPENSES MEDICAL COSTS						
Physician Services	93.43	72.56	(20.87)	84.39	72.66	(11.73)
Other Professional Services	24.73	38.07	13.34	22.59	38.12	15.53
Emergency Room	16.46	16.19	(0.27)	16.10	16.21	0.11
Inpatient	92.20	69.58	(22.62)	80.10	69.80	(10.30)
Reinsurance Expense	0.28	0.28	(0.00)	0.28	0.28	0.00
Outpatient Hospital	35.72	32.11	(3.60)	36.19	32.22	(3.97)
Other Medical	78.90	58.27	(20.63)	73.74	58.27	(15.47)
Pay for Performance Quality Incentive	1.50	1.50	(0.00)	1.50	1.50	(0.00)
Risk Corridor Expense	-	-	-	0.17	-	(0.17)
Hospital Directed Payments	61.25	54.77	(6.49)	60.68	54.91	(5.77)
Hospital Directed Payment Adjustment	0.04	-	(0.04)	(0.86)	-	0.86
Non-Claims Expense Adjustment	(3.70)	-	3.70	(1.22)	-	1.22
IBNR, Incentive, Paid Claims Adjustment	0.69	-	(0.69)	(2.68)	-	2.68
Total Medical Costs	401.50	343.32	(58.18)	370.96	343.96	(27.00)
GROSS MARGIN	158.25	135.79	22.46	156.16	135.88	20.28
ADMINISTRATIVE COSTS		•		· · ·		
Compensation	10.30	10.31	0.01	9.06	10.29	1.24
Purchased Services	4.12	4.33	0.21	4.66	4.30	(0.36)
Supplies	0.33	0.93	0.60	0.58	0.92	0.34
Depreciation	1.72	1.77	0.05	1.77	1.76	(0.01)
Other Administrative Expenses	1.51	1.38	(0.13)	1.40	1.37	(0.03)
Administrative Expense Adjustment	(0.01)	(0.11)	(0.10)	0.03	(0.11)	(0.13)
Total Administrative Expenses	17.97	18.62	0.64	17.50	18.54	1.04
TOTAL EXPENSES	419.47	361.93	(57.54)	388.46	362.50	(25.96)
OPERATING INCOME (LOSS) BEFORE TAX	140.28	117.18	23.10	138.66	117.34	21.32
ΜCΟ ΤΑΧ	147.99	111.98	(36.01)	147.80	111.98	(35.82)
OPERATING INCOME (LOSS) NET OF TAX	(7.71)	5.20	(12.91)	(9.14)	5.36	(14.51)
NON-OPERATING REVENUE (EXPENSE)	(7772)	5.20	(12.51)	(5124)	5.50	(14,51)
Provider Grants/CalAIM/Home Heath	(0.57)	(2.06)	1.49	(0.23)	(2.06)	1.83
D-SNP Expenses	(1.50)	(2.06)	0.56	(1.91)	(2.06)	0.15
Total Non-Operating Revenue (Expense)	(2.07)	(4.11)	2.05	(2.14)	(4.12)	1.98
NET INCREASE (DECREASE) IN NET POSITION	(9.78)	1.08	(10.86)	(11.29)	(4.12)	(12.53)
MEDICAL LOSS RATIO	-17.0%	-20.1%	-3.1%	-14.6%	-19.9%	-5.3%
	• • • • •					
ADMINISTRATIVE EXPENSE RATIO	-0.9%	-1.3%	-0.4%	-0.8%	-1.3%	-0.5%

KHS 1/27/2025 Management Use Only

#### MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY QUARTER **ROLLING 4 QUARTERS** FOR THE MONTH ENDED NOVEMBER 30, 2024

	2023 - Q4	2024 - Q1	2024 - Q2	2024 - Q3	Rolling 4-Quarter Totals	CURRENT QUARTER 2024 - Q4
Total Members - MCAL	1,038,591	1,234,656	1,217,132	1,204,552	4,694,931	805,46
	_,,		_,,		.,	
REVENUES						
Medicaid - Family and Other	119,336,194	163,114,742	168,098,248	157,352,051	607,901,235	118,395,74
Medicaid - Expansion Members	97,694,167	142,141,972	141,387,639	115,764,407	496,988,185	91,727,38
Medicaid - SPD Members	59,165,633	70,643,949	72,382,078	63,945,176	266,136,837	48,090,75
Medicaid - LTC Members	9,599,451	12,120,676	12,644,500	12,158,979	46,523,606	8,498,45
Premium - MCO Tax	375,849,146	118,164,689	118,164,689	304,000,610	916,179,134	119,144,08
Premium - Hospital Directed Payments	63,752,178	74,715,152	73,085,162	73,636,849	285,189,341	49,312,15
Investment Earnings And Other Income	9,031,183	6,526,452	7,627,603	10,624,397	33,809,635	4,183,62
Rate Adjustments - Hospital Directed Payments	(26,268,027)	2,628,208	(467,208)	(8,849,506)	(32,956,532)	(37,84
Rate/Income Adjustments	495,587	3,361,928	(5,047,999)	2,310,217	1,119,733	342,18
Total Revenues	708,655,511	593,417,768	587,874,713	730,943,182	2,620,891,174	439,656,53
EXPENSES						
MEDICAL COSTS	C1 07C 200	02 110 522	102 250	100 030 500	257 275 222	00 212 22
Physician Services Other Professional Services	61,076,433 19,381,164	93,110,533 37,861,872	102,259,757 28,897,182	100,828,569 27,259,189	357,275,292 113,399,406	80,312,90 6,768,18
	19,381,164					
Emergency Room Inpatient	79,244,732	19,266,762 91,080,658	19,274,640 97,071,689	19,085,229 98,069,526	73,150,218 365,466,605	14,215,38
Reinsurance Expense	190,133	324,349	347,257	337,661	1,199,400	224,69
Outpatient Hospital	40,939,501	44,304,385	41,034,136	46,542,079	172,820,101	29,583,70
Other Medical	79,194,627	80,881,278	88,283,888	93,132,007	341,491,800	66,705,32
Pay for Performance Quality Incentive	1,555,236	1,851,974	1,825,698	1,809,795	7,042,703	1,208,193
Risk Corridor Expense	1,333,230	1,031,574	1,823,038	2,133,095	2,133,095	(1,390,99
Hospital Directed Payments	63,752,178	74,715,152	73,085,162	73,636,849	285,189,341	49,312,15
Hospital Directed Payment Adjustment	(26,330,241)	2,663,543	18,927	(6,489,175)	(30,136,947)	(37,848
Non-Claims Expense Adjustment	1,571,341	356,533	(22,398)	(4,294,448)	(2,388,972)	(1,491,090
IBNR, Incentive, Paid Claims Adjustment	1,506,238	622,759	(7,444,944)	(6,331,814)	(11,647,762)	1,183,59
Total Medical Costs	337,604,928	447,039,796	444,630,994	445,718,563	1,674,994,280	317,748,53
GROSS MARGIN	371,050,583	146,377,973	143,243,720	285,224,619	945,896,894	121,907,99
ADMINISTRATIVE COSTS	· · ·	· · ·			· · ·	
Compensation	13,584,268	10,509,085	10,907,085	11,047,726	46,048,164	7,955,86
Purchased Services	5,339,166	5,448,763	5,076,649	6,652,421	22,516,999	3,620,42
Supplies	680,996	764,751	722,573	707,109	2,875,429	384,06
Depreciation	2,099,363	2,040,936	2,164,109	2,283,774	8,588,182	1,410,37
Other Administrative Expenses	1,406,817	1,644,704	1,714,820	1,588,772	6,355,113	1,315,08
Administrative Expense Adjustment	1,580,132	96,938	22,381	(2,309)	1,697,142	(2,23
Total Administrative Expenses	24,690,742	20,505,176	20,607,617	22,277,493	88,081,029	14,683,58
TOTAL EXPENSES	362,295,670	467,544,972	465,238,611	467,996,056	1,763,075,309	332,432,12
OPERATING INCOME (LOSS) BEFORE TAX	346,359,841	125,872,796	122,636,102	262,947,125	857,815,865	107,224,40
MCO TAX	376,495,887	118,164,689	118,164,689	304,000,610	916,825,875	119,144,08
OPERATING INCOME (LOSS) NET OF TAX	(30,136,046)	7,708,107	4,471,413	(41,053,485)	(59,010,011)	(11,919,67
NON-OPERATING REVENUE (EXPENSE)						
Provider Grants/CalAIM/Home Heath	25,418	(1,329,860)	(2,537,763)	(1,419,027)	(5,261,231)	(3,245,72
D-SNP Expenses	(1,480,051)	(877,356)	(951,808)	169,913	(3,139,302)	629,83
Total Non-Operating Revenue (Expense)	(1,454,633)	(2,207,215)	(3,489,571)	(1,249,113)	(8,400,533)	(2,615,89
					/m	
NET INCREASE (DECREASE) IN NET POSITION	(31,590,679)	5,500,891	981,842	(42,302,598)	(67,410,544)	(14,535,57
MEDICAL LOSS RATIO	101.6%	92.9%	93.6%	104.5%	97.8%	99.0
ADMINISTRATIVE EXPENSE RATIO	8.4%	5.2%	5.2%	6.2%	6.1%	5.4

# KERN HEALTH SYSTEMS

# KHS 1/27/2025

Management Use Only



#### MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY QUARTER ROLLING 4 QUARTERS PMPM FOR THE MONTH ENDED NOVEMBER 30, 2024

	2023 - Q4	2024 - Q1	2024 - Q2	2024 - Q3	<b>Rolling Quarter Totals</b>	CURRENT QUARTER 2024 - Q4
Total Members - MCAL	1,038,591	1,234,656	1,217,132	1,204,552	3,490,379	805,461
REVENUES		, , , , ,	, , , ,	, . , .		
Medicaid - Family and Other	172.27	201.11	209.43	197.64	217.72	223.32
Medicaid - Expansion Members	338.10	401.13	409.54	343.25	419.71	402.69
Medicaid - SPD Members	1,063.71	1,042.58	1,068.92	918.92	1,204.46	1,035.23
Medicaid - SPD Members Medicaid - LTC Members	7.447.21					
Premium - MCO Tax	361.88	8,123.78 95.71	8,200.06 97.08	7,764.35 252.38	10,288.28 195.14	8,078.38
Premium - MCO Tax Premium - Hospital Directed Payments	61.38	60.51	60.05	61.13	60.74	61.22
Investment Earnings And Other Income	8.70	5.29	6.27	8.82	7.20	5.19
Rate Adjustments - Hospital Directed Payments	(25.29)	2.13	(0.38)	(7.35)	(7.02)	(0.05
Rate/Income Adjustments	0.48	2.13	(4.15)	1.92	0.24	0.42
Total Revenues	682.32	480.63	483.00	606.82	558.24	545.84
	001102	100100	100100	000102	550121	515101
EXPENSES MEDICAL COSTS						
Physician Services	58.81	75.41	84.02	83.71	76.10	99.71
Other Professional Services	18.66	30.67	23.74	22.63	24.15	8.40
Emergency Room	14.95	15.60	15.84	15.84	15.58	17.65
Inpatient	76.30	73.77	79.75	81.42	77.84	88.34
Reinsurance Expense	0.18	0.26	0.29	0.28	0.26	0.28
Outpatient Hospital	39.42	35.88	33.71	38.64	36.81	36.73
Other Medical	76.25	65.51	72.53	77.32	72.74	82.82
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.50	1.50	1.50
Risk Corridor Expense	-	-	-	1.77	0.45	(1.73
Hospital Directed Payments	61.38	60.51	60.05	61.13	60.74	61.22
Hospital Directed Payment Adjustment	(25.35)	2.16	0.02	(5.39)	(6.42)	(0.05
Non-Claims Expense Adjustment	1.51	0.29	(0.02)	(3.57)	(0.51)	(1.85
IBNR, Incentive, Paid Claims Adjustment	1.45	0.50	(6.12)	(5.26)	(2.48)	1.47
Total Medical Costs	325.06	362.08	365.31	370.03	356.77	394.49
GROSS MARGIN	357.26	118.56	117.69	236.79	201.47	151.35
ADMINISTRATIVE COSTS						
Compensation	13.08	8.51	8.96	9.17	9.81	9.88
Purchased Services	5.14	4.41	4.17	5.52	4.80	4.49
Supplies	0.66	0.62	0.59	0.59	0.61	0.48
Depreciation	2.02	1.65	1.78	1.90	1.83	1.75
Other Administrative Expenses	1.35	1.33	1.41	1.32	1.35	1.63
Administrative Expense Adjustment	1.52	0.08	0.02	(0.00)	0.36	(0.00
Total Administrative Expenses	23.77	16.61	16.93	18.49	18.76	18.23
TOTAL EXPENSES	348.83	378.68	382.24	388.52	375.53	412.72
OPERATING INCOME (LOSS) BEFORE TAX	333.49	101.95	100.76	218.29	182.71	133.12
МСО ТАХ	362.51	95.71	97.08	252.38	195.28	147.92
OPERATING INCOME (LOSS) NET OF TAX	(29.02)	6.24	3.67	(34.08)	(12.57)	(14.80
NON-OPERATING REVENUE (EXPENSE)	••		•			· · · · · ·
Provider Grants/CalAIM/Home Heath	0.02	(1.08)	(2.09)	(1.18)	(1.12)	(4.03
D-SNP Expenses	(1.43)	(0.71)	(0.78)	0.14	(0.67)	0.78
Total Non-Operating Revenue (Expense)	(1.40)	(1.79)	(2.87)	(1.04)	(1.79)	(3.25
	· · · · · · ·					
NET INCREASE (DECREASE) IN NET POSITION	(30.42)	4.46	0.81	(35.12)	(14.36)	(18.05
MEDICAL LOSS RATIO	101.6%	92.9%	93.6%	104.5%	97.8%	99.09
ADMINISTRATIVE EXPENSE RATIO	8.4%	5.2%	5.2%	6.2%	6.1%	5.49

KHS Board of Directors Meeting, February 20, 2025



#### MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH ROLLING 6 MONTHS FOR THE MONTH ENDED NOVEMBER 30, 2024

302 / 604

	MAY 2024	JUNE 2024	JULY 2024	AUGUST 2024	SEPTEMBER 2024	OCTOBER 2024	Prior 6 Month YTD	NOVEMBER 2024
Total Members - MCAL	405,829	403,695	402,008	400,588	401,956	402,241	2,416,317	403,220
REVENUES	•	· · ·	· .		· · ·	· · ·		
Medicaid - Family and Other	51,326,322	54,454,738	54,814,574	55,394,125	47,143,352	55,766,852	318,899,962	62.628.897
Medicaid - Expansion Members	46,004,215	45,412,795	45,242,639	44,943,353	25,578,416	44,274,896	251,456,313	47,452,486
Medicaid - SPD Members	23,846,423		24,362,723	24,068,270	15,514,183	23,582,809	135,560,293	24,507,942
		24,185,884						
Medicaid - LTC Members Premium - MCO Tax	4,122,208 39,388,230	4,461,566 39,388,230	4,316,218 39,388,230	4,169,310 39,388,230	3,673,451 225,224,150	4,161,018	24,903,772 442,248,035	4,337,441 59,673,120
Premium - MCO Tax Premium - Hospital Directed Payments	22,990,345	25,339,960	24,576,449	24,409,832	225,224,150	59,470,965 24,613,116	146,580,270	24,699,036
Investment Earnings And Other Income	22,990,345	25,339,960 2,584,498	24,576,449 3,396,336	24,409,832	3,630,475	24,613,116	146,580,270	24,699,036
Rate Adjustments - Hospital Directed Payments	(108,928)	(457,542)	(6,686,334)	3,597,586	(2,168,580)	(55,251)	(9,471,227)	2,147,703
Rate/Income Adjustments	(843,366)	(437,342) 3,282,276	(0,080,334) 594,484	117,732	1,598,001	102,639	4,851,767	239,543
Total Revenues	189,690,849	198,652,406	190,005,318	196,093,846	344,844,017	213,952,963	1,333,239,400	239,343
	109,090,049	196,052,400	190,005,516	190,095,640	544,644,017	215,952,905	1,555,259,400	223,703,371
EXPENSES								
MEDICAL COSTS	32.962.778	26 554 205	32.448.391	24 250 242	34.021.968	42.641.203	242 000 017	37.671.697
Physician Services		36,554,096		34,358,210		1. 1	212,986,647	
Other Professional Services	9,231,655 6,322,930	9,148,831 6,665,692	8,910,610 6,362,602	9,280,419 6,439,132	9,068,160 6,283,494	(3,203,582) 7,576,830	42,436,093 39,650,681	9,971,766 6,638,555
Emergency Room	30,704,459			32,643,856				37,175,106
Inpatient Reinsurance Expense	30,704,459	32,758,876 110,398	32,835,724 113,134	32,643,856	32,589,946 112,562	33,979,229 111,767	195,512,091 678,255	37,175,106
Outpatient Hospital	12,540,794	13,499,596	16,572,741	15,115,990	112,362	15,182,189	87,764,658	112,931
Other Medical	29,760,839	29,527,118	28,667,716	31,087,518	33,376,773	34,893,013	187,312,977	31,812,311
Pay for Performance Quality Incentive	608,744	605,543	603,012	603,849	602,934	603,362	3,627,443	604,830
Risk Corridor Expense	-	003,343	003,012	003,845	2,133,095	(1,390,990)	742,105	004,830
Hospital Directed Payments	22,990,345	25,339,960	24,576,449	24,409,832	24,650,569	24,613,116	146,580,270	24,699,036
Hospital Directed Payment Adjustment	(95,313)	(20,001)	(6,679,802)	5,409	185,219	(55,251)	(6,659,739)	17,404
Non-Claims Expense Adjustment	(37,068)	(59,596)	1,831	(3,882,116)	(414,162)	(329)	(4,391,441)	(1,490,761)
IBNR, Incentive, Paid Claims Adjustment	(3,087,868)	(3,427,580)	(2,330,513)	(2,153,708)	(1,847,593)	905,899	(11,941,363)	277,697
Total Medical Costs	142,020,725	150,702,934	142,081,895	148,020,355	155,616,313	155,856,455	894,298,676	161,892,084
GROSS MARGIN	47,670,125	47,949,472	47,923,423	48,073,491	189,227,704	58,096,509	438,940,724	63,811,487
ADMINISTRATIVE COSTS	,	,		,	, ,	,,		
Compensation	3,747,089	3,543,998	3,719,030	3,883,154	3,445,542	3,800,976	22,139,790	4,154,887
Purchased Services	1,750,418	1,609,874	2,266,065	2,446,404	1,939,952	1,959,335	11,972,048	4,154,887
Supplies	204,536	399,825	406,426	102,708	1,555,552	250.386	1,561,856	133,675
Depreciation	778,841	704,955	704,955	703,523	875,296	718,614	4,486,185	691,764
Other Administrative Expenses	531,586	489,373	608,392	453,737	526,643	706,468	3,316,198	608,620
Administrative Expenses	2,765	47,630	-	(2,444)	135	,00,400	48,086	(2,230)
Total Administrative Expenses	7,015,235	6,795,655	7,704,868	7,587,082	6,985,543	7,435,779	43,524,163	7,247,808
TOTAL EXPENSES	149,035,960	157,498,590	149,786,762	155,607,437	162,601,856	163,292,234	937,822,839	169,139,892
OPERATING INCOME (LOSS) BEFORE TAX	40,654,890	41,153,817	40,218,556	40,486,409	182,242,161	50,660,730	395,416,562	56,563,679
MCO TAX	39,388,230	39,388,230	39,388,230	39,388,230	225,224,150	59,470,965	442,248,035	59,673,120
OPERATING INCOME (LOSS) NET OF TAX	1,266,660	1,765,587	830,326	1,098,179	(42,981,989)	(8,810,236)	(46,831,473)	(3,109,441)
NON-OPERATING REVENUE (EXPENSE)								
Total Non-Operating Revenue (Expense)	(805,587)	(1,631,585)	(507,411)	(235,639)	(506,063)	(1,781,820)	(5,468,105)	(834,074)
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NET INCREASE (DECREASE) IN NET POSITION	461,073	134,002	322,915	862,540	(43,488,053)	(10,592,056)	(52,299,579)	(3,943,514)
MEDICAL LOSS RATIO	93.5%	93.3%	93.6%	93.4%	134.6%	101.1%	100.1%	97.1%
ADMINISTRATIVE EXPENSE RATIO	5.5%	5.1%	5.8%	5.7%	7.2%	5.7%	5.8%	5.1%

КНЅ 1/27/2025

Management Use Only

Total Members - MCAL	405,829	403,695	402,008	400,588	401,956	402,241	2,416,317	403,220
	405,829	403,095	402,008	400,588	401,956	402,241	2,410,517	403,220
REVENUES	TT				1			
Medicaid - Family and Other	191.45	203.33	205.51	208.04	177.79	210.36	200.18	236.60
Medicaid - Expansion Members	394.53	394.31	398.75	399.18	226.08	390.42	370.60	425.45
Medicaid - SPD Members	1,064.10	1,083.31	1,060.22	1,063.41	670.71	1,016.41	975.11	1,028.75
Medicaid - LTC Members	8,277.53	8,629.72	8,190.17	8,002.51	7,023.81	7,850.98	7,918.53	8,309.27
Premium - MCO Tax	97.06	97.57	97.98	98.33	560.32	147.85	183.03	147.99
Premium - Hospital Directed Payments	56.65	62.77	61.13	60.94	61.33	61.19	60.66	61.25
Investment Earnings And Other Income	7.31	6.40	8.45	8.98	9.03	5.06	7.54	5.33
Rate Adjustments - Hospital Directed Payments	(0.27)	(1.13) 8.13	(16.63)	0.01	(5.40) 3.98	(0.14) 0.26	(3.92) 2.01	0.04
Rate/Income Adjustments	467.42	492.09	472.64	489.52	3.98	531.90		
Total Revenues	467.42	492.09	472.64	489.52	857.91	531.90	551.77	559.75
EXPENSES MEDICAL COSTS								
Physician Services	81.22	90.55	80.72	85.77	84.64	106.01	88.15	93.43
Other Professional Services	22.75	22.66	22.17	23.17	22.56	(7.96)	17.56	24.73
Emergency Room	15.58	16.51	15.83	16.07	15.63	18.84	17.50	16.46
Inpatient	75.66	81.15	81.68	81.49	81.08	84.47	80.91	92.20
Reinsurance Expense	0.29	0.27	0.28	0.28	0.28	0.28	0.28	0.28
Outpatient Hospital	30.90	33.44	41.22	37.73	36.95	37.74	36.32	35.72
Other Medical	73.33	73.14	71.31	77.60	83.04	86.75	77.52	78.90
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.51	1.50	1.50	1.50	1.50
Risk Corridor Expense	-			-	5.31	(3.46)	0.31	
Hospital Directed Payments	56.65	62.77	61.13	60.94	61.33	61.19	60.66	61.25
Hospital Directed Payment Adjustment	(0.23)	(0.05)	(16.62)	0.01	0.46	(0.14)	(2.76)	0.04
Non-Claims Expense Adjustment	(0.09)	(0.15)	0.00	(9.69)	(1.03)	(0.00)	(1.82)	(3.70)
IBNR, Incentive, Paid Claims Adjustment	(7.61)	(8.49)	(5.80)	(5.38)	(4.60)	2.25	(4.94)	0.69
Total Medical Costs	349.95	373.31	353.43	369.51	387.15	387.47	370.11	401.50
GROSS MARGIN	117.46	118.78	119.21	120.01	470.77	144.43	181.66	158.25
ADMINISTRATIVE COSTS								
Compensation	9.23	8.78	9.25	9.69	8.57	9.45	9.16	10.30
Purchased Services	4.31	3.99	5.64	6.11	4.83	4.87	4.95	4.12
Supplies	0.50	0.99	1.01	0.26	0.49	0.62	0.65	0.33
Depreciation	1.92	1.75	1.75	1.76	2.18	1.79	1.86	1.72
Other Administrative Expenses	1.31	1.21	1.51	1.13	1.31	1.76	1.37	1.51
Administrative Expense Adjustment	0.01	0.12	-	(0.01)	0.00	0.00	0.02	(0.01)
Total Administrative Expenses	17.29	16.83	19.17	18.94	17.38	18.49	18.01	17.97
TOTAL EXPENSES	367.24	390.14	372.60	388.45	404.53	405.96	388.12	419.47
OPERATING INCOME (LOSS) BEFORE TAX	100.18	101.94	100.04	101.07	453.39	125.95	163.64	140.28
MCO TAX	97.06	97.57	97.98	98.33	560.32	147.85	183.03	147.99
OPERATING INCOME (LOSS) NET OF TAX	3.12	4.37	2.07	2.74	(106.93)	(21.90)	(19.38)	(7.71)
NON-OPERATING REVENUE (EXPENSE)								
Provider Grants/CalAIM/Home Heath	(1.38)	(3.08)	(1.09)	(1.48)	(0.97)	(6.56)	(2.43)	(1.50)
D-SNP Expenses	(1.38)	(0.96)	(0.17)	(1.48) 0.89	(0.97)	(6.56)	(2.43) 0.16	(1.50)
Total Non-Operating Revenue (Expense)	(1.99)	(4.04)	(1.26)	(0.59)	(0.29)	(4.43)	(2.26)	(2.07)
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NET INCREASE (DECREASE) IN NET POSITION	1.14	0.33	0.80	2.15	(108.19)	(26.33)	(21.64)	(9.78)
MEDICAL LOSS RATIO	93.5%	93.3%	93.6%	93.4%	134.6%	101.1%	100.1%	97.1%
ADMINISTRATIVE EXPENSE RATIO	5.5%	5.1%	5.8%	5.7%	7.2%	5.7%	5.8%	5.1%

JULY 2024

AUGUST 2024 SEPTEMBER 2024 OCTOBER 2024 6 Month Prior YTD

MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH PMPM ROLLING 6 MONTHS FOR THE MONTH ENDED NOVEMBER 30, 2024

MAY 2024

JUNE 2024

303 / 604



KERN HEALTH SYSTEMS

NOVEMBER 2024

			100,2024			
	November	Budget	Variance	Year to Date	Budget	Variance
REVENUES				· · · · ·	•	
Premium - Medi-Cal	47,364,268	46,316,497	1,047,772	518,817,978	511,459,277	7,358,701
Premium - Maternity Kick	3,570,246	3,258,103	312,143	36,560,196	35,978,259	581,936
Premium - Enhanced Care Management	1,410,189	1,380,488	29,701	15,570,468	15,244,319	326,149
Premium - Major Organ Transplant	264,549	237,259	27,289	2,847,242	2,619,982	227,260
Premium - Provider Enhancement	1,180,207	1,082,012	98,194	12,836,817	11,948,340	888,477
Premium - GEMT	182,492	186,761	(4,269)	2,022,303	2,062,347	(40,044)
Premium - Cal AIM	8,559,982	332,048	8,227,934	8,559,982	3,666,708	4,893,274
Premium - Student Behavioral Health Incentive	-	157,599	(157,599)	1,704,218	1,740,314	(36,096)
Premium - Housing and Homelessness Incentive	-	-	-	6,395,468	-	6,395,468
Premium - Equity & Practice Transformation	-	-	-	569,537	-	569,537
Premium - Distinct Part Nursing Facility	236	-	236	2,495	-	2,495
Other	96,728	-	96,728	1,074,085	-	1,074,085
TOTAL MEDICAID - FAMILY & OTHER	62,628,897	52,950,767	9,678,130	606,960,790	584,719,545	22,241,244
Premium - Medi-Cal	40,510,785	41,406,918	(896,133)	448,268,989	462,142,033	(13,873,044)
Premium - Maternity Kick	498,515	422,753	75,762	4,757,884	4,718,336	39,548
Premium - Enhanced Care Management	1,652,298	1,585,202	67,096	18,448,386	17,692,418	755,968
Premium - Major Organ Transplant	425,682	414,707	10,976	4,709,657	4,628,537	81,120
Premium - Provider Enhancement	371,608	354,794	16,814	4,099,437	3,959,851	139,586
Premium - GEMT	254,076	262,662	(8,586)	2,824,138	2,931,565	(107,427)
Premium - Cal AIM	3,693,947	293,640	3,400,307	3,693,947	3,277,311	416,636
Premium - Student Behavioral Health Incentive	-	139,369	(139,369)	728,532	1,555,496	(826,963)
Premium - Housing and Homelessness Incentive	-	-	-	2,739,905	-	2,739,905
Premium - Equity & Practice Transformation	-	-	-	243,998	-	243,998
Premium - Distinct Part Nursing Facility	4	-	4	78	-	78
Other	45,572	-	45,572	506,449	-	506,449
TOTAL MEDICAID - EXPANSION MEMBERS	47,452,486	44,880,044	2,572,442	491,021,400	500,905,547	(9,884,147)
Premium - Medi-Cal	22,374,467	19,583,522	2,790,945	238,794,929	218,367,044	20,427,885
Premium - Enhanced Care Management	875,009	727,727	147,282	9,418,184	8,114,560	1,303,624
Premium - Major Organ Transplant	314,901	263,364	51,538	3,308,554	2,936,650	371,904
Premium - Provider Enhancement	28,393	24,705	3,688	306,192	275,474	30,718
Premium - GEMT	164,265	147,909	16,356	1,765,943	1,649,268	116,676
Premium - Cal AIM	750,906	141,888	609,018	750,906	1,582,132	(831,226)
Premium - Student Behavioral Health Incentive	-	67,344	(67,344)	144,653	750,920	(606,267)
Premium - Housing and Homelessness Incentive	-	-	-	525,772	-	525,772
Premium - Equity & Practice Transformation	-	-	-	46,822	-	46,822
Premium - Distinct Part Nursing Facility	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL MEDICAID - SPD MEMBERS	24,507,942	20,956,459	3,551,483	255,061,955	233,676,048	21,385,907
Premium - Medi-Cal	4,291,742	4,395,083	(103,341)	45,082,944	48,345,915	(3,262,971)
Premium - Enhanced Care Management	9,959	10,315	(356)	104,885	113,464	(8,579)
Premium - Major Organ Transplant	14,580	15,235	(655)	154,956	167,588	(12,632)
Premium - Provider Enhancement	4	4	(1)	44	48	(4)
Premium - GEMT	3,222	3,176	46	36,044	34,936	1,108
Premium - Cal AIM	16,858	31,530	(14,672)	16,858	346,830	(329,972)
Premium - Student Behavioral Health Incentive	-	14,965	(14,965)	3,230	164,614	(161,385)
Premium - Housing and Homelessness Incentive	-	-	-	11,558	-	11,558
Premium - Equity & Practice Transformation	-	-	-	1,029	-	1,029
Premium - Distinct Part Nursing Facility	1,076	-	1,076	11,067	-	11,067
Other	-	-	-	-	-	-
TOTAL MEDICAID - LTC MEMBERS	4,337,441	4,470,309	(132,868)	45,422,614	49,173,395	(3,750,781)

# KHS 1/27/2025

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Management Use Only



MEDI-CAL
SCHEDULE OF REVENUES - ALL COA
FOR THE MONTH ENDED NOVEMBER 30, 2024

	January	February	March	April	May	June	July	August	September	October	November	Year to Date
REVENUES												
Premium - Medi-Cal	47,241,506	48,947,162	49,229,878	48,457,890	45,604,186	48,268,333	48,440,858	48,131,710	39,944,804	47,187,381	47,364,268	518,817,978
Premium - Maternity Kick	2,781,366	2,862,736	2,796,161	3,040,270	3,173,420	2,907,119	3,321,365	4,231,227	3,323,673	4,552,613	3,570,246	36,560,196
Premium - Enhanced Care Management	1,360,425	1,373,690	1,369,893	1,329,522	1,080,066	1,437,528	1,324,442	1,315,508	2,161,904	1,407,300	1,410,189	15,570,468
Premium - Major Organ Transplant	242,912	264,248	268,461	260,651	203,323	289,608	263,632	262,300	264,484	263,074	264,549	2,847,242
Premium - Cal AIM	-	-	-		-		-	-	-	-	8,559,982	8,559,982
Premium - Provider Enhancement	1.115.725	1,189,379	1,203,274	1.179.009	1.008.150	1,255,995	1,180,759	1,172,208	1,180,202	1.171.910	1.180.207	12,836,817
Premium - GEMT	187.833	192.364	192,415	187,592	158,941	198.874	185.899	184,380	169.297	182.217	182.492	2.022.303
Premium - Student Behavioral Health Incentive	-	-		798,493			-	-	-	905,724	-	1,704,218
Premium - Housing and Homelessness Incentive	-	-	-	6.395.468	-		-	-	-	-	-	6,395,468
Premium - Equity & Practice Transformation	-	-	-	569,537	-	-	-	-			-	569.537
Premium - Distinct Part Nursing Facility	-	-	-		-		-	-	2.025	234	236	2,495
Other	97,449	98.860	99.005	98.756	98.236	97.279	97.619	96.791	96,962	96.399	96,728	1.074.085
TOTAL MEDICAID - FAMILY & OTHER	53.027.216	54,928,439	55,159,087	62,317,189	51.326.322	54,454,738	54.814.574	55.394.125	47.143.352	55,766,852	62,628,897	606.960.790
									1 11			
Premium - Medi-Cal	43,459,690	44,508,533	44,016,473	43,567,402	43,005,883	42,475,755	42,240,002	42,088,885	21,913,683	40,481,897	40,510,785	448,268,989
Premium - Maternity Kick	576,986	710,136	503,013	325,479	281,096	258,904	340,274	199,726	403,958	659,799	498,515	4,757,884
Premium - Enhanced Care Management	1,651,191	1,664,324	1,642,575	1,626,006	1,605,210	1,579,736	1,569,286	1,564,662	2,242,374	1,650,725	1,652,298	18,448,386
Premium - Major Organ Transplant	432,007	442,199	437,523	433,298	427,929	422,778	420,674	419,415	422,787	425,365	425,682	4,709,657
Premium - Cal AIM	-						-			-	3,693,947	3,693,947
Premium - Provider Enhancement	373,632	384,099	380,389	376,842	372,278	368,239	366,657	365,604	368,793	371,296	371,608	4,099,437
Premium - GEMT	271,454	274,545	271,386	268,943	265,767	261,970	260,625	260,108	181,442	253,823	254,076	2,824,138
Premium - Student Behavioral Health Incentive	-		-	342,085	-				-	386,447	-	728,532
Premium - Housing and Homelessness Incentive	-	-	-	2,739,905	-		-	-	-	-	-	2,739,905
Premium - Equity & Practice Transformation	-	-	-	243,998	-		-	-	-	-	-	243,998
Premium - Distinct Part Nursing Facility	-	-	-	-	-		-		71	4	4	78
Other	46,893	47,755	47,171	46,671	46,053	45,413	45,122	44,952	45,308	45,540	45,572	506,449
TOTAL MEDICAID - EXPANSION MEMBERS	46,811,852	48,031,590	47,298,530	49,970,629	46,004,215	45,412,795	45,242,639	44,943,353	25,578,416	44,274,896	47,452,486	491,021,400
Premium - Medi-Cal	22,135,884	22,247,086	22,395,301	22,414,824	22,542,535	22,863,443	23,030,954	22,753,177	13,902,698	22,134,559	22,374,467	238,794,929
Premium - Enhanced Care Management	802,416	805,446	810,071	809,677	813,823	825,377	830,598	819,178	1,158,208	868,382	875,009	9,418,184
Premium - Major Organ Transplant	289,069	291,313	293,840	294,966	297,016	301,270	304,130	301,571	310,765	309,714	314,901	3,308,554
Premium - Cal AIM	-		-		-						750,906	750,906
Premium - Provider Enhancement	27,257	27,350	27,490	27,471	27,602	27,999	28,168	27,768	28,496	28,198	28,393	306,192
Premium - GEMT	163,069	163,702	164,656	164,596	165,447	167,796	168,873	166,576	114,017	162,947	164,265	1,765,943
Premium - Student Behavioral Health Incentive	-	-	-	65,644	-	-	-	-	-	79,009	-	144,653
Premium - Housing and Homelessness Incentive	-	-	-	525,772	-		-	-	-	-	-	525,772
Premium - Equity & Practice Transformation		-	-	46.822	-		-	-	-	-	-	46.822
Premium - Distinct Part Nursing Facility	-	-	-		-	-	-	-	-	-	-	-
Other	-		-	-	-		-	-	-	-	-	-
TOTAL MEDICAID - SPD MEMBERS	23,417,694	23,534,898	23,691,358	24,349,771	23,846,423	24,185,884	24,362,723	24,068,270	15,514,183	23,582,809	24,507,942	255,061,955
Premium - Medi-Cal	3,950,994	4,064,582	4,029,135	4,021,131	4,096,164	4,433,079	4,288,666	4,143,142	3,633,618	4,130,690	4,291,742	45,082,944
Premium - Enhanced Care Management	9.002	9,285	9,206	9.179	9.347	10.145	9,808	9,445	9,897	9.613	9,959	104.885
Premium - Major Organ Transplant	13,131	13,656	13,568	13,567	13,823	15,086	14,595	13,905	14,648	14,396	14.580	154,956
Premium - Cal AIM		-					-	-		-	16.858	16,858
Premium - Provider Enhancement	3	4	4	4	4	5	5	4	4	5	4	44
Premium - GEMT	2,536	2.779	2.790	2.814	2.870	3.252	3.145	2.814	6.278	3,543	3.222	36.044
Premium - Student Behavioral Health Incentive	_,550	_,,,,,	_,,,,,	1,443		5,252	-,145	-,014		1,786		3,230
Premium - Housing and Homelessness Incentive	-	-	-	11,558	-		-	-	-	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-	11,558
Premium - Equity & Practice Transformation	-	-	-	1,029	-	-	-	-	-	-	-	1,029
Premium - Distinct Part Nursing Facility	-	-	-		-		-	-	9.006	985	1.076	11.067
Other	-	-	-	-	-		-	-	-			
TOTAL MEDICAID - LTC MEMBERS	3.975.666	4.090.307	4.054.703	4.060.726	4.122.208	4,461,566	4.316.218	4.169.310	3,673,451	4.161.018	4.337.441	45,422,614
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#### MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2024

	FOR THE MONTH ENDE	D NOVEMBER 30,	2024			
	November	Budget	Variance	Year to Date	Budget	Variance
Physician Services Primary Care Physician Services	15,339,949	5,626,734	(9,713,214)	86,090,342	62,351,914	(23,738,428)
		20,840,170	1,243,523	250,672,177	231,362,774	(19,309,403)
Referral Specialty Services Urgent Care & After Hours Advice	19,596,647 2,726,101	2,663,473	(62,628)	39,648,739	231,362,774	(10,127,819)
Hospital Admitting Team	9,000	2,663,473	(62,628)	39,648,739	29,520,921	(10,127,819) (9,000)
Total Physician Services	37.671.697	29,139,677	(8,532,020)	376,511,759	323.327.109	(53,184,650)
Other Professional Services	37,071,097	29,139,077	(8,552,020)	370,311,739	323,327,109	(55,184,050)
Vision Service Capitation	342,825	341,360	(1,465)	3,590,984	3,782,585	191,601
221 - Business Intelligence	201,686	155,732	(45,954)	1,749,466	1,729,188	(20,277)
310 - Health Servcies - Utilization Management	749,192	1,117,352	368,160	8,228,254	12,406,629	4,178,376
311 - Health Services - Quality Improvement	239,558	337,247	97,688	2,157,794	3,744,653	1,586,859
312 - Health Services Education	337,204	385,355	48,151	3,010,979	4,278,827	1,267,848
313 - Pharmacy	118,322	136,212	17,890	1,207,975	1,512,440	304,465
314 - Enhanced Care Management	371,674	422,990	51,316	3,549,878	4,696,709	1,146,831
316 - Population Health Management	545,125	656,875	111,750	5,611,186	7,293,674	1,682,489
317 - In Lieu of Services 321 - Homeless Management Information Services	129,580 41,780	138,284 33.063	8,703 (8,718)	1,151,425 364,895	1,535,445 367,113	384,020 2,218
321 - Homeless Management Information Services	967,586	1,063,298	95,711	11,142,271	11,806,431	664,160
331 - Member Outreach	68,977	337,353	268,376	509,249	3,745,829	3,236,580
410 - Member Engagement	59,579	75,993	16,414	649,887	843,798	<u>3,238,380</u> 193,911
601 - Behavioral Health	160,766	170,562	9,796	1,344,134	1,893,851	549,718
502 - Quality & Health Equity	85,432	74,100	(11,332)	803.344	822,775	19.431
502 - Quality & Health Equity 504 - Clinical Operations, Strategy, and Analytics	130,321	128,414	(11,332)	1,085,782	1,425,858	340,076
Behavior Health Treatment	2,875,975	3,749,892	873,918	29,315,764	41,516,276	12,200,513
Mental Health Services			408,176	4,913,946		
Other Professional Services	662,960 1,883,223	1,071,136 4,892,902	3,009,679	20,399,215	11,928,392 54,286,563	7,014,447 33,887,348
Total Other Professional Services	9,971,766	15,288,118	5,316,352	100,786,427	169,617,038	68,830,611
	6,638,555	6,501,592	(136,963)	71,842,016	72.123.855	281,839
Emergency Room Inpatient Hospital	37,175,106	27,941,545	(138,983)	357,376,208	310,620,511	(46,755,697
Reinsurance Expense Premium	112,931	112,448	(483)	1,233,965	1,246,028	12,063
Dutpatient Hospital	14,401,513	12,896,934	(1,504,579)	161,464,301	143,367,640	(18,096,662
Other Medical	14,401,515	12,850,554	(1,504,575)	101,404,301	143,307,040	(18,050,002
Ambulance and NEMT	5,995,280	2,763,588	(3,231,692)	53,078,560	30,672,152	(22,406,408
Home Health Services & CBAS	1,263,781	868,524	(395,257)	13,934,611	9,655,369	(4,279,242
Utilization and Quality Review Expenses	1,205,781	1,722,494	622,673	13,718,082	19,125,879	5,407,797
Long Term/SNF/Hospice	12,522,080	9,005,373	(3,516,708)	121,522,692	99,443,331	(22,079,361
Provider Enhancement Expense - Prop. 56	1,501,201	1,778,482	277,282	16,377,226	15,374,528	(1,002,697
Provider Enhancement Expense - Frop. 50	(1,170,614)	180,440	1,351,054	6,648,429	6,344,210	(304,220
Enhanced Care Management	3,750,082	3,543,296	(206,786)	40,955,661	39,382,758	(1,572,903
Major Organ Transplant	1,071,412	884,037	(187,375)	10,570,172	9,835,119	(735,053
Cal AIM Incentive Programs	3,813,290	759,151	(3,054,139)	26,401,246	8,429,331	(17,971,915
Student Behavioral Health Incentive	3,013,250	360,312	360,312	1,159,360	4,000,777	2,841,417
Housing and Homelessness Incentive		500,512	300,312	4,164,729	4,000,777	(4,164,729
Equity & Practice Transformation Expense				321,366		(321,366
Distinct Part Nursing Facility Expense	1,316		(1,316)	13,640		(13,640
DME/Rebates	1,964,662	1,533,912	(430,750)	20,136,723	17,039,662	(3,097,061
Total Other Medical	31,812,311	23,399,609	(8,412,702)	329,002,497	259,303,116	(69,699,381
Pay for Performance Quality Incentive	604.830	602.400	(2,430)	6,695,658	6,675,150	(20,508
Risk Corridor Expense			(2,+30)	742,105	0,073,130	(742,105
Hospital Directed Payments	24,699,036	21,994,308	(2,704,729)	270,749,316	244,371,969	(26,377,347
Hospital Directed Payments Hospital Directed Payment Adjustment	24,699,036	21,774,308			244,371,309	3,844,553
Hospital Directed Payment Adjustment Non-Claims Expense Adjustment	(1,490,761)	-	(17,404) 1,490,761	(3,844,553) (5,451,403)	-	3,844,553 5,451,403
NON-Claims Expense Adjustment BNR, Incentive, Paid Claims Adjustment	(1,490,761)	-	(277,697)	(5,451,403) (11,970,405)	-	5,451,403
• • •		-			-	
Total Medical Costs	161,892,084	137,876,631	(24,015,453)	1,655,137,891	1,530,652,415	(124,485,476

\* MEDICAL COSTS PER DMHC REGULATIONS

KHS 1/27/2025 Management Use Only

#### MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2024

		KERN HEALTH SYSTEMS
	Variance	
100	11,701	1

	November	Budget	Variance	Year to Date	Budget	Variance
TOTAL MEMBERS - MCAL	403,220	401,600	1,620	4,461,801	4,450,100	11,701
	400)220	102,000	1,010	4)101)001	1,150,200	11,701
Physician Services	28.04	14.01	(24.02)	10.20	14.01	(5.20)
Primary Care Physician Services	38.04 48.60	14.01 51.89	(24.03) 3.29	19.29	14.01 51.99	(5.28) (4.19)
Referral Specialty Services Urgent Care & After Hours Advice	48.60	6.63	(0.13)	56.18 8.89	6.63	(4.19)
Hospital Admitting Team	0.02	0.02	0.00	0.02	0.02	(0.00)
	93.43	72.56	(20.87)	84.39	72.66	(11.73)
Total Physician Services	93.43	72.50	(20.87)	84.39	72.00	(11.73)
Other Professional Services						
Vision Service Capitation	0.85	0.85	(0.00)	0.80	0.85	0.05
221 - Business Intelligence	0.50	0.39	(0.11)	0.39	0.39	(0.00)
310 - Health Servcies - Utilization Management	1.86	2.78	0.92	1.84	2.79	0.94
311 - Health Services - Quality Improvement	0.59	0.84	0.25	0.48	0.84	0.36
312 - Health Services Education	0.84	0.96	0.12	0.67	0.96	0.29
313 - Pharmacy	0.29	0.34	0.05	0.27	0.34	0.07
314 - Enhanced Care Management	0.92	1.05	0.13	0.80	1.06	0.26
316 - Population Health Management	1.35	1.64	0.28	1.26	1.64	0.38
317 - In Lieu of Services	0.32	0.34	0.02	0.26	0.35	0.09
321 - Homeless Management Information Services	0.10	0.08	(0.02)	0.08	0.08	0.00
330 - Member Services	2.40	2.65	0.25	2.50	2.65	0.16
331 - Member Outreach	0.17	0.84	0.67	0.11	0.84	0.73
410 - Member Engagement	0.15	0.19	0.04	0.15	0.19	0.04
601 - Behavioral Health	0.40	0.42	0.03	0.30	0.43	0.12
602 - Quality & Health Equity	0.21	0.18	(0.03)	0.18	0.18	0.00
604 - Clinical Operations, Strategy, and Analytics	0.32	0.32	(0.00)	0.24	0.32	0.08
Behavior Health Treatment	7.13	9.34	2.20	6.57	9.33	2.76
Mental Health Services	1.64	2.67	1.02	1.10	2.68	1.58
Other Professional Services	4.67	12.18	7.51	4.57	12.20	7.63
Total Other Professional Services	24.73	38.07	13.34	22.59	38.12	15.53
Emergency Room	16.46	16.19	(0.27)	16.10	16.21	0.11
Inpatient Hospital	92.20	69.58	(22.62)	80.10	69.80	(10.30)
Reinsurance Expense Premium	0.28	0.28	(0.00)	0.28	0.28	0.00
Outpatient Hospital	35.72	32.11	(3.60)	36.19	32.22	(3.97)
Other Medical						
Ambulance and NEMT	14.87	6.88	(7.99)	11.90	6.89	(5.00)
Home Health Services & CBAS	3.13	2.16	(0.97)	3.12	2.17	(0.95)
Utilization and Quality Review Expenses	2.73	4.29	1.56	3.07	4.30	1.22
Long Term/SNF/Hospice	31.06	22.42	(8.63)	27.24	22.35	(4.89)
Provider Enhancement Expense - Prop. 56	3.72	4.43	0.71	3.67	3.45	(0.22)
Provider Enhancement Expense - GEMT	(2.90)	0.45	3.35	1.49	1.43	(0.06)
Enhanced Care Management	9.30	8.82	(0.48)	9.18	8.85	(0.33)
Major Organ Transplant	2.66	2.20	(0.46)	2.37	2.21	(0.16)
Cal AIM Incentive Programs	9.46	1.89	(7.57)	5.92	1.89	(4.02)
Student Behavioral Health Incentive	-	0.90	0.90	0.26	0.90	0.64
Housing and Homelessness Incentive	-	-	-	0.93	-	(0.93)
Equity & Practice Transformation Expense	-	-	-	0.07	-	(0.07)
Distinct Part Nursing Facility Expense	0.00	-	(0.00)	0.00	-	(0.00)
DME/Rebates	4.87	3.82	(1.05)	4.51	3.83	(0.68)
Total Other Medical	78.90	58.27	(20.63)	73.74	58.27	(15.47)
	1.50	1.50	(0.00)	1.50	1.50	(0.00)
Pay for Performance Quality Incentive	1.50	1.50	(0.00)	1.50	1.50	
Risk Corridor Expense	-	-	-		-	(0.17)
Hospital Directed Payments	61.25	54.77	(6.49)	60.68	54.91	(5.77)
Hospital Directed Payment Adjustment	0.04	-	(0.04)	(0.86)	-	0.86
Non-Claims Expense Adjustment	(3.70)	-	3.70	(1.22)	-	1.22
IBNR, Incentive, Paid Claims Adjustment	0.69	-	(0.69)	(2.68)	-	2.68
Total Medical Costs	401.50	343.32	(58.18)	370.96	343.96	(27.00)

307 / 604

												2
				MEDI-CAL							KFRN	HEALTH
				EDULE OF MEDICAL O							CH AN	TALL ALL AND
			FOR TH	IE MONTH ENDED NO	JVEINBER 30, 2024						SYS	LEMS
	January	February	March	April	May	June	July	August	September	October	November	Year to Date
Physician Services	T											
Primary Care Physician Services	6,499,076	6,559,994	7,176,252	8,439,162	7,656,483	10,560,497	4,814,529	6,586,511	6,536,360	5,921,529	15,339,949	86,090,342
Referral Specialty Services	21,255,092	22,977,486	20,309,856	21,606,841	21,227,905	22,534,971	24,157,015	24,334,504	24,186,802 3,289,806	28,485,057	19,596,647	250,672,177
Urgent Care & After Hours Advice Hospital Admitting Team	2,319,250 9,300	3,179,640 8,700	2,806,586	2,687,879	4,069,091 9,300	3,449,628	3,467,547 9,300	3,427,895	3,289,806	8,225,316 9,300	2,726,101 9.000	39,648,739 100,500
Total Physician Services	30.082.718	32.725.820	30.301.995	32.742.882	32,962,778	36,554,096	32,448,391	34.358.210	34.021.968	42.641.203	37.671.697	376,511,759
•	30,002,710	32,723,820	30,301,333	32,742,002	32,302,778	30,334,030	32,440,331	54,558,210	34,021,508	42,041,203	37,071,037	370,311,733
Other Professional Services		296.413	344.110		404.063				341.707		342.825	3.590.984
Vision Service Capitation 221 - Business Intelligence	140,322 166,419	296,413	344,110 154,693	359,517 149,676	404,063	339,399 164.059	343,443	339,893 93,397	341,/0/ 170.932	339,293 173,297	342,825	3,590,984
310 - Health Servcies - Utilization Management	852,585	802,658	800.584	810,297	790,917	700,035	698,997	93,397	652.308	701,001	749,192	8.228.254
310 - Health Services - Otilization Management 311 - Health Services - Quality Improvement	240,989	241,505	131,143	25,469	194,860	181,920	202,485	217,662	217,269	264,934	239,558	2,157,794
312 - Health Services Education	238.074	241,303	246.020	243,125	259.637	263.229	286,717	282.077	302.858	307.327	337.204	3.010.979
313 - Pharmacy	117,253	108.343	102.637	102.244	111.483	107,476	102.845	112.041	109,561	115,772	118.322	1,207,975
314 - Enhanced Care Management	296,401	292,841	287,850	309,036	318,231	301,102	332,277	343,316	338,260	358,890	371,674	3,549,878
316 - Population Health Management	495,663	471,064	489,719	503,611	532,764	469,214	507,513	529,689	511,968	554,856	545,125	5,611,186
317 - In Lieu of Services	88,658	84,311	80,050	94,979	105,477	95,152	117,324	119,643	110,397	125,854	129,580	1,151,425
321 - Homeless Management Information Services	-	9,044	676	101,045	26,625	30,523	37,075	37,682	41,115	39,330	41,780	364,895
330 - Member Services	996,071	988,648	974,384	1,059,971	1,115,929	914,815	1,092,015	1,055,537	981,352	995,963	967,586	11,142,271
410 - Member Engagement	68,866	68,715	62,767	70,719	55,899	53,496	45,774	55,207	46,888	61,979	59,579	649,887
601 - Behavioral Health	63,991	79,219	103,195	113,713	138,092	134,174	137,330	136,230	131,794	145,630	160,766	1,344,134
602 - Quality & Health Equity	76,057	71,516	71,726	71,420	73,359	72,782	67,412	72,107	71,525	70,009	85,432	803,344
604 - Clinical Operations, Strategy, and Analytics	77,153	69,408	82,369	83,076	79,230	90,449	102,114	113,575	113,657	144,430	130,321	1,085,782
Behavior Health Treatment	3,612,672	1,051,116	3,458,567	1,308,993	2,602,725	2,931,009	2,668,314	2,863,238	2,674,105	3,269,050	2,875,975	29,315,764
Mental Health Services Other Professional Services	1,525,645	620,225 5,211,408	1,069,857	826,611 4.258.014	393,105 1.813,653	330,088	173,541	343,978	450,090	(1,482,154)	662,960 1.883.223	4,913,946
Other Professional Services Total Other Professional Services	4,642,734	5,211,408	4,823,947	4,258,014		1,904,534 9.148.831	1,762,191 8,910.610	1,826,761 9,280,419	2/.00/020	(0) 10 1/21 0/	2,000,220	
				4. 4	9,231,655				9,068,160	(3,203,582)	9,971,766	100,786,427
Emergency Room	6,905,833	6,114,762	6,246,167	6,286,018	6,322,930	6,665,692	6,362,602	6,439,132	6,283,494	7,576,830	6,638,555	71,842,016
Inpatient Hospital	30,185,040	29,579,215	31,316,403	33,608,353	30,704,459	32,758,876	32,835,724	32,643,856	32,589,946	33,979,229	37,175,106	357,376,208
Reinsurance Expense Premium	96,765	98,519	129,066	118,429	118,429	110,398	113,134	111,965	112,562	111,767	112,931	1,233,965
Outpatient Hospital	13,495,747	15,812,073	14,996,564	14,993,746	12,540,794	13,499,596	16,572,741	15,115,990	14,853,348	15,182,189	14,401,513	161,464,301
Other Medical												
Ambulance and NEMT	3,214,531	3,869,951	4,117,183	4,046,350	4,886,538	4,694,674	4,700,022	5,617,091	5,700,653	6,236,286	5,995,280	53,078,560
Home Health Services & CBAS	821,583	1,260,395	1,162,579	1,286,263	1,383,467	1,803,391	1,254,827	1,371,979	1,307,115	1,019,232	1,263,781	13,934,611
Utilization and Quality Review Expenses	778,360	1,419,906	764,904	659,673	1,094,286	1,057,105	1,593,640	1,413,209	1,606,585	2,230,594	1,099,821	13,718,082
Long Term/SNF/Hospice	8,782,404	11,938,647	10,174,399	11,100,770	11,407,241	11,520,690	10,338,299	11,587,366	11,456,571	10,694,224	12,522,080	121,522,692
Provider Enhancement Expense - Prop. 56	1,440,786	1,520,790	1,530,599	1,504,160	1,337,631	1,569,564	1,493,732	1,487,305	1,498,620	1,492,839	1,501,201	16,377,226
Provider Enhancement Expense - GEMT Enhanced Care Management	697,353 3,631,882	720,314 3,736,622	727,161 3.563.643	758,687 3,585,665	923,611 3.333.024	813,870 3.660.671	1,021,009 3,445,004	374,123 3.420.931	732,408 5.191.340	1,050,507 3,636,796	(1,170,614) 3,750,082	6,648,429 40,955,661
Enhanced Care Management Major Organ Transplant	3,631,882 928,263	3,736,622 960,846	3,563,643	3,585,665 952,357	3,333,024 894,987	3,660,671	3,445,004 795,627	3,420,931 947,331	5,191,340 962,050	3,636,796	3,750,082	40,955,661 10,570,172
Cal AIM Incentive Programs	928,263	1.499.955	962,722	3,055,050	2,549,702	1,132,655	2,048,408	2.646.828	2,919,047	4.113.393	3.813.290	26.401.246
Housing and Homelessness Incentive	516,672	1,499,955	401,264	409,983	2,549,702	1,505,170	2,040,408	2,646,828	2,919,047	4,115,593	5,015,290	4,164,729
Equity & Practice Transformation Expense	510,872	1,555,761	401,204	403,303	2/1,034			410,013	200,000	321.366		321.366
Distinct Part Nursing Facility Expense				-	-	-	-	-	11,102	1,222	1,316	13,640
DME/Rebates	1.444.613	2.282.835	1.801.951	1.636.974	1.679.318	1.771.328	1.977.148	1.811.340	1.791.282	1,975,272	1,964,662	20.136.723
Total Other Medical	23,466,463	31,166,022	26,248,792	28,995,931	29,760,839	29,527,118	28,667,716	31,087,518	33,376,773	34,893,013	31,812,311	329,002,497
Pay for Performance Quality Incentive	607,242	620.847	623.885	611.412	608,744	605,543	603.012	603.849	602.934	603.362	604.830	6.695.658
Risk Corridor Expense	007,242	020,647	020,685	011,412	000,744	000,543	005,012	005,849	2.133.095	(1.390.990)	004,830	742.105
Hospital Directed Payments	24.282.372	24.917.058	25.515.722	24.754.858	22.990.345	25.339.960	24,576,449	24.409.832	2,133,095	24.613.116	24.699.036	270.749.316
Hospital Directed Payments Hospital Directed Payment Adjustment	42,165	24,917,058	25,515,722 226,351	24,754,858	(95,313)	(20.001)	(6.679.802)	24,409,832	24,650,569	(55,251)	24,699,036	(3.844.553)
Non-Claims Expense Adjustment	42,165	2,395,027	99,211	74,266	(95,313)	(20,001)	(6,679,802)	(3.882.116)	(414,162)	(55,251)	(1,490,761)	(5,451,403)
IBNR, Incentive, Paid Claims Adjustment	141,502	329.680	128,506	(929,497)	(3.087,868)	(3.427.580)	(2,330,513)	(2,153,708)	(1.847.593)	905.899	277.697	(11,970,405)
					(1) - 1) - 1			11.1				
Total Medical Costs	143,169,973	154,740,825	149,128,998	151,907,335	142,020,725	150,702,934	142,081,895	148,020,355	155,616,313	155,856,455	161,892,084	1,655,137,891

\* MEDICAL COSTS PER DMHC REGULATIONS

<b>9</b>
KERN HEALTH
SYSTEMS

				SCHEDULE OF MED	DI-CAL DICAL COSTS - ALL CO DED NOVEMBER 30, 2						KERI	N HEALTH
	January	February	March	April	May	June	July	August	September	October	November	Year to Date
Physician Services												
Primary Care Physician Services	16.05	15.85	17.25	20.70	18.87	26.16	11.98	16.44	16.26	14.72	-	19.29
Referral Specialty Services	52.50	55.51		53.01	52.31	55.82	60.09	60.75	60.17		•	56.18
Urgent Care & After Hours Advice	5.73	7.68	6.75	6.59	10.03	8.55	8.63	8.56	8.18	20.45		8.89
Hospital Admitting Team Total Physician Services	74.31	79.07	72.85	80.33	81.22	90.55	80.72	85.77	84.64	106.01		84.39
	/4.31	79.07	72.85	80.33	81.22	90.55	80.72	85.//	84.64	106.01		84.39
Other Professional Services Vision Service Capitation	0.35	0.72	0.83	0.88	1.00	0.84	0.85	0.85	0.85	0.84		0.80
221 - Business Intelligence	0.35	0.72	0.83	0.88	1.00	0.84	0.85	0.85	0.85	0.84		0.80
310 - Health Servcies - Utilization Management	2.11	1.94	1.92	1.99	1.95	1.73	1.74	0.23	0.43	1.74		1.84
311 - Health Services - Quality Improvement	0.60	0.58	0.32	0.06	0.48	0.45	0.50	0.54	0.54	0.66	-	0.48
311 - Health Services - Quality Improvement 312 - Health Services Education	0.59	0.58	0.32	0.06	0.48	0.45	0.50	0.54	0.54	0.66		0.48
312 - Health Services Education 313 - Pharmacy	0.59	0.59	0.59	0.60	0.64	0.65	0.71	0.70	0.75	0.76		0.67
313 - Pharmacy 314 - Enhanced Care Management	0.29	0.26	0.25	0.25	0.27	0.27	0.26	0.28	0.27	0.29		0.27
316 - Population Health Management	1.22	1.14	1.18	1.24	1.31	1.16	1.26	1.32	1.27	1.38		1.26
317 - In Lieu of Services	0.22	0.20	0.19	0.23	0.26	0.24	0.29	0.30	0.27	0.31		0.26
330 - Member Services	2.46	2,39	2,34	2.60	2.75	2.27	2.72	2.63	2.44	2.48		2.50
410 - Member Engagement	0.17	0.17	0.15	0.17	0.14	0.13	0.11	0.14	0.12	0.15		0.15
601 - Behavioral Health	0.16	0.19	0.25	0.28	0.34	0.33	0.34	0.34	0.33	0.36		0.30
602 - Quality & Health Equity	0.19	0.17	0.17	0.18	0.18	0.18	0.17	0.18	0.18	0.17		0.18
604 - Clinical Operations, Strategy, and Analytics	0.19	0.17	0.20	0.20	0.20	0.22	0.25	0.28	0.28	0.36		0.24
Behavior Health Treatment	8.92	2.54	8.32	3.21	6.41	7.26	6.64	7.15	6.65	8.13		6.57
Mental Health Services	3.77	1.50	2.57	2.03	0.97	0.82	0.43	0.86	1.12	(3.68)	-	1.10
Other Professional Services	11.47	12.59	11.60	10.45	4.47	4.72	4.38	4.56	4.32	(23.53)		4.57
Total Other Professional Services	33.84	26.25	31.97	25.80	22.75	22.66	22.17	23.17	22.56	(7.96)		22.59
Emergency Room	17.06	14.77	15.02	15.42	15.58	16.51	15.83	16.07	15.63	18.84		16.10
Inpatient Hospital	74.56	71.46	75.29	82.45	75.66	81.15	81.68	81.49	81.08	84.47		80.10
Reinsurance Expense Premium	0.24	0.24	0.31	0.29	0.29	0.27	0.28	0.28	0.28	0.28		0.28
Outpatient Hospital	33.34	38.20	36.06	36.78	30.90	33.44	41.22	37.73	36.95	37.74		36.19
Other Medical												
Ambulance and NEMT	7.94	9.35	9.90	9.93	12.04	11.63	11.69	14.02	14.18	15.50	-	11.90
Home Health Services & CBAS	2.03	3.05	2.80	3.16	3.41	4.47	3.12	3.42	3.25	2.53	-	3.12
Utilization and Quality Review Expenses	1.92	3.43	1.84	1.62	2.70	2.62	3.96	3.53	4.00	5.55	-	3.07
Long Term/SNF/Hospice	21.69	28.84	24.46	27.23	28.11	28.54	25.72	28.93	28.50	26.59	-	27.24
Provider Enhancement Expense - Prop. 56	3.56	3.67	3.68	3.69	3.30	3.89	3.72	3.71	3.73	3.71	-	3.67
Provider Enhancement Expense - GEMT	1.72	1.74	1.75	1.86	2.28	2.02	2.54	0.93	1.82	2.61	-	1.49
Enhanced Care Management	8.97	9.03	8.57	8.80	8.21	9.07	8.57	8.54	12.92	9.04	-	9.18
Major Organ Transplant	2.29	2.32	2.31	2.34	2.21	2.81	1.98	2.36	2.39	2.39	-	2.37
Cal AIM Incentive Programs	2.99	3.62	2.51	7.50	6.28	3.72	5.10	6.61	7.26	10.23	-	5.92
Student Behavioral Health Incentive			-		-					2.88		0.26
Housing and Homelessness Incentive	1.28	4.73	0.96	1.01	0.67		-	1.02	0.50	-	-	0.93
Equity & Practice Transformation Expense			-		-					0.80		0.07
Distinct Part Nursing Facility Expense			-		-				0.03	0.00		0.00
DME/Rebates	3.57	5.52	4.33	4.02	4.14	4.39	4.92	4.52	4.46	4.91	-	0.00
Total Other Medical	57.97	75.30	63.11	71.14	73.33	73.14	71.31	77.60	83.04	86.75	-	69.23
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.51	1.50	1.50	-	· ·
Risk Corridor Expense	-	-	-	-	-	-	-	-	5.31	(3.46)	-	1.50
Hospital Directed Payments	59.98	60.20	61.35	60.73	56.65	62.77	61.13	60.94	61.33	61.19	-	0.17
Hospital Directed Payment Adjustment	0.10	5.79	0.54	0.33	(0.23)	(0.05)	(16.62)	0.01	0.46	(0.14)		60.68
Non-Claims Expense Adjustment	0.35	0.28	0.24	0.18	(0.09)	(0.15)	0.00	(9.69)	(1.03)	(0.00)		(0.86)
IBNR, Incentive, Paid Claims Adjustment	0.41	0.80	0.31	(2.28)	(7.61)	(8.49)	(5.80)	(5.38)	(4.60)	2.25	-	(1.22)
Total Medical Costs	353.65	373.86	358.55	372.68	349.95	373.31	353.43	369.51	387.15	387.47	-	369.13

## MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED NOVEMBER 30, 2024

	November	Budget	Variance	Year to Date	Budget	Variance
110 - Executive	673,817	531,130	(142,687)	6,797,202	6,092,434	(704,768)
112 - Government Relations	59,127	47,358	(11,769)	590,513	520,937	(69,576)
210 - Accounting	357,538	351,597	(5,941)	3,391,745	3,867,570	475,825
220 - Management Information Systems (MIS)	397,578	276,982	(120,595)	3,751,551	3,046,805	(704,746)
221 - Business Intelligence	348,494	202,179	(146,315)	2,984,182	2,223,968	(760,215)
222 - MIS Development	431,148	381,923	(49,225)	3,896,543	4,201,155	304,612
223 - Enterprise Configuration	282,892	178,406	(104,487)	2,452,831	1,962,462	(490,369)
225 - Infrastructure	658,937	859,136	200,199	7,863,669	9,450,494	1,586,825
226 - Technical Administrative Services	51,522	220,111	168,590	1,528,525	2,421,226	892,701
230 - Claims	787,061	795,470	8,408	8,482,545	8,750,165	267,620
240 - Project Development	345,380	417,789	72,409	3,708,466	4,595,684	887,217
310 - Health Services - Utilization Management	28,006	55,322	27,315	302,714	608,538	305,824
311 - Health Services - Quality Improvement	6,921	45,141	38,220	70,293	496,550	426,258
312 - Health Services - Education	444	357	(87)	2,363	3,923	1,560
313 - Pharmacy	11,182	38,333	27,152	128,067	421,667	293,600
314 - Enhanced Care Management	17,106	24,753	7,647	352,885	272,286	(80,599)
316 - Population Health Management	60	2,975	2,915	5,642	32,725	27,082
317 - Community Support Services	-	1,625	1,625	811	17,875	17,064
318 - Housing & Homeless Incentive Program (HHIP	-	-	-	(0)	-	0
319 - CAL AIM Incentive Payment Program (IPP)	12	-	(12)	12	-	(12)
320 - Provider Network Management	302,668	325,800	23,132	3,017,374	3,583,805	566,430
321 - Homeless Management Information Services	1,034	896	(138)	2,506	9,854	7,348
322 - Delegation & Oversight	82,665	31,116	(51,548)	588,472	342,281	(246,191)
330 - Member Services	164,820	272,551	107,732	2,350,133	2,998,062	647,929
331 - Member Outreach	-	-	-	-	-	-
340 - Corporate Services	1,014,486	1,034,659	20,173	11,198,198	11,381,253	183,055
360 - Audit & Investigative Services	243,819	241,240	(2,579)	2,422,874	2,653,640	230,766
410 - Member Engagement	64,986	100,456	35,470	737,089	1,105,015	367,927
420 - Sales/Marketing/Public Relations	211,510	270,104	58,594	2,905,994	2,971,141	65,147
510 - Human Resourses	377,835	464,570	86,735	4,978,083	5,110,271	132,188
601 - Behavioral Health	-	1,779	1,779	28,498	19,571	(8,927)
602 - Quality & Health Equity	10,230	40,769	30,539	337,287	448,458	111,171
604 - Clinical Operations, Strategy & Analytics	-	479	479	-	5,271	5,271
605 - Quality Performance	318,760	305,117	(13,642)	3,082,026	3,356,290	274,264
Administrative Expense Adjustment	(2,230)	(43,839)	(41,610)	114,780	(482,234)	(597,014)
Total Administrative Expenses	7,247,808	7,476,286	228,478	78,073,874	82,489,142	4,415,267

KHS 1/27/2025 Management Use Only

<b>2</b>
KERN HEALTH
SYSTEMS

MEDI-CAL
SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT
FOR THE MONTH ENDED NOVEMBER 30, 2024

5151245												
	January	February	March	April	May	June	July	August	September	October	November	YTD TOTALS
110 - Executive	624,355	577,007	603,344	648,716	539,284	580,943	711,301	798,056	453,299	587,079	673,817	6,797,202
112 - Government Relations	68,770	45,458	47,484	87,379	45,680	47,575	47,612	49,875	40,735	50,819	59,127	590,513
210 - Accounting	304,846	303,886	292,257	252,083	318,893	293,744	282,315	313,691	446,987	225,507	357,538	3,391,745
220 - Management Information Systems (MIS)	391,965	262,588	237,010	146,132	253,670	336,226	372,267	488,182	436,888	429,044	397,578	3,751,551
221 - Business Intelligence	269,666	199,076	187,188	165,837	228,645	197,729	360,364	474,405	227,722	325,055	348,494	2,984,182
222 - MIS Development	377,641	315,894	321,173	281,395	395,954	355,456	337,554	358,888	351,618	369,822	431,148	3,896,543
223 - Enterprise Configuration	174,793	155,969	171,033	161,377	180,934	136,019	266,274	408,183	263,228	252,129	282,892	2,452,831
225 - Infrastructure	617,597	874,756	639,101	642,546	760,253	834,263	815,160	608,118	702,793	710,147	658,937	7,863,669
226 - Technical Administrative Services	49,489	108,635	117,698	325,913	126,222	172,900	180,639	205,076	91,727	98,706	51,522	1,528,525
230 - Claims	819,584	766,126	717,167	701,834	775,174	698,241	869,709	769,883	731,866	845,900	787,061	8,482,545
240 - Project Development	347,377	265,411	322,425	313,084	371,811	303,949	348,056	381,627	313,617	395,729	345,380	3,708,466
310 - Health Services - Utilization Management	30,997	29,562	29,327	29,768	28,807	26,129	25,555	24,524	24,076	25,962	28,006	302,714
311 - Health Services - Quality Improvement	8,514	7,726	4,159	858	6,234	5,820	7,001	6,963	6,951	9,146	6,921	70,293
312 - Health Services - Education	341	138	436	581			243	137	-	45	444	2,363
313 - Pharmacy	21,270	10,500	10,861	10,822	10,500	10,500	10,500	10,500	10,500	10,932	11,182	128,067
314 - Enhanced Care Management	44,036	43,641	48,782	54,522	24,778	55,043	25,259	6,064	16,154	17,501	17,106	352,885
316 - Population Health Management	656	700	1,145	-		999			1,121	962	60	5,642
317 - Community Support Services	34	-	280	25		94	-	224	78	77		811
318 - Housing & Homeless Incentive Program (HHIP)	3	12	(16)	1					-	-	-	(0)
319 - CAL AIM Incentive Payment Program (IPP)	22,503	12,348	2,057	(36,908)		0			-	-	12	12
320 - Provider Network Management	386,421	336,270	234,388	95,804	284,140	250,781	276,996	260,789	267,867	321,249	302,668	3,017,374
322 - Delegation & Oversight	21,948	20,301	29,846	95,971	39,170	37,054	52,664	68,721	67,406	72,728	82,665	588,472
330 - Member Services	667,205	268,918	162,283	166,335	135,344	143,090	159,911	143,624	133,829	204,775	164,820	2,350,133
340 - Corporate Services	1,024,905	966,025	929,506	977,234	1,148,873	959,922	1,002,122	960,105	1,185,328	1,029,693	1,014,486	11,198,198
360 - Audit & Investigative Services	195,508	186,054	187,655	202,574	244,557	223,461	226,650	212,147	204,729	295,722	243,819	2,422,874
410 - Member Engagement	76,778	80,429	69,534	82,742	63,776	65,519	52,063	63,155	47,464	70,643	64,986	737,089
420 - Sales/Marketing/Public Relations	177,987	306,155	176,484	267,848	246,762	228,632	593,890	194,985	217,603	284,138	211,510	2,905,994
510 - Human Resourses	447,072	430,722	409,608	641,247	485,837	462,781	389,991	466,695	398,713	467,583	377,835	4,978,083
601 - Behavioral Health	43		167	22,281	63		57	5,616		272	-	28,498
602 - Quality & Health Equity	40,103	59,304	81,243	(38,694)	14,311	59,557	8,554	11,040	62,219	29,420	10,230	337,287
604 - Clinical Operations, Strategy & Analytics	-	-	-	-		-	-	-	-	-	-	-
605 - Quality Performance	143,642	106,967	277,993	525,434	282,798	261,599	282,161	297,054	280,925	304,693	318,760	3,082,026
Administrative Expense Adjustment	258,024	(160,374)	(712)	(28,014)	2,765	47,630	-	(2,444)	135	-	(2,230)	114,780
Total Administrative Expenses	7,614,072	6,580,201	6,310,903	6,796,727	7,015,235	6,795,655	7,704,868	7,587,082	6,985,543	7,435,779	7,247,808	78,073,874



# KHS - GROUP HEALTH PLAN STATEMENT OF NET POSITION AS OF NOVEMBER 30, 2024

			Increase/
ASSETS	October 2024	October 2024	(Decrease)
Cash and Cash Equivalents	1,234,173	1,234,298	(125)
Interest Receivable	9,600	4,800	4,800
Other Receivable	125	-	125
Total Current Assets	1,243,898	1,239,098	4,800
CURRENT LIABILITIES			
Other Liabilities	-	-	-
Total Current Liabilities	-	-	-
NET POSITION:			
Net Position at Beginning of Year	1,183,678	1,183,678	-
Increase (Decrease) in Net Position - Current Year	60,220	55,420	4,800
Total Net Position	1,243,898	1,239,098	4,800
TOTAL LIABILITIES AND NET POSITION	1,243,898	1,239,098	4,800

KHS 2/6/2025 Management Use Only

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	STATEMENT OF R	KHS - GROUP HEALTH PLAN STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED OCTOBER 31, 2024					
	October	Budget	Variance	Year to Date	Budget	Variance	
REVENUES							
Premium	-	-	-	-	-	-	
Interest	4,800	-	4,800	50,167	-	50,167	
Other Investment Income	-	-	-	10,053	-	10,053	
Total Revenues	4,800	-	4,800	60,220	-	60,220	
EXPENSES MEDICAL COSTS							
IBNR and Paid Claims Adjustment	-	-	-	-	-	-	
Total Medical Costs	-	-	-	-	-	-	
GROSS MARGIN	4,800	-	4,800	60,220	-	60,220	
ADMINISTRATIVE COSTS							
Management Fee Expense and Other Admin Exp	-	-	-	-	-	-	
Total Administrative Expenses	-	-	-	-	-	-	
TOTAL EXPENSES	-	-	-	-	-	-	
OPERATING INCOME (LOSS) BEFORE TAX	4,800	-	4,800	60,220	-	60,220	
NON-OPERATING REVENUE (EXPENSE)							
Total Non-Operating Revenue (Expense)	-	-	-	-	-	-	
NET INCREASE (DECREASE) IN NET POSITION	4,800	-	4,800	60,220	-	60,220	
MEDICAL LOSS RATIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
ADMINISTRATIVE EXPENSE RATIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

KHS 2/6/2025 Management Use Only



MEDI-CAL

2024 MEMBER MONTHS

JAN'24 FEB'24 MAR'24 APR'24 MAY'24 JUN'24 JUL'24 AUG'24 SEP'24 OCT'24 NOV'24 DEC'24

ADULT AND FAMILY

ADULT (SEE COMMENT)	814,821	73,352	78,663	78,717	63,272	74,432	74,454	74,349	74,525	74,469	74,571	74,017	
CHILD	1,866,026	169,496	168,966	173,240	181,718	169,847	169,044	168,098	165,943	166,556	166,430	166,688	
SUB-TOTAL ADULT & FAMILY	2,680,847	242,848	247,629	251,957	244,990	244,279	243,498	242,447	240,468	241,025	241,001	240,705	0

#### OTHER MEMBERS

PARTIAL DUALS - FAMILY	7,026	774	770	790	694	629	601	551	588	581	526	522	
PARTIAL DUALS - CHILD	0	0	0	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	43	6	5	5	3	5	4	7	1	3	2	2	
BCCTP - TABACCO SETTLEMEN	7 0	0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)													
SPD FULL DUALS	252,370	21,544	22,475	22,251	22,380	22,903	22,959	23,243	23,651	23,555	23,576	23,833	
SUBTOTAL OTHER MEMBERS	259,439	22,324	23,250	23,046	23,077	23,537	23,564	23,801	24,240	24,139	24,104	24,357	0
TOTAL FAMILY & OTHER	2,940,286	265,172	270,879	275,003	268,067	267,816	267,062	266,248	264,708	265,164	265,105	265,062	0
SDP MEMBERS													
SPD (AGED AND DISABLED)	251,225	21,942	23,209	22,608	22,438	22,326	22,645	22,649	23,823	23,131	23,202	23,252	
TOTAL CLASSIC MEMBERS	3,191,511	287,114	294,088	297,611	290,505	290,142	289,707	288,897	288,531	288,295	288,307	288,314	0
ACA OE - MEDI-CAL OPTIONAL EX	PANSION												
ACA Expansion Adult-Citizen	1,256,028	115,850	117.787	116.589	115,661	114,198	112,827	112.212	111.077	112.749	113.034	114.044	
EXPANSION DUALS	8,610	1.382	1,517	1.226	944	972	634	378	458	389	370	340	
TOTAL ACA OE	1,264,638	117,232	119,304	117,815	116,605	115,170	113,461	112,590	111,535	113,138	113,404	114,384	0
LONG TERM CARE (LTC)								-			- 1		
LTC	543	38	49	47	46	53	57	52	55	57	50	39	
LTC DUALS	5,109	451	457	450	452	464	470	469	467	466	480	483	
TOTAL LTC	5,652	489	506	497	498	517	527	521	522	523	530	522	0
		_	-			-		_					
GRAND TOTAL	4,461,801	404,835	413,898	415,923	407,608	405,829	403,695	402,008	400,588	401,956	402,241	403,220	0

KHS 2/6/2025 Management Use Only



# MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Robert Landis, Chief Financial Officer
SUBJECT:	Reports on Accounts Payable, Administrative Contracts and IT Technology Consulting Resources
DATE:	February 20, 2025

Attached for your review are the following items:

- 1) Accounts Payable Vendor Report listing of payments over \$20,000 for the month of November 2024.
- 2) Administrative Contract Report listing of contracts between \$50,000 and \$200,000 for the period ending November 30, 2024.
- 3) IT Technology Consulting Resources Report for the period ending November 30, 2024.

# **Requested Action**

Receive and File.

316 / 604

# Kern·Health Systems

#### November AP Vendor Report

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	888,310.58	9,377,854.23	NOV. 2024 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE	594,185.06	6,429,444.61	OCT. 2024 PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T4737	TEKSYSTEMS, INC.	325,346.75	3,182,736.05	SEPT. & OCT. 2024 PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5452WT	BLACKHAWK ENGAGEMENT SOLUTIONS, INC	321,553.60	1,873,679.30	PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM	HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES -QI
T1408	DELL MARKETING L.P.	234,570.92	1,978,262.63	VLA AZURE OVERAGES	MIS INFRASTRUCTURE
T4695	EDIFECS, INC. ****	221,605.25	221,605.25	ANNUAL LICENSE RENEWAL TRANSACTION MANAGEMENT LICENSES	MIS INFRASTRUCTURE
T5292	ALL'S WELL HEALTH CARE SERVICES	151,647.19	1,016,446.07	SEPT. & OCT. 2024 TEMPORARY HELP - QI: (2), UM: (8), PHM (1)	VARIOUS
T5337	CAZADOR CONSULTING GROUP INC	122,447.26	1,231,506.25	SEPT. & OCT. 2024 TEMPORARY HELP - (1) ACCT: (16) MS: (1) ME: (1) HR	VARIOUS
T5022	SVAM INTERNATIONAL INC	108,904.00	1,275,541.50	SEPT. & OCT. 2024 PROFESSIONAL SERVICES	MIS ADMINISTRATION
T6127	MANIFEST MEDEX ****	100,489.00	184,905.83	YR 1 OF 3 HIE SUBSCRIPTION FEE	CAPITAL PROJECT
T5564	CLARISHEALTH, INC	100,411.56	871,281.30	OCT. 2024 CONSULTING SERVICES	ADMINISTRATION
T5684	REBELLIS GROUP LLC	92,325.00	821,817.53	AUG. & SEPT. 2024 PROFESSIONAL SERVICES	MEDICARE
T1180	LANGUAGE LINE SERVICES INC.	80,700.05	2,120,890.94	SEPT. 2024 INTERPRETATION SERVICES	HEALTH SERVICES - WELLNESS & PREVENTION
T5400	CENTRO DE UNIDAD POPULAR BENITO JUAREZ, INC. ****	80,000.00	85,000.00	COMMUNITY HEALTH GRANT	COMMUNITY GRANTS
T5435	TEGRIA SERVICES GROUP - US, INC	61,162.50	497,787.50	OCT. 2024 CONSULTING SERVICES	BUSINESS INTELLIGENCE/PROJECT MANAGEMENT
T3011	OFFICE ALLY, INC	60,611.16	677,460.65	OCT. 2024 EDI CLAIMS	CLAIMS
T5658	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	60,469.81	642,559.63	NOV. 2024 VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	52,267.50	550,715.00	OCT. 2024 CONSULTING SERVICES	VARIOUS



Note:



#### November AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5890	DELTA DENTAL OF CALIFORNIA	47,179.85	501,902.41	NOV. 2024 EMPLOYEE DENTAL HEALTH BENEFITS PREMIUM	VARIOUS
T5963	ANTAGE INCORPORATED	42,000.00	247,631.20	NOV. 2024 PROFESSIONAL SERVICES	MIS ADMINISTRATION
T4460	PAYSPAN, INC	41,690.69	498,721.08	OCT. 2024 EDI CLAIMS	CLAIMS
T6179	BPM LLP ****	40,578.21	40,578.21	CONSULTING SERVICES - ERP SOFTWARE ADVISORY	CAPITAL PROJECT
T3088	GLEN BROWN CONSULTING	40,050.00	532,800.00	OCT. 2024 CONSULTING	CAPITAL PROJECT
T1845	DEPARTMENT OF MANAGED HEALTH CARE ****	40,000.00	767,682.82	ENFORCEMENT MATTER NUMBER 22-245	ADMINISTRATION
T2458	HEALTHCARE FINANCIAL, INC.	40,000.00	371,597.97	SEPT. & OCT. 2024 CONSULTING	ADMINISTRATION
T5886	US POSTAL SERVICE ****	40,000.00	300,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5520	BG HEALTHCARE CONSULTING, INC	37,650.00	386,420.00	OCT. 2024 SERVICES	HEALTH SERVICES - QUALITY MGMT. & POPULATION HEALTH MGMT.
T4733	UNITED STAFFING ASSOCIATES	36,853.29	1,040,244.55	SEPT. & OCT. 2024 TEMPORARY HELP - (16) MS: (4) ME	VARIOUS
T4452	WELLS FARGO ACH	36,733.97	377,636.31	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T4165	SHI INTERNATIONAL CO. ****	23,872.64	126,794.46	SOLARWINDS DATABASE PERFORMANCE ANALYZER ANNUAL RENEWAL	ENTERPRISE DEVELOPMENT
T6183	ZOHO CORPORATION ****	21,600.00	21,600.00	2 YR SUBSCRIPTION MANAGE ENGINE OP MANAGER	MIS INFRASTRUCTURE
T5121	TPX COMMUNICATIONS ****	21,394.63	202,148.77	NOV. 2024 LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T2167	PG&E	21,238.98	338,128.33	OCT. 2024 UTILITIES	CORPORATE SERVICES
T5877	TGN CONSULTING LLC	21,000.00	544,494.31	FRONT LINES ACTIVATION & MGR BOOTCAMP, ADVANCED LEADERSHIP CONSULTING & EXECUTIVE COACHING	HUMAN RESOURCES
		4,208,849.45			
	TOTAL VENDORS OVER \$20,000	4,208,849.45			
	TOTAL VENDORS UNDER \$20,000	755,007.53			
	TOTAL VENDOR EXPENSES- NOVEMBER	4,963,856.98			

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



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	9,377,854.23	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE	6,429,444.61	PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T4737	TEKSYSTEMS, INC.	3,182,736.05	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC	2,418,567.12	PROFESSIONAL SERVICES & ANNUAL LICENSING	VARIOUS
T1180	LANGUAGE LINE SERVICES INC	2,120,890.94	INTERPRETATION SERVICES	HEALTH SERVICES - WELLNESS & PREVENTION
T1408	DELL MARKETING L.P.	1,978,262.63	COMPUTER EQUIPMENT & SOFTWARE MAINTENANCE	MIS INFRASTRUCTURE
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS INC	1,873,679.30	PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM	HEALTH SERVICES - WELLNESS & PREVENTION & HEALTH SERVICES -QI
T2686	ALLIANT INSURANCE SERVICES INC.	1,434,276.47	2024 -2025 INSURANCE PREMIUMS	ADMINISTRATION
T3130	OPTUMINSIGHT, INC	1,416,456.00	ANNUAL LICENSED SOFTWARE	MIS INFRASTRUCTURE
T4699	ZEOMEGA, INC	1,413,206.12	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T5022	SVAM INTERNATIONAL INC	1,275,541.50	PROFESSIONAL SERVICES	MIS ADMINISTRATION
T2704	MCG HEALTH LLC	1,234,280.77	ANNUAL HEALTH CARE MANAGEMENT & SOFTWARE	UTILIZATION MANAGEMENT
T5337	CAZADOR CONSULTING GROUP INC	1,231,506.25	TEMPORARY HELP	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	1,040,244.55	TEMPORARY HELP	VARIOUS
T5292	ALL'S WELL HEALTH CARE SERVICES	1,016,446.07	TEMPORARY HELP	VARIOUS



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5111	ENTISYS 360, E360	916,448.92	NUTANIX ACROPOLIS SOFTWARE LICENSE	MIS INFRASTRUCTURE
T5564	CLARISHEALTH, INC	871,281.30	DRG AUDIT RECOVERIES	ADMINISTRATION
T5684	REBELLIS GROUP LLC	821,817.53	MAPD BUSINESS CONSULTING	MEDICARE
T1845	DEPARTMENT OF MANAGED HEALTH CARE	767,682.82	2024-2025 MCAL ANNUAL ASSESSMENT & YR 2022 MONETARY SANCTION	ADMINISTRATION
T3011	OFFICE ALLY, INC	677,460.65	EDI CLAIM PROCESSING	CLAIMS
T5658	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	642,559.63	VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T3022	MICROSOFT CORPORATION	612,498.75	CONSULTING SERVICES	ENTERPRISE CONFIGURATION
T5865	HARTE-HANKS RESPONSE MANAGEMENT/AUSTIN, INC	567,189.35	2024 SALESFORCE LICENSE FEES-CUSTOMER CARE CONTACT CENTER	MEMBER SERVICES
T4237	FLUIDEDGE CONSULTING, INC	550,715.00	CONSULTING SERVICES	VARIOUS
T5877	TGN CONSULTING LLC	544,494.31	FRONT LINES ACTIVATION & EXECUTIVE COACHING	HUMAN RESOURCES
T3088	GLEN BROWN CONSULTING	532,800.00	CONSULTING	CAPITAL PROJECT
T2918	STINSON'S	523,682.65	OFFICE SUPPLIES	VARIOUS
T5890	DELTA DENTAL OF CALIFORNIA	501,902.41	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T4460	PAYSPAN, INC	498,721.08	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T5435	TEGRIA SERVICES GROUP - US, INC	497,787.50	PROFESSIONAL SERVICES	HEALTH SERVICES - UM



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5340	GARTNER INC	446,955.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	HUMAN RESOURCES
T5155	A-C ELECTRIC COMPANY	425,423.85	CARPORT SOLAR PROJECT	CAPITAL PROJECT
T5907	DIAMOND PEAK CONSTRUCTION	404,759.00	MAIL ROOM REDESIGN & WALL REPAIR NEAR GENERATOR AREA	CAPITAL/CORPORATE SERVICES
T5420	PAYPRO ACH	403,728.59	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T5520	BG HEALTHCARE CONSULTING, INC	386,420.00	PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T4452	WELLS FARGO	377,636.31	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T2458	HEALTHCARE FINANCIAL, INC	371,597.97	CONSULTING	ADMINISTRATION
T2167	PG&E	338,128.33	UTILITIES	CORPORATE SERVICES
T4331	COTIVITI, INC	334,327.73	PROFESSIONAL SERVICES	HEALTH SERVICES - QI
T4657	DAPONDE SIMPSON ROWE PC	321,312.00	LEGAL FEES	VARIOUS
T3449	CDW GOVERNMENT	311,223.49	FORTINET RENEWAL & ADOBE LICENSES	MIS INFRASTRUCTURE
T5886	US POSTAL SERVICE	300,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T2584	UNITED STATES POSTAL SVC - HASLER	280,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5930	DAYFORCE US, INC	278,390.40	SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T5757	BITFOCUS, INC	270,785.06	ENTERPRISE SOFTWARE LICENSING & DATA MODELING	CAPITAL PROJECT



Amounts over \$20,000.00

Vendor				
No.	Vendor Name	Year-to-Date	Description	Department
T1128	HALL LETTER SHOP	258,612.33	MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS & ENVELOPES	VARIOUS
T2413	TREK IMAGING INC	253,980.74	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T5963	ANTAGE INCORPORATED	247,631.20	PROFESSIONAL SERVICES	ENTERPRISE DEVELOPMENT
T5344	SIGNATURE STAFF RESOURCES LLC	239,710.00	2023 & 2024 PROFESSIONAL SERVICES	PROJECT MGMNT/CAPITAL PROJECT
T2967	DEPARTMENT OF HEALTH CARE SERVICES	238,000.00	2024-2025 1ST INSTALLMENT MCAL ANNUAL ASSESSMENT & 2021 MEDICAL MCAS PERFORMANCE MEASUREMENT MONETARY SANCTION	ADMINISTRATION
T5509	NGUYEN CAO LUU-TRONG	233,250.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T4024	QUADIENT INC	223,696.20	MAIL INSERTER, METER RENTAL & SOFTWARE SUPPORT	CAPITAL PROJECT/CORPORATE SERVICES
T4695	EDIFECS, INC. ****	221,605.25	ANNUAL LICENSE RENEWAL TRANSACTION MANAGEMENT LICENSES	MIS INFRASTRUCTURE
T4501	ALLIED UNIVERSAL SECURITY SERVICES	220,145.25	ONSITE SECURITY	CORPORATE SERVICES
T4353	TWE SOLUTIONS, INC	213,364.31	JUNIPER QFX SWITCHES & LICENSES	MIS INFRASTRUCTURE
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	213,187.50	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T1183	MILLIMAN USA	206,468.25	CY2022/2023 TNE & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T5026	TEL-TEC SECURITY SYSTEMS	202,843.12	SECURITY MAINTENANCE & UPGRADES	CAPITAL/ CORPORATE SERVICES
T5121	TPX COMMUNICATIONS	202,148.77	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2469	DST HEALTH SOLUTIONS, LLC	200,350.00	ANNUAL ACG LICENSE & SUPPORT	BUSINESS INTELLIGENCE
T5742	MICHAEL NGUYEN	200,000.00	PROFESSIONAL SERVICES	QUALITY & HEALTH EQUITY
T4484	JACOBSON SOLUTIONS	199,044.04	TEMPORARY HELP	HEALTH SERVICES - UM
T1272	COFFEY COMMUNICATIONS INC	196,155.24	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH SERVICES - WELLNESS & PREVENTION/MEDIA & ADVERTISING
T2941	KERN PRINT SERVICES INC	192,295.59	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T5751	EXCELL HCA, LLC	190,774.00	PROFESSIONAL SERVICES	PROJECT MANAGEMENT
T2955	DELTA ELECTRIC INC.	188,130.00	BUILDING IMPROVEMENT/MAINTENANCE	CORPORATE SERVICES
T6127	MANIFEST MEDEX	184,905.83	YR 1 OF 3 HIE SUBSCRIPTION FEE	CAPITAL PROJECT
T5882	RELIABLE JANITORIAL SERVICES AND CARPET CLEANING INC	184,479.78	BUILDING IMPROVEMENT/MAINTENANCE	CORPORATE SERVICES
T5329	RELAY NETWORK, LLC	183,332.86	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T2969	AMERICAN BUSINESS MACHINES INC	181,411.55	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T1022	UNUM LIFE INSURANCE CO.	181,229.38	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4985	CYBERCODERS, INC	171,781.25	PROFESSIONAL SERVICES	MIS ADMINISTRATION



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	168,744.18	PMPY DUES 2024-2025	ADMINISTRATION
T5583	THE MIHALIK GROUP, LLC	158,940.00	NCQA TRAINING	HEALTH SERVICES - QI
T5738	INSURICA - WALTER MORTENSEN INSURANCE	150,147.00	WORKERS COMP PREMIUM 2024-2025	ADMINISTRATION
T5931	SPROUT SOCIAL, INC	145,264.00	12 MONTHS OF SOCIAL MEDIA VIGILANCE & MANAGEMENT	CAPITAL PROJECT
T1005	COLONIAL LIFE & ACCIDENT	131,855.48	LIFE INSURANCE PREMIUM	VARIOUS
T4708	WAKELY CONSULTING GROUP, LLC FRMLY HEALTH MANAGEMENT ASSOCIATES, INC.	129,391.22	PROFESSIONAL SERVICES	ADMINISTRATION
T4165	SHI INTERNATIONAL CO.	126,794.46	NETWORK SWITCHES WITH SUPPORT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T4503	VISION SERVICE PLAN	120,162.97	EMPLOYEE HEALTH BENEFITS	VARIOUS
T2961	SOLUTION BENCH, LLC	118,220.00	M-FILES SOFTWARE ANNUAL RENEWAL	MIS INFRASTRUCTURE
T4514	A.J. KLEIN, INC T. DENATALE, B. GOLDNER	117,256.77	LEGAL FEES	ADMINISTRATION
T2509	UNITED STATES POSTAL SERVICE	116,095.96	PERMIT 162 MEMBER NEWSLETTER POSTAGE	HEALTH SERVICES - WELLNESS & PREVENTION
T5494	LDP ASSOCIATES, INC.	115,770.99	YEAR 1 OF 3 UPS BATTERY SUPPORT	MIS INFRASTRUCTURE
T2726	DST PHARMACY SOLUTIONS, INC	115,500.00	PHARMACY CLAIMS	PHARMACY
T5571	GHA TECHNOLOGIES INC	109,938.26	FORTINET SECURITY	MIS INFRASTRUCTURE
T5562	JDM SOLUTIONS INC.	109,120.00	PROFESSIONAL SERVICES	MIS INFRASTRUCTURE

# Kern·Health Systems

# Year to Date AP Vendor Report

Vendor				
No.	Vendor Name	Year-to-Date	Description	Department
T5941	CORDELL KEY	108,630.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T4785	COMMGAP	103,793.75	INTERPRETATION SERVICES	HEALTH SERVICES - WELLNESS & PREVENTION
T4563	SPH ANALYTICS	102,242.00	HEDIS CAHPS, ECM & PROVIDER SATISFACTION SURVEY	VARIOUS
T6054	WEBMD IGNITE	101,694.30	HEALTHWISE LICENSE FEES 2024	HEALTH SERVICES - WELLNESS & PREVENTION
T5863	MANNA HAGOS	99,985.50	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5467	MOSS ADAMS LLP	99,142.00	CLAIMS AUDIT TOOL ENHANCEMENT	CLAIMS
T5778	CONTOUR DATA SOLUTIONS, LLC	98,000.00	ANNUAL DATA SOLUTIONS	CAPITAL PROJECT
T4217	CONTEXT 4 HEALTHCARE, INC	97,775.15	ANNUAL RENEWAL AMA FEES 6/2024-6/2025	MIS INFRASTRUCTURE - QNXT
T5291	PINNACLE RECRUITMENT SERVICES LLC	97,451.23	TEMPORARY HELP	VARIOUS
T5850	SERRANO ADVISORS LLC	96,300.00	PROFESSIONAL SERVICES	ENHANCED CARE MANAGEMENT
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	92,500.00	2024 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5298	TOTALMED, INC	89,231.99	TEMPORARY HELP	VARIOUS
T2446	AT&T MOBILITY	88,653.83	CELLULAR PHONE/INTERNET USAGE	MIS INFRASTRUCTURE
T5967	SAI360 INC	86,885.00	REGULATORY COMPLIANCE & BEST PRACTICES POLICY MANAGEMENT MODULES	CAPITAL PROJECT
T5400	CENTRO DE UNIDAD POPULAR BENITO JUAREZ, INC. ****	85,000.00	GRANT FUNDING	COMMUNITY GRANTS



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5319	CITIUSTECH INC	84,999.00	FAST+ ANNUAL MAINTENANCE & SUPPORT	MIS INFRASTRUCTURE
T1655	KERN,KKXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG,KVEC,KSTT,KRQK,KPAT,	84,465.00	RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T4963	LINKEDIN CORPORATION	84,018.50	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	83,749.84	BOARDROOM FURNITURE	CORPORATE SERVICES
T4216	NEXSTAR BROADCASTING INC	83,525.00	ADVERTISEMENT - MEDIA	MARKETING
T5538/W1	T OCTOPAI B.I. LTD	74,496.00	ANNUAL RENEWAL - METADATA PLATFORM	BUSINESS INTELLIGENCE
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	73,000.00	2023 AUDIT FEES	FINANCE
T6100	SYMPLR	67,512.48	SOFTWARE LICENSE 2024/2025	HEALTH SERVICES - UTIL REVIEW
T5550	CHARTER COMMUNICATIONS OPERATING, LLC	67,309.29	INTERNET SERVICES	MIS INFRASTRUCTURE
T5201	JAC SERVICES, INC	64,891.50	AIR CONDITIONING PM SERVICES	CORPORATE SERVICES
T2933	SIERRA PRINTERS, INC	63,637.26	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T3986	JACQUELYN S. FRANKLIN-WARD	63,520.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T4792	KP LLC	63,099.18	PROVIDER DIRECTORIES	PROVIDER NETWORK MANAGEMENT
T4227	FREESTYLE EVENTS SERVICES INC	59,213.90	AUDIO SERVICES CONNECT FORUM & SPRING GALA EVENT	ADMINISTRATION/HUMAN RESOURCES
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	58,771.00	2024 ANNUAL DUES ASSESSMENT	ADMINISTRATION



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	56,887.96	2023 & 2024 EDI CLAIM PROCESSING	CLAIMS
T4228	THE SSI GROUP, LLC	56,115.80	2023 & 2024 EDI CLAIM PROCESSING	CLAIMS
T4607	AGILITY RECOVERY SOLUTIONS INC.	55,957.70	PROFESSIONAL SERVICES	CORPORATE SERVICES
T2441	LAURA J. BREZINSKI	55,000.00	MARKETING MATERIALS	MARKETING
T4182	THE LAMAR COMPANIES	54,689.54	OUTDOOR ADVERTISEMENT - BILLBOARDS	ADVERTISING
T1861	CERIDIAN HCM, INC.	53,039.29	MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T5398	GOLDEN EMPIRE GLEANERS	50,908.80	FOOD BASKETS FOR MEMBERS	ENHANCED CARE MANAGEMENT
T1986	BOYS AND GIRLS CLUB OF KERN COUNTY	50,292.00	BRIDGING THE TRANSPORTATION GAP FUNDING	GRANTS
T1650	UNIVISION TELEVISION GROUP	49,077.00	ADVERTISEMENT - MEDIA	SALES/MARKETING/PUBLIC RELATIONS
T5109	RAND EMPLOYMENT SOLUTIONS	49,068.42	TEMPORARY HELP	VARIOUS
T5802	MOTOR VEHICLE NETWORK	47,430.00	DMV ADVERTISING OCT. 2024-OCT. 2024	SALES/MARKETING/PUBLIC RELATIONS
T4195	SCRIPPS MEDIA, INC DBA KERO-TV	46,660.00	ADVERTISEMENT - MEDIA	MARKETING
T1091	CLINICA SIERRA VISTA	46,610.12	2024 INTERPRETATION FEES - CSV	HEALTH SERVICES - WELLNESS & PREVENTION
T3001	MERCER	46,500.00	2024 COMPENSATION STUDY	ADMINISTRATION

KHS Board of Directors Meeting, February 20, 2025



### Year to Date AP Vendor Report

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5421	PREMIER ACCESS INSURANCE COMPANY	46,074.50	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T5696	ASA GLOBAL HEALTHCARE SERVICES PC	45,500.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T5783	TELADOC HEALTH INC	44,712.00	EMPLOYEE MENTAL HEALTH PREMIUM	VARIOUS
T5846	MOKSHA PSYCHOTHERAPY & COMMUNITY HEALTH CONSULTING INC	44,187.50	PROFESSIONAL SERVICES	HEALTH SERVICES - UM
T2580	GOLDEN EMPIRE TRANSIT DISTRICT	44,000.00	MARKETING -BUS ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T5843	SEVEN OAKS COUNTRY CLUB	43,841.25	PROVIDER DINNER EVENT & Q2 FORUM	PROVIDER NETWORK MANAGEMENT
T3081	ST. VINCENT DE PAUL STORE, INC.	43,405.62	2024 GRANT	COMMUNITY GRANTS
T1097	NCQA	42,499.00	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDIATION	HEALTH SERVICES - QI
T4993	LEGALSHIELD	42,430.95	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T6179	BPM LLP ****	40,578.21	CONSULTING SERVICES	CAPITAL PROJECT
T5851	ABSORB SOFTWARE NORTH AMERICA, LLC	40,193.64	DAYFORCE LEARNING LICENSE	MIS INFRASTRUCTURE
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC	39,790.00	ADVERTISEMENT - MEDIA	MARKETING
T5759	SHELLBY ROSE P DUMLAO	39,413.50	PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T5653	SUN OUTDOOR ADVERTISTING LLC	39,000.00	HOSTED SOFTWARE RENEWAL	MIS INFRASTRUCTURE
T5779	COMMUNITY ACTION PARTNERSHIP OF KERN FOUNDATION	38,000.00	SPONSORSHIP	SALES/MARKETING/PUBLIC RELATIONS



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC	37,830.88	INSTALL & RELOCATE PROJECTORS/SMARTBOARDS	CORPORATE SERVICES
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	37,600.00	SPRING GRANTS & MEMBER ENGAGEMENT	SALES/MARKETING/PUBLIC RELATIONS/ CORPORATE SERVICES
T2376	ROBIN PLUMB	37,280.00	CONSULTING SERVICES	FINANCE
T5376	кснсс	37,250.00	SPONSORSHIPS	SALES/MARKETING/PUBLIC RELATIONS
T5791	WEINTRAUB TOBIN	37,086.50	LEGAL SERVICES	ADMINISTRATION
T5592	BRAND CO MARKETING	36,875.93	WEB HOSTING, RECRUITMENT & COMPANY STORE SUPPLIES	HUMAN RESOURCES
T3972	JOURNEY AIR CONDITIONING CO., INC.	36,157.00	HVAC RECONFIGURATION OF MAILROOM, 3RD & 4TH FLOOR	CAPITAL PROJECT
T5743	INTEL AGREE, COLABS	35,650.00	INTEL AGREE SUBSCRIPTION YEAR 2 OF 3	MIS INFRASTRUCTURE
T2641	MARANATHA GARDENING & LANDSCAPING, INC.	35,280.00	2024 BUILDING MAINTENANCE	CORPORATE SERVICE
T1347	ADVANCED DATA STORAGE	34,659.52	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T2562	CACTUS SOFTWARE LLC	33,506.15	2024 CREDENTIALING LICENSE & SUPPORT	MIS INFRASTRUCTURE
T5762	SCREENVISION MEDIA	33,489.65	CINEMA ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T5436	THE BEACON STUDIOS, LLC	33,110.00	VIDEO SERVICES	SALES/MARKETING/PUBLIC RELATIONS
T1172	BUCK OWENS PRODUCTIONS	33,085.00	RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T2787	SAGE SOFTWARE. INC	33,019.32	SAGE 300 LICENSE RENEWAL - FINANCE SOFTWARE	FINANCE



Vendor					
No.	Vendor Name	Year-to-Date	Description	Department	
T4259	SKARPHOL ASSOCIATES	32,798.04	BUILDING IMPROVEMENT -REMODELING & NEW OFFICES	CAPITAL PROJECT	
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	32,068.08	2023 & 2024 EDI CLAIM PROCESSING	CLAIMS	
T5130	BUILDING ELECTRONIC CONTROLS, INC.	30,484.34	FIRE ALARM EXPANSION & INSTALLATION	CAPITAL PROJECT/CORPORATE SERVICES	
T4934	APPLE INC.	30,291.38	IPADS, IPHONES & POWER ADAPTERS	MIS INFRASTRUCTURE/CAPITAL	
T4577	LA CAMPESINA, KBDS, KUFW, KMYX, KSEA, KBHH, KYLI, KCEC, KNAI	30,020.00	RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS	
T6121	JACKSON UTILIZATION MANAGEMENT CONSULTING ****	29,855.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UTIL REVIEW	
T5434	CHARGEPOINT, INC	29,400.00	5 YR EV CHARGER MAINTENANCE	CORPORATE SERVICES	
T5936	AXIOS HQ INC	28,800.00	AI COMMUNICATION SOFTWARE LICENSING	CAPITAL PROJECT	
T4731	GO TO TECHNOLOGIES, INC	28,560.00	INTERNET SERVICES	MIS INFRASTRUCTURE	
T4230	COFFEE BREAK SERVICE, INC.	28,444.24	COFFEE SUPPLIES	CORPORATE SERVICES	
T5741	HEALTHWISE, INCORPORATED	28,402.23	MEMBER SELF MANAGEMENT TOOLS	HEALTH SERVICES - WELLNESS & PREVENTION	
T4920	OTIS ELEVATOR COMPANY	27,863.66	ELEVATOR MAINTENANCE & SERVICE CALLS	CORPORATE SERVICES	
T2578	AMERICAN STROKE ASSOC/AMERICAN HEART ASSOC WESTERN STATES	27,500.00	SPONSORSHIP KERN CPRA, GRFW & HEART WALK	MARKETING	
T4544	BARNES WEALTH MANAGEMENT GROUP	27,040.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION	



Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4417	KAISER FOUNDATION HEALTH PLAN - OR	26,868.27	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4424	GUROCK SOFTWARE GmbH	26,565.97	TESTRAIL SOFTWARE RENEWAL	MIS INFRASTRUCTURE
T4983	SDL LIMITED	25,895.00	TRANSLATION TOOL LICENSES SEP. 2024-SEP. 2024	MIS INFRASTRUCTURE
T1007	FEDERAL EXPRESS CORP.	25,464.71	SHIPPING SERVICES	VARIOUS
T5536	CALIFORNIA STATE UNIVERSITY BAKERSFIELD FOUNDATION	25,000.00	2024 SCHOOL SCHOLARSHIPS	SALES/MARKETING/PUBLIC RELATIONS
T3084	KERN COUNTY-COUNTY COUNSEL	24,804.80	LEGAL SERVICES	ADMINISTRATION
T5486	ALLIED GENERAL CONTRACTORS, INC	24,800.00	BUILDING IMPROVEMENT/MAINTENANCE	CORPORATE SERVICES
T1957	FRIENDS OF MERCY FOUNDATION	24,200.00	SPONSORSHIPS	SALES/MARKETING/PUBLIC RELATIONS
T4249	LOTUS BAKERSFIELD CORP	24,200.00	SPANISH RADIO ADVERTISING	SALES/MARKETING/PUBLIC RELATIONS
T3118	AMERICAN ACADEMY HOLDINGS LLC dba AAPC	23,563.40	CPC & MEDICAL HEALTHCARE TERMINOLOGY TRAINING	CLAIMS
T5466	ZIPARI, INC	23,000.00	OUTBOUND SSO SUBSCRIPTION & PROVIDER DIRECTORY UPDATES	MIS INFRASTRUCTURE
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	22,922.15	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T2601	RLH FIRE PROTECTION, INC.	22,311.00	OFFICE SPRINKLER INSPECTIONS	CORPORATE SERVICES
T4605	KERNVILLE UNION SCHOOL DISTRICT	22,208.00	SCHOOL WELLNESS GRANT	COMMUNITY GRANTS
T5986	ABSOLUTE DRYWALL, INC	21,870.00	BLUE ZONES WELLNESS GARDEN	CORPORATE SERVICES



#### Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department	
T6183	ZOHO CORPORATION ****	21,600.00	2 YR SUBSCRIPTION MANAGE ENGINE OP MANAGER	MIS INFRASTRUCTURE	
T4521	PAYSCALE, INC	21,420.00	COMPENSATION STUDY YR 1 OF 3	HUMAN RESOURCES	
T5615	HAPPY WHOLE YOU, INC	21,355.11	2024 CUSTOM PROGRAMS	HUMAN RESOURCES	
T5701	THE GRANGER NETWORK LLC	21,146.71	SUPERVISOR BOOTCAMP	HUMAN RESOURCES	
T5391	INDEED, INC ****	21,074.79	GLOBAL SMART SOURCING SUBSCRIPTION	HUMAN RESOURCES	
T5260	HD DYNAMICS SOFTWARE SOLUTIONS, CORP ****	20,937.50	PROFESSIONAL SERVICES	PROVIDER NETWORK MANAGEMENT	
T5408	MARY HARRIS	20,825.00	PROFESSIONAL SERVICES	HEALTH SERVICES - UM	
T5191	PACWEST DIRECT	20,676.25	MAIL SERVICES	CORPORATE SERVICES	
T5977	IMAGENET, LLC ****	20,500.00	OCR SERVICES	CAPITAL PROJECT	
T6040	KARLEN & PANICI BREWING LLC	20,333.75	SPRING GALA CATERING	HUMAN RESOURCES	
T5887	PREPARIS INC	20,110.58	DISASTER REOVERY	CORPORATE SERVICES	
T5535	PANAMA-BUENA VISTA UNION SCHOOL DISTRICT	20,000.00	SCHOOL WELLNESS GRANT	COMMUNITY GRANTS	
		65,215,271.38			
	TOTAL VENDORS OVER \$20,000	65,215,271.38			
	TOTAL VENDORS UNDER \$20,000	2,800,932.58			
	TOTAL VENDOR EXPENSES- NOVEMBER \$	68,016,203.96			

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

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Date
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	Contract						Termination
Vendor Name	Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Date
January 2024	Amount	Duugetteu	Department	Department fread		Elicetive Date	Date
Press Ganey/SPH Analytics	\$81,696.00	Yes	ECM	Loni Hill-Pirtle	ECM Member Satisfaction Survey	1/1/2024	12/31/2026
Michael Nguyen	\$197,500.00	Yes	HE	Traco Matthews	Health Equity Strategic Guidance and Cultural Insights Services	1/1/2024	12/31/2024
Harte Hanks	\$198,064.00	Yes	MS	Nate Scott	Up to (3,200) New Member Welcome calls	1/1/2024	12/31/2024
Entysis360	\$51,837.28	Yes	IT	Richard Pruitt	(52) licenses for VMware maintenance & technical support	1/1/2024	12/31/2024
GHA Technologies	\$71,550.61	Yes	IT	Richard Pruitt	Fotinet-Fortigate Maintenance & Support for Security Appliances	1/1/2024	12/31/2024
Gartner	\$189,765.00	Yes	IT	Richard Pruitt	Executive Program Leadership licenses (3)	1/1/2024	12/31/2024
Moss Adams	\$143,334.50	Yes	CLM	Robin Dow-Morales	Claims Audit Tool	1/1/2024	12/31/2024
The Granger Network	\$198,800.00	Yes	HR	Alan Avery	Front Lines Activation and Manager Bootcamp	1/1/2024	6/30/2024
BG Healthcare	\$199,000.00	Yes	OI	Dr. Martha Tasinga	Consulting services for the QI dept	1/1/2024	12/31/2024
BG Healthcare	\$199,000.00	Yes	PHM	Michelle Curiouso	Consulting services for the PHM dept	1/1/2024	12/31/2024
HD Dynamics	\$50,000.00	Yes	PNM	Amisha Pannu	Consulting services for CRM process	1/2/2024	12/31/2024
Poppyrock	\$120,000.00	Yes	MRKT	Louie Iturriria	KHS & KFHC Graphic Design	1/2/2024	12/31/2025
CEI	\$199,920.00	Yes	COSA	Josh Hosch	Business Analyst for UM team	1/2/2024	12/31/2023
Reliable Janitorial	\$199,008.00	Yes	CS	Andrea Hylton	Janitorial services	1/11/2024	1/10/2025
CAOH	\$50,000.00	Yes	PNM	Amisha Pannu	Acess to real-time Provider applications (ProView)	1/25/2024	1/24/2025
CDW-G	\$67,761.50	Yes	IT	Richard Pruitt	All Adobe licenses annual renewal (257)	1/26/2024	1/25/2025
TEKSystems	\$78,000.00	Yes	HR	Devin Brown	HRIS Analyst for HR DEPT	1/30/2024	7/30/2023
February 2024	\$78,000.00	103	IIK	Devili Biowii		1/30/2024	1130/2024
Clinica Sierra Vista	\$145,000.00	Yes	HE	Isabel Silva	MOU	2/1/2024	1/31/2025
BG Healthcare	\$81,000.00	Yes	UM	Dr. Tasinga	Consulting services for the UM dept	2/6/2024	5/5/2024
Diligent Corporation	\$50,000.00	Yes	CPL	Deborah Murr	Compliance Training Material	2/7/2024	2/6/2027
SPH Analytics	\$63,809.00	Yes	BH	Melinda Santiago	ECHO 3.0 (Behavioral Health) Satisfactions Survey	2/7/2024	2/6/2027
Coffey Communications	\$170,000.00	Yes	HE	Isabel Silva	Printing of Member Newsletters	2/15/2024	2/14/2025
CDW-G	\$111,495.80	Yes	IT	Richard Pruitt	Nutanix renewal co-termed	2/17/2024	1/23/2026
Sprout Social	\$145,264.00	Yes	MRKT	Louie Iturriria	Social Media Vigilance software	2/23/2024	2/25/2025
Axios HO	\$59,040.00	Yes	MRKT	Louie Iturriria	Internal AI Communication Software for Marketing team	2/23/2024	2/22/2025
LanguageLine	\$90,000.00	Yes	HE	Isabel Silva	Interpreting services	2/28/2024	2/27/2025
March 2024	\$90,000.00	103	IIL	Isabel Silva	indipicting services	2/20/2024	2/2//2025
Gartner	\$184,800.00	Yes	HR	Devin Brown	Gartner Advisory licenses for HR team	3/1/2024	2/28/2025
Serrano Advisors	\$119,000.00	Yes	ECM	Dr. Tasinga	Staff Augmentation Services	3/1/2024	8/31/2024
TEKSystems	\$198,432.00	Yes	COSA	Josh Hosch	One (1) Solution Architect & Analyst Resouece	3/4/2024	12/31/2024
HMA	\$199,000.00	Yes	Acct	Veronica Barker	Actuarial services (RTD, Rate Analyst, & SDR's)	3/6/2024	3/5/2025
TEKSystems	\$193,752.00	Yes	UM	Dr. Tasinga	Reports & Dashboard Analyst for UM dept.	3/18/2024	12/31/2024
Dell	\$65,909.11	Yes	IT	Richard Pruitt	Dell 5540 laptops (30) & monitors (32)	3/25/2024	3/23/2028
SAI360	\$159,070.00	Yes	CPL	Deb Murr	Policy Management Platform	3/28/2024	3/27/2026
April 2024	\$159,070.00	103	CIL	Deb Wull	i oney Management i lattorni	5/20/2024	5/2//2020
Coffey Communications	\$92,944.00	Yes	MRKT	Louie Iturriria	Digital renewal agreement for KHS website	4/1/2024	3/31/2026
Imagenet	\$197,000.00	Yes	CLM	Robin Dow-Morales	OCR services	4/4/2024	4/3/2027
The SSI Group	\$70,000.00	Yes	CLM	Robin Dow-Morales	EDI Claims & Electronic Remittance	4/4/2024	4/5/2027
Dell	\$78,927.60	Yes	IT	Richard Pruitt	Microsoft Defender for Servers Standard P2 Node	4/16/2024	12/31/2024
Dell	\$61,480.00	Yes	IT	Richard Pruitt	Dell monitors (50) & Laptops (25)	4/10/2024	4/24/2028
Entysis360	\$162,227.40	Yes	IT	Richard Pruitt	Rubrik renewal of premium support for enterprise edition software and hardware for a co-term	4/24/2024	4/24/2028
May 2024	\$102,227.40	1 CS	11	Alcharu Fruid	Ruonk renewal of premium support for enterprise cuttion software and nardware for a co-term	4/29/2024	4/20/2023
BG Healthcare	\$118,000.00	Yes	UM	Dr. Tasinga	Consulting services for UM team	5/6/2024	12/31/2024
DO Intalultale	φ110,000.00	105	UW	Di. Tasiliga	Consuming services for Own team	5/0/2024	12/31/2024

\$199,999.00 \$197,500.00 \$199,000.00 \$99,000.00 \$99,777.51 \$30,681.00 \$190,692.67 \$101,04.00 \$122,850.00 \$146,062.26 \$189,365.00 \$186,443.39 \$84,000.00	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	Department T T HR ACCT I T PNM I T T T PHARM C S HE ACCT	Department Head Richard Pruitt Devin Brown Veronica Barker Richard Pruitt Amisha Pannu Richard Pruitt Richard Pruitt Bruce Wearda Andrea Hylton Isabel Silva	Services that this vendor will provide to KHS           Mobile Communication Platform, Unlimited Texting           Advance Leadership Development           Actuarial Services           ICD-10 Coding software           Timely Access Validation renewal           Clarity Human Services SaaS           24x7 Security Monitoring           Rx Claims Processing           UPS Battery Replacement & Service Plan	Effective Date 6/1/2024 6/1/2024 6/1/2024 6/1/2024 6/1/2024 6/1/2024 6/22/2024 6/22/2024 6/1/2024	Date 5/31/2025 1/31/2025 5/31/2025 6/27/2025 6/21/2025 6/21/2025 6/22/2025
\$197,500.00           \$199,000.00           \$99,000.00           \$97,775.15           \$30,681.00           \$190,692.67           \$101,040.00           \$73,500.00           \$122,850.00           \$146,062.26           \$189,365.00           \$186,443.39           \$84,000.00	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	HR ACCT IT PNM IT IT PHARM CS HE	Devin Brown Veronica Barker Richard Pruitt Amisha Pannu Richard Pruitt Richard Pruitt Bruce Wearda Andrea Hylton	Advance Leadership Development Actuarial Services ICD-10 Coding software Timely Access Validation renewal Clarity Human Services SaaS 24x7 Security Monitoring Rx Claims Processing	6/1/2024 6/1/2024 6/27/2024 6/1/2024 6/22/2024 6/23/2024 6/1/2024	1/31/2025 5/31/2025 6/27/2025 5/31/2025 6/21/2025 6/22/2025
\$199,000.00 \$97,775.15 \$30,681.00 \$190,692.67 \$101,040.00 \$73,500.00 \$122,850.00 \$146,062.26 \$189,365.00 \$186,365.00 \$186,365.00 \$186,343.39 \$84,000.00	Yes Yes Yes Yes Yes Yes Yes Yes Yes	ACCT IT PNM IT IT PHARM CS HE	Veronica Barker Richard Pruitt Amisha Pannu Richard Pruitt Richard Pruitt Bruce Wearda Andrea Hylton	Advance Leadership Development Actuarial Services ICD-10 Coding software Timely Access Validation renewal Clarity Human Services SaaS 24x7 Security Monitoring Rx Claims Processing	6/1/2024 6/27/2024 6/1/2024 6/22/2024 6/23/2024 6/1/2024	5/31/2025 6/27/2025 5/31/2025 6/21/2025 6/22/2025
\$199,000.00 \$97,775.15 \$30,681.00 \$190,692.67 \$101,040.00 \$73,500.00 \$122,850.00 \$146,062.26 \$189,365.00 \$186,365.00 \$186,365.00 \$186,343.39 \$84,000.00	Yes Yes Yes Yes Yes Yes Yes Yes Yes	ACCT IT PNM IT IT PHARM CS HE	Veronica Barker Richard Pruitt Amisha Pannu Richard Pruitt Richard Pruitt Bruce Wearda Andrea Hylton	Actuarial Services ICD-10 Coding software Timely Access Validation renewal Clarity Human Services SaaS 24x7 Security Monitoring Rx Claims Processing	6/1/2024 6/27/2024 6/1/2024 6/22/2024 6/23/2024 6/1/2024	5/31/2025 6/27/2025 5/31/2025 6/21/2025 6/22/2025
\$97,775.15 \$30,681.00 \$190,692.67 \$101,040.00 \$73,500.00 \$122,850.00 \$146,062.26 \$189,365.00 \$186,443.39 \$84,000.00	Yes Yes Yes Yes Yes Yes Yes Yes	IT PNM IT IT PHARM CS HE	Richard Pruitt Amisha Pannu Richard Pruitt Richard Pruitt Bruce Wearda Andrea Hylton	ICD-10 Coding software Timely Access Validation renewal Clarity Human Services SaaS 24x7 Security Monitoring Rx Claims Processing	6/27/2024 6/1/2024 6/22/2024 6/23/2024 6/1/2024	6/27/2025 5/31/2025 6/21/2025 6/22/2025
\$30,681.00 \$190,692.67 \$101,040.00 \$73,500.00 \$122,850.00 \$146,062.26 \$189,365.00 \$186,443.39 \$84,000.00	Yes Yes Yes Yes Yes Yes	PNM IT IT PHARM CS HE	Amisha Pannu Richard Pruitt Richard Pruitt Bruce Wearda Andrea Hylton	Timely Access Validation renewal Clarity Human Services SaaS 24x7 Security Monitoring Rx Claims Processing	6/1/2024 6/22/2024 6/23/2024 6/1/2024	5/31/2025 6/21/2025 6/22/2025
\$190,692.67 \$101,040.00 \$73,500.00 \$122,850.00 \$146,062.26 \$189,365.00 \$186,443.39 \$84,000.00	Yes Yes Yes Yes Yes	IT IT PHARM CS HE	Richard Pruitt Richard Pruitt Bruce Wearda Andrea Hylton	Clarity Human Services SaaS 24x7 Security Monitoring Rx Claims Processing	6/22/2024 6/23/2024 6/1/2024	6/21/2025 6/22/2025
\$101,040.00 \$73,500.00 \$122,850.00 \$146,062.26 \$189,365.00 \$186,443.39 \$84,000.00	Yes Yes Yes Yes	IT PHARM CS HE	Richard Pruitt Bruce Wearda Andrea Hylton	24x7 Security Monitoring Rx Claims Processing	6/23/2024 6/1/2024	6/22/2025
\$73,500.00 \$122,850.00 \$146,062.26 \$189,365.00 \$186,443.39 \$84,000.00	Yes Yes Yes Yes	PHARM CS HE	Bruce Wearda Andrea Hylton	Rx Claims Processing	6/1/2024	
\$122,850.00 \$146,062.26 \$189,365.00 \$186,443.39 \$84,000.00	Yes Yes Yes	CS HE	Andrea Hylton	5		12/31/2024
\$146,062.26 \$189,365.00 \$186,443.39 \$84,000.00	Yes Yes	HE			6/21/2024	6/20/2027
\$189,365.00 \$186,443.39 \$84,000.00	Yes			Care Management & Digital Experience w/ Patient Instructions Add-on	6/5/2024	6/4/2025
\$186,443.39 \$84,000.00			Veronica Barker	Financial Advisory Services	6/25/2024	6/24/2026
\$84,000.00		IT	Richard Pruitt	Microsoft Unified Enterprise Support	6/15/2024	6/14/2025
			-civilla i futto	mercour onner breeproe suppor	0.10.2021	5.1 2025
	Yes	HE	Isabel Silva	Diabetes Prevention and Diabetes Empowerment and Education Program (DEEP & DPP)	7/1/2024	6/30/2025
\$90.000.00						6/30/2025
\$190.000.00						7/5/2026
\$119.040.00						6/30/2025
/						7/23/2026
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1 65		Thenard France		//2 // 2021	1123/2020
\$198 750 00	Yes	HR	Devin Brown	Leadership Development and Consulting Services	8/1/2024	7/31/2025
						12/31/2024
\$67,512.48						7/31/2027
1			5			12/27/2026
101,095101	105	00	i indica i i jiton		0/17/2021	12/2//2020
\$72,390.00	Yes	Comp	Deb Murr	Gartner Compliance Licenses	9/1/2024	8/31/2025
						9/4/2025
180,400.00						Until exhausted
\$92,000.00				0		9/15/2025
						12/6/2024
\$72,685.00						9/23/2027
\$72,005.00	1 05		Joe offando		512 112021	712512021
\$88 200 00	Yes	CS	Andrea Hylton	Landscaping and Garedning Services	10/17/2024	10/16/2027
				100		10/17/2027
						12/31/2025
,	1 00	**	Jean Deignao		10/01/2021	
\$64.260.00	Yes	HR	Devin Brown	Compensation Study and Salary Analytics	11/24/2024	11/23/2027
\$52,680.00						10/31/2027
\$198,000.00	Yes		Devin Brown	2025 Readiness	11/21/2024	9/30/2025
\$110,100.00	Yes				11/1/2024	10/31/2026
\$130.000.00				<u> </u>		6/30/2025
\$61,850.00						11/10/2025
\$56.381.57						11/24/2028
\$11 \$11 \$11 \$11 \$11 \$11 \$11 \$11 \$11 \$11	90,000.00 90,000.00 19,040.00 190,000.00 198,750.00 65,000.00 67,512.48 72,390.00 62,000.00 62,000.00 72,000.00 77,100.00 77,100.00 77,100.00 77,404.00 66,322.99 64,260.00 52,680.00 10,100.00 10,100.00 30,000.00 61,850.00	90,000.00         Yes           90,000.00         Yes           19,040.00         Yes           190,000.00         Yes           90,000.00         Yes           90,000.00         Yes           98,750.00         Yes           65,000.00         Yes           72,390.00         Yes           62,000.00         Yes           80,400.00         Yes           90,400.00         Yes           90,400.00         Yes           90,400.00         Yes           90,400.00         Yes           97,404.00         Yes           66,322.99         Yes           64,260.00         Yes           918,000.00         Yes           9198,000.00         Yes           10,100.00         Yes           10,100.00         Yes           10,100.00         Yes           10,100.00         Yes           10,000         Yes           10,100.00         Yes           10,850.00         Yes	90,000.00         Yes         HE           90,000.00         Yes         HE           190,000.00         Yes         HE           190,000.00         Yes         HE           90,000.00         Yes         HE           90,000.00         Yes         IT           98,750.00         Yes         MR           65,000.00         Yes         ME           67,512.48         Yes         UM           070,093.84         Yes         CS           72,390.00         Yes         UM           80,400.00         Yes         UM           90,000.00         Yes         IT           77,100.00         Yes         IT           88,200.00         Yes         IT           64,260.00         Yes         IT           64,260.00         Yes         HR           52,680.00         Yes         CS           98,000.00         Yes         HR           52,680.00         Yes         HR           52,680.00         Yes         CS           98,000.00         Yes         HR           51,0,000         Yes         HR           61,850.00	90,000.00         Yes         HE         Isabel Silva           90,000.00         Yes         HE         Isabel Silva           190,000.00         Yes         HE         Richard Pruitt           190,000.00         Yes         HT         Richard Pruitt           190,000.00         Yes         IT         Richard Pruitt           190,000.00         Yes         HR         Devin Brown           65,000.00         Yes         ME         Lela Criswell           67,512.48         Yes         UM         Dr Tasinga           07,093.84         Yes         CS         Andrea Hylton           72,390.00         Yes         UM         Christine Pence           80,400.00         Yes         UM         Christine Pence           92,000.00         Yes         IT         Joe Orlando           71,100.00         Yes         IT         Joe Orlando           72,685.00         Yes         IT         Joe Orlando           64,260.00         Yes         IT         Joe Orlando           64,260.00         Yes         IT         Joe Orlando           64,260.00         Yes         HR         Devin Brown           52,680.00 <t< td=""><td>90,00.00       Yes       HE       Isabel Silva       MCP Tribal Liaison         90,000.00       Yes       HE       Isabel Silva       In-person interpreting services         19,040.00       Yes       HE       Richard Pruitt       Data Extraction &amp; Transformation Solution         90,000.00       Yes       IT       Richard Pruitt       M-Files Subscription Base Licensing         98,750.00       Yes       HR       Devin Brown       Leadership Development and Consulting Services         65,000.00       Yes       ME       Lela Criswell       Member Gift cards, Amendment         67,512.48       Yes       CS       Andrea Hylton       Increase to Preparis alerts         72,390.00       Yes       Comp       Deb Murr       Gartner Compliance Licenses         62,000.00       Yes       UM       Christine Pence       In-home Assessment Visits to Members         62,000.00       Yes       IT       Joe Orlando       Translation Tool- cloud based         72,685.00       Yes       IT       Joe Orlando       Translation Tool- cloud based         88,200.00       Yes       IT       Joe Orlando       Translation Tool- cloud based         64,260.00       Yes       IT       Joe Orlando       Scondary Azure         <td< td=""><td>90,000.00       Yes       HE       Isabel Silva       MCP Tribal Liaison       7/1/2024         90,000.00       Yes       HE       Isabel Silva       In-person interpreting services       7/6/2024         90,000.00       Yes       HE       Richard Pruit       Data Extraction &amp; Transformation Solution       7/1/2024         90,000.00       Yes       IT       Richard Pruit       M-Files Subscription Base Licensing       7/24/2024         98,750.00       Yes       ME       Lela Criswell       Member Gift cards, Amendment       8/7/2024         98,750.00       Yes       ME       Lela Criswell       Member Gift cards, Amendment       8/7/2024         97,093.84       Yes       CS       Andrea Hylton       Increase to Preparis alerts       8/1/2024         72,390.00       Yes       Comp       Deb Murr       Gartner Compliance Licenses       9/1/2024         62,000.00       Yes       UM       Christine Pence       In-home Assessment Visits to Members       9/5/2024         80,400.00       Yes       IT       Joe Orlando       Translation Tool - cloud based       9/24/2024         82,000.00       Yes       IT       Joe Orlando       Translation Tool - cloud based       9/24/2024         82,600.00       Yes</td></td<></td></t<>	90,00.00       Yes       HE       Isabel Silva       MCP Tribal Liaison         90,000.00       Yes       HE       Isabel Silva       In-person interpreting services         19,040.00       Yes       HE       Richard Pruitt       Data Extraction & Transformation Solution         90,000.00       Yes       IT       Richard Pruitt       M-Files Subscription Base Licensing         98,750.00       Yes       HR       Devin Brown       Leadership Development and Consulting Services         65,000.00       Yes       ME       Lela Criswell       Member Gift cards, Amendment         67,512.48       Yes       CS       Andrea Hylton       Increase to Preparis alerts         72,390.00       Yes       Comp       Deb Murr       Gartner Compliance Licenses         62,000.00       Yes       UM       Christine Pence       In-home Assessment Visits to Members         62,000.00       Yes       IT       Joe Orlando       Translation Tool- cloud based         72,685.00       Yes       IT       Joe Orlando       Translation Tool- cloud based         88,200.00       Yes       IT       Joe Orlando       Translation Tool- cloud based         64,260.00       Yes       IT       Joe Orlando       Scondary Azure <td< td=""><td>90,000.00       Yes       HE       Isabel Silva       MCP Tribal Liaison       7/1/2024         90,000.00       Yes       HE       Isabel Silva       In-person interpreting services       7/6/2024         90,000.00       Yes       HE       Richard Pruit       Data Extraction &amp; 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	2024 PROJECT CONSULTING PROFESSIONAL SERVICES																
																	REMAINING
ITEM	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL A	AUG	SEP	ОСТ	NOV	DEC	YTD TOTAL	BALANCE
1	Member Engagement Platform	CAP	\$ 2,078,861	\$ 49,106	\$ 434,335	\$ 43,576	\$ 67,939	\$ 107,616	\$ 96,594	\$ 94,174 \$	62,869 \$	64,820	\$ 61,429	\$ 35,280		\$ 1,117,735	\$ 961,120
2	DSNP	CAP	\$ 4,232,682	\$ 24,075	\$ 23,625	\$ 18,675	\$ 22,193	\$ 26,025	\$ 22,050	\$ 24,638 \$	10,725 \$	23,813	\$ 9,563	\$ 21,428		\$ 226,808	\$ 4,005,874
3	HIE	CAP	\$ 1,250,870	\$ 18,000	\$ 32,152	\$ 45,024	\$ 25,168	\$ 24,024	\$ 22,880	\$ 24,024 \$	24,453 \$	22,880	\$ 25,168	\$ 22,880		\$ 286,653	\$ 964,21
4	Artifical Intelligence	CAP	\$ 534,560	\$ 29,496	\$ 29,411	\$ 31,378	\$ 31,509	\$ 31,290	\$ 28,008	\$ 28,271 \$	29,846 \$	28,621	\$ 33,960	\$ 28,621		\$ 330,410	\$ 204,150
5	PHI Data Visibility & Security	CAP	\$ 588,016	\$-	\$ -	\$ -	\$-	\$-	\$ -	\$ - \$	- \$	-	\$ -	\$-		\$-	\$ 588,010
6	CBO Electronic Medical Record System	CAP	\$ 777,550	\$-	\$ -	\$ -	\$-	\$-	\$ -	\$ - \$	- \$	-	\$ -	\$-		\$-	\$ 777,550
7	Policy Management System	CAP	\$ 267,280	\$-	\$ -	\$ -	\$ 22,000	\$ 2,000	\$ -	\$ - \$	- \$	-	\$ -	\$-		\$ 24,000	\$ 243,280
8	Accounting System Review	CAP	\$ 245,898	\$ 20,875	\$ 19,250	\$ 18,372	\$ 19,250	\$ 21,750	\$ 16,188	\$ 20,375 \$	18,563 \$	19,875	\$ 21,250	\$ 19,875		\$ 215,622	\$ 30,276
	CAPIT	AL TOTALS	\$ 9,975,716	\$ 141,552	\$ 538,773	\$ 157,024	\$ 188,058	\$ 212,705	\$ 185,720	\$ 191,481 \$ 1	146,456 \$	160,008	\$ 151,369	\$ 128,083	\$-	\$ 2,201,227	\$ 7,774,489
9	IT Staff Augmentation	EXP	\$ 1,388,680	\$ 658,391	\$ 669,659	\$ 747,729	\$ 768,752	\$ 785,756	\$ 660,557	\$ 703,801 \$ 6	578,919 \$	593,917	\$ 561,276	\$ 466,069		\$ 7,294,827	\$ (5,906,14
10	PM Staff Augmentation	EXP	\$ 3,770,964	\$ 241,543	\$ 219,591	\$ 212,689	\$ 234,970	\$ 246,493	\$ 205,888	\$ 274,871 \$ 3	314,300 \$	249,660	\$ 251,849	\$ 196,445		\$ 2,648,297	\$ 1,122,66
11	DSNP Staff Augmentation	EXP	\$ 4,230,649	\$ 21,769	\$ 22,915	\$ 23,345	\$ 24,777	\$ 24,419	\$ 20,767	\$ 23,345 \$	23,775 \$	22,772	\$ 26,352	\$ 20,051		\$ 254,287	\$ 3,976,362
12	NCQA (The Mihalik Group)	EXP	\$ 350,000	\$ 23,408	\$ 16,703	\$ 11,520	\$ 8,418	\$ 7,260	\$ 11,003	\$ 12,898 \$	13,605 \$	-	\$ -	\$ -		\$ 104,813	\$ 245,188
13	DSNP (Rebellis)	EXP	\$ 4,300,000	\$ 956	\$ 16,413	\$ 49,164	\$ 38,069	\$ 43,988	\$ 42,831	\$ 68,493 \$	35,156 \$	57,169	\$ 77,006	\$ 103,068		\$ 532,313	\$ 3,767,68
	OPERATING EXPEN	ISE TOTALS	\$ 14,040,294	\$ 946,067	\$ 945,280	\$ 1,044,447	\$ 1,074,985	\$ 1,107,916	\$ 941,046	\$ 1,083,408 \$ 1,0	065,755 \$	923,518	\$ 916,484	\$ 785,632	\$ -	\$ 10,834,536	\$ 3,205,758

### KERN HEALTH SYSTEMS BOARD OF DIRECTORS NEW VENDOR CONTRACTS February 20, 2025

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date	
PAC 02/05/2025 (12)					
Kara Meeks dba: Mindful Resolution	Mental Health	5500 Ming Ave Ste. 367 Bakersfield CA		Retro-Eff 2/1/2025	
Novo Behavioral Services LLC	ABA Provider	1220 Oak Street Suite J #1004 Bakersfield CA		Retro-Eff 2/1/2025	
Special Needs Network Inc.	ABA Provider	200 New Stine Road Ste. 205 Bakersfield CA		Retro-Eff 2/1/2025	
Telemedicine Urgent Care Inc. dba: A Better Way Psychiatry	Mental Health	5329 Office Center Ct. Ste. 244 Bakersfield CA		Retro-Eff 2/1/2025	
A1 Transportation Inc	Transportation	5405 Stockdale Hwy 110 Bakersfield CA		3/1/2025	
Dr. Kamran Parsa Inc dba: Neurospine Institute	Specialty - Neurosurgery, Neurology & Pain Medicine	1120 West Avenue M4 Palmdale CA 25425 Orchard Village Rd Ste. 280B Valencia CA		3/1/2025	
E.R.F. Incorporated dba: Central Valley Medical Supplies	DME	3409 Calloway Drive Suite 502A Bakersfield CA		3/1/2025	
Kern Bridges Youth Homes Inc.	ECM Case Management	1321 Stine Rd. Bakersfield CA		3/1/2025	
Higher Ground Homes, Inc.	ICF/DD Home	422 Balboa Dr. Delano CA		3/1/2025	
NMT Transportation LLC	Transportation	5300 California Ave STE 400 Bakersfield CA		3/1/2025	
Pathway Assisted Living LLC dba: Westchester Gardens	CSS - Housing Navigation / Nursing Facility Transition	2228 Truxtun Ave Bakersfield CA	Existing Provideradding new CSS Services	3/1/2025	
Sierra View Local Health Care District dba: Sierra View Medical Center	Hospital	465 W. Putnam Avenue Porterville CA		3/1/2025	
George Yaplee Medical Center Inc dba: Triangle Eye Institute	Ophthalmology	9700 Brimhall Rd Bakersfield CA 1519 Garces Hwy Delano CA		3/1/2025	
Pacific Coast Surgical Center 7 LLC	Ambulatory Surgery Center	1519 Garces Hwy Suite 101 Delano CA		3/1/2025	

### KERN HEALTH SYSTEMS BOARD OF DIRECTORS TERMED CONTRACTS February 20, 2025

Legal Name DBA	Specialty	Address	Comments	Contract Term Date
Harpreet Sandhu MD	Pulmonary Disease &	1039 Stine Road	Closed Location	12/31/2024
	Sleep Medicine	Bakersfield CA		
Juan M. Lopez, MD	OB/GYN	320 James Street Shafter CA	Closed	
			Independent	
			Business - Still	1/17/2025
			affiliated under	
			Grp Contract	





### KHS CHRO Report

February 20, 2025



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- Key Accomplishments in 2024
- Year-to-date HR Metrics for 2024
- Departmental Goals in 2025



Agenda

# Key Accomplishments in 2024

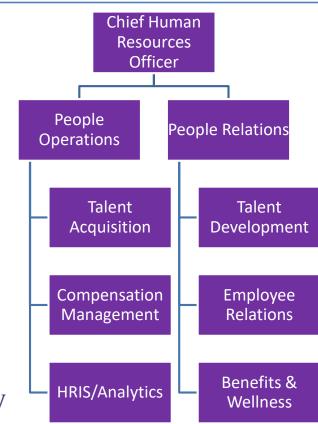
KHS Board of Directors Meeting, February 20, 2025



### **HR** Function Reorganization

- Reorganized HR Function into two directorates.
  - People Operations
  - People Relations
- Elevated the function to have more effective points of contact within the organization.





## Building and Guiding "New Era"

- Continued the development of KHS Culture leading to "new era."
  - Facilitated the development of 6 new KHS Core Values.
  - Hosted major monthly employee-focused events.
- Held facilitator-led leadership training for Managers, Directors and Executives throughout 2024.
- Continued pulse-taking of the workforce with 2024 Employee Engagement Survey.





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## **Competitive Comp and Benefits**

- Continued to support employee growth through Tuition Reimbursement Program - \$122,826 in 2024.
- Conducted selection and implementation of Self-funded Medical Plan utilizing broader Blue Shield of California provider network.
- Employed a new and more consistent salary grade structure based upon market comparable wages (\$21 minimum wage).
- Implemented a new PTO cash out program for employees.



## **HR Policy Implementation**

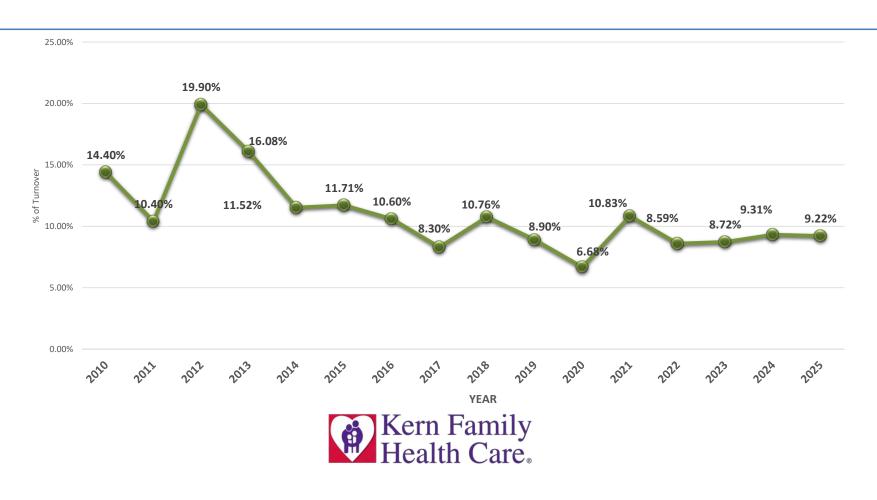
- In 2024, HR developed and implemented key employee policy updates and additions:
  - 15-09-I Employee Compensation Program
  - 15-35-I Paid Time Off
  - 15-36-I Extended Illness Bank
  - 15-37-I Nepotism Policy
  - 15-38-I Anti-Fraternization Policy
  - 15-39-I Secondary Employment
  - 15-40-I Dress Code and Grooming Policy
  - 15-43-I Contingent Workforce Evaluation and Management



## Year-to-date HR Metrics for 2024

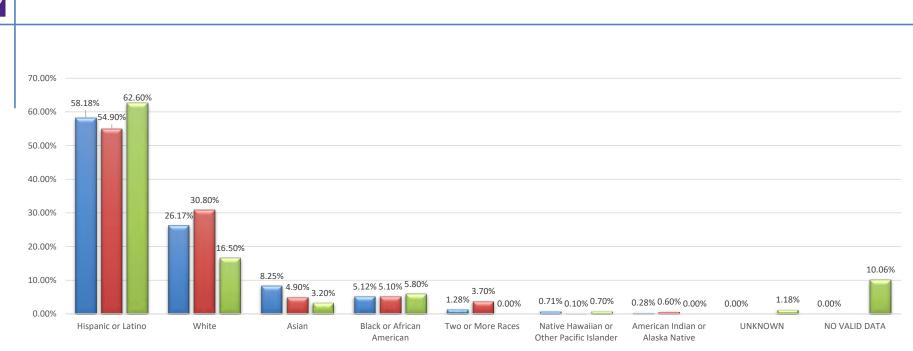
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### **KHS Employee Turnover**



KHS Board of Directors Meeting, February 20, 2025

### **KHS Employee Demographics**



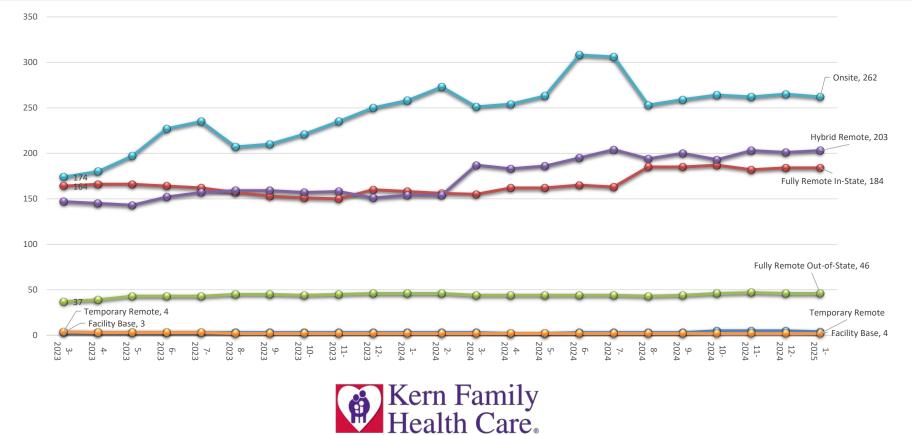
KHS Ethnicity (Current)

Kern County Ethnicity (2020)

☑ KHS Membership Ethnicity (12-07-2023)



### KHS Employee Worksite Trends



KHS Board of Directors Meeting, February 20, 2025

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### Departmental Goals 2025

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### Gartner HR Score

- In 2024, HR completed an assessment of the HR Function with the Gartner HR Score.
- The assessment identified the following priorities and areas of focus:
  - Leader and manager development
  - Succession planning
  - Internal mobility and career pathing
  - HR operating model





## HR Goals and Objectives in 2025

- HR's departmental goals for 2025 align with the priorities found in the Gartner assessment, and include:
  - Developing a training academy for new managers and supervisors.
  - Creating and implementing a succession plan for key leadership roles.
  - Building an internal mobility program that provides employees with defined career paths.
  - Improving the operational efficiency of HR processes.



## HR Goals and Objectives in 2025 (cont.).

- In addition to following up with the areas of focus HR will continue to develop and implement the following policies in the Q1 of 2025:
  - Disciplinary policy
  - Respectful workplace policy
  - Disability accommodation policy
- HR will also be supporting the CEO with the search and selection of a Chief Information Officer.





### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT:	Compliance Program Update
DATE:	February 20, 2025

### BACKGROUND

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

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

### **DISCUSSION**

Regulatory filings, e.g., reports, financial data, quality performance, and surveys continue to increase in response to new services, programs, and oversight requirements that are mandated under our contract and license. In 2022, KHS filed 594 various reports, with 2023 filings increasing to 872, and in 2024, KHS filed 1256 reports and data, with anticipated increases in current trend for filings for 2025.

Privacy and Fraud Prevention remain a key focus for KHS's Compliance department. Suspected violations are promptly investigated and reported for probable violations of policies, regulations, statutes, or program requirements. In 2024, the Compliance Department received 554 reported cases of alleged fraud, waste, or abuse, of which 309 were reported and are under review with DHCS.

From November 16, 2024 to January 15, 2025, the Compliance Department investigated and reviewed fifty-six (56) allegations of privacy concerns, with four (4) cases sent to the State for review.

### Department of Managed Health Care (DMHC)

Final report for the 2022 DMHC Medical Audit was received in October 2024. DMHC will conduct follow up survey in November 2025 to validate corrective actions for identified findings.

The DMHC has scheduled the 2024 DMHC Audit of Fiscal and Administrative Affairs beginning 04/07/2025 for financial report for the quarter ended September 30, 2024.

DMHC issued an Enforcement Action regarding our 2020 DMHC Audit for one uncorrected deficiency relating to the Plan's utilization management (UM) denial letters concerning requests for non-formulary prescription drugs.

### Department of Health Care Services (DHCS)

DHCS 2023 Limited Scope Medical Audit and Focused Audit closed five of the seven findings with a Corrective Action Plan (CAP) update submitted to DHCS on 1/25/2025.

DHCS 2024 Medical Survey completed on 12/20/2024. KHS is awaiting the Preliminary Audit report from DHCS.

### Dual Special Needs Plan (DSNP)

KHS received DMHC approval for our Material Modification to our Knox Keene license, including approval of the subcontracts with MedImpact, our DSNP Pharmacy Benefit Manager (PBM) and Universal Health Care Managed Service Organization (UHCMSO) on 02/06/2025.

The Center for Medicare and Medicaid Services (CMS) applications were submitted on 02/10/2025 in preparation for implementation of KHS's Medicare DSNP line of business in January 2026.

This report provides an overview of the December 2024 through February 2025 KHS Compliance Program activities with the corresponding updates.

### **REQUESTED ACTION**

Receive and file.

**KERN HEALTH** 

**SYSTEMS** 

### Compliance Key Performance Indicators February 2025

### **Compliance Communications**

### Department of Managed Health Care (DMHC)

- 2022 DMHC Medical Audit
  - Final Report Received 10/08/2024
  - Follow Up Audit to validate corrective actions effectively resolved findings is scheduled for 11/10/2025 based on published DMHC calendar (no communication has been received since final report).

- 2024 DMHC Audit of Fiscal and Administrative Affairs
  - Deliverables submitted 01/27/2025
  - Onsite (Virtual) scheduled to begin 04/07/2025

### **Department of Health Care Services (DHCS)**

- 2023 Limited Scope Medical Audit and Focused Audit:
  - DHCS has closed five (5) of seven (7) finding based on Corrective Action Plan (CAP) submissions.
  - One (1) finding is still under review with DHCS.
  - Monthly Corrective Action Plan (CAP) update submitted 1/25/2025 for the additional open finding.
- 2024 Medical Survey notification received from DHCS:
  - Preliminary Exit Conference Held 12/20/2025.
  - Awaiting Preliminary Audit Report from DHCS.

### **DSNP**:

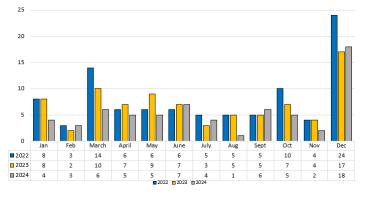
- DMHC Approval (including approval of subcontracts) received 02/06/2025.
- CMS Applications submitted 02/10/2025.

### **Compliance Capsules:**

- December: Code of Conduct
- January: Regulatory Calendar

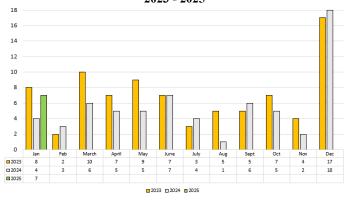
Regulatory All Plan Letter & Guidance Volumes 2022 - 2024

All Plan Letter (APLs) & Guidance Letters

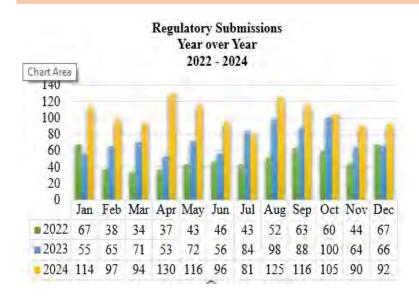


All Plan Letters and Guidance Letters Received		
2022	2023	2024
96	83	66

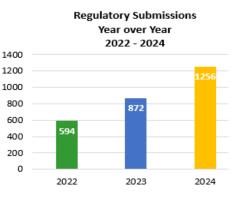
### Regulatory All Plan Letter & Guidance Volumes 2023 - 2025



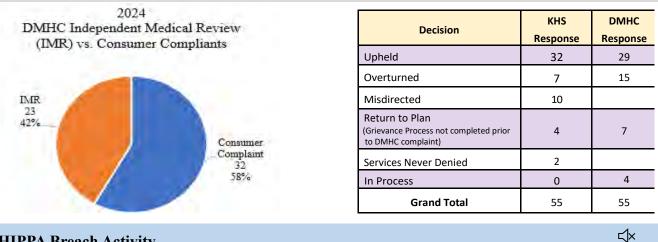
### **Regulatory Reports & Filings**



Regulatory Submissions		
Regulatory Agency	December 2024	January 2025
DHCS	76	103
DMHC	16	12
Total	92	115



### **DMHC Consumer Complaints & Independent Medical Reviews (IMR)**



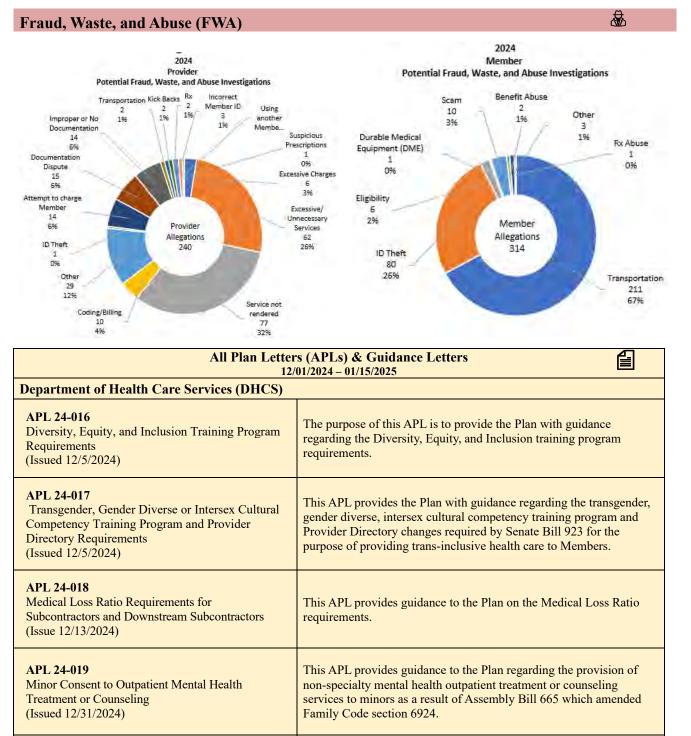
### HIPPA Breach Activity

### Summary of potential Protected Health Information (PHI) disclosures for November 16, 2024 through January 15, 2025:

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

During the time from November 16, 2024 to January 15, 2025, the Compliance Department investigated and reviewed fiftysix (56) allegations of privacy concerns and four (4) of the cases were sent to the State for their review. The State closed two (2) of the cases and determined these to be a non-breach incident; two (2) cases remain under review by the State. The Plan determined one (1) of the cases under review to be a breach.

### 1000



APL 25-001	
2024-2025 Medi-Cal Managed Care Health Plan	This APL provides the Plan with the 834 Cutoff and Processing
Meds/834 Cutoff and Processing Schedule	Schedule
(Issued 1/17/2025)	

APL 25-002 Skilled Nursing Facility Workforce Quality Incentive Program (Issued 1/13/2025)	This APL provides the Plan with instructions on the payment and data sharing process required for the Skilled Nursing Facility Workforce and Quality Incentive Program for Rating Periods between January 1, 2023, and December 31, 2026.
APL 25-003 APL 25-003: Establishing Dual Eligible Special Needs Plans by 2026 (Issued 1/15/2025)	This APL provides Medi-Cal the Plan with information regarding the DHCS' enforcement of California Welfare and Institutions Code section 14184.208, to operate or be affiliated with a Dual Eligible Special Needs Plan (D-SNP) by 2026, to provide integrated care through affiliated MCPs and D-SNPs for dually eligible Medicare and Medi-Cal Members.
Department of Managed Health Care (DMHC)	
APL 24-021 (OPM) – Notice of Amendments to Rules 1300.67.2.1, 1300.67.2 and Incorporated Documents – Network Adequacy Standards and Methodology for RY 2025 (Issued 12/12/2024)	This APL provides notice of new and amended network adequacy requirements, standards, and methodologies. This includes new standards related to measuring the adequacy of primary care physicians and specialist physicians in plan networks, and updates to the mental health network adequacy standards that were previously released in APL 23-023 (December 14, 2023). The standards also include attached Schedules, when applicable, that provide further details concerning the methodology for review under the standards.
APL 24-022 Children and Youth Behavioral Health Initiative, Certified Wellness Coaches (Issued 12/13/2024)	The DMHC, together with the Department of Health Care Access and Information, issues this APL to provide health care service plans with information regarding the establishment of the state Wellness Coach certification program and encourage health plans to provide access to Wellness Coach services as a means of increasing behavioral health resources to health plan members.
APL 24-023 Newly Enacted Statutes Impacting Health Plans (2024 Legislative Session) (Issued 12/20/2024)	In this APL, the Office of Plan Licensing identifies and discusses 23 bills enacted this session that may require plans to update Evidence of Coverage disclosure forms, provider contracts and/or other plan documents.
<b>APL 25-001</b> Southern California Fires and Enrollees' Continued Access to Health Care Services (Issued 1/9/2025)	<ul> <li>This APL provides guidance per Health and Safety Code section 1368.7. The Plan must provide enrollees who have been displaced or whose health may otherwise be affected by a state of emergency with access to medically necessary health care services. Within 48 hours of a proclaimed state of emergency that displaces or affects (or could displace or affect) the plan's enrollees or providers, the Plan must file with the DMHC a notification describing:</li> <li>whether the plan has or expects to have disruption in its operations;</li> <li>how the plan is communicating with potentially impacted enrollees; and,</li> <li>the actions the plan has taken or will take to ensure its enrollees' health care needs are met</li> </ul>

### **Retrospective Audits & Reviews**

The Compliance Department conducts retrospective audits on regulatory All Plan Letters and issues guidance. From the published requirements, the Compliance Department conducts a risk analysis and identifies those that pose a higher degree of risk to the Plan.

All Plan Letters published in 2022 and the first and second quarter of 2023 were evaluated and selected for review based on the risk assessment. To date, the plan has completed fourteen (14) retrospective audits.

Additional retrospective reviews and internal audits have resumed and are currently underway; updates will be provided in future reports.

Regulatory Reports & Filings		
Regulatory Reports & Filings Submission to Government Agencies	KHS is required to submit various types of information to both DHCS and DMHC with cadences ranging from daily, weekly, monthly, quarterly, or annually. In some cases, KHS are required under statute or regulation to submit reports or documentation to establish initial or ongoing compliance with the law (e.g., timely access reporting, financial reporting). In other cases, plans are required to submit reports or documentation when they are planning to make an operational, business, product, or other change that affects the scope or applicability of their license. Additionally, key personnel and Board member filings are required to allow the regulatory agencies to review and advise on the individuals who provide leadership at KHS as well as the makeup of our Board of Directors. These submissions often reflect an amendment or material modification to the plan's license and, in some cases, are subject to Department approval prior to making the requested change to plan operations.	
Regulatory Submission Volume	Regulatory submissions to both DHCS and DMHC are anticipated to increase annually in relation to the various legislative and CalAIM requirements either currently or planned for implementation through 2026. Additional Compliance staffing resources continue to be evaluated to ensure timely submission and completion of all deliverables. As demonstrated in the graphs above, submissions to date continue to increase steadily year over year. Volumes are anticipated to significantly increase further due to the introduction of the Dual Special Needs Plan (D-SNP).	
DMHC Consumer Complaints & Independent Medical Reviews 👘		

KHS addresses and tracks enrollee complaints and requests for independent medical review (IMR) received from the DMHC. For the months of October and November 2024, a total of six (6) Consumer Complaints/IMRs were received, of which five (5) were sent on for Independent Medical Review; and one (1) is pending DMHC review.

### Fraud, Waste, and Abuse (FWA)

*₹* 

The Plan investigates and reports information and evidence of alleged fraud, waste, & abuse cases to appropriate state and federal officials. Information compiled during an investigation is forwarded to the appropriate state and federal agencies as required. In 2024, the Compliance Department received 554 reported cases of alleged fraud, waste, or abuse, of which 309 were reported to DHCS. In 2024, the volume was 230% of the 2023 volume, with almost four times the number received in 2022, and more cases in a single year than the two previous years combined.

### **DHCS Medical Audits**

### Limited Scope Medical Audit and Focused Transportation/Behavioral Health Audit – 2023:

DHCS conducted a routine limited scope medical survey and a focused Transportation/Behavioral Health audit of KHS in November/December 2023. The survey period covered 11/01/2022 - 10/31/2023:

- For the Focused Audit on Behavioral Health and Transportation, the final audit report was received on 08/30/2024.
  - The findings included four (4) items under Behavioral Health, and three (3) under Transportation.
    - The Behavioral Health findings are related to the coordination with the specialty mental health and substance use disorder benefits, which are carved out from KHS Medi-Cal benefits. During the audit period, KHS had already created a separate Behavioral Health Department and implemented corrective actions; however, since some of these actions were implemented during the audit period, DHCS still documented findings.
    - The Transportation preliminary findings were focused on our oversight and monitoring to ensure members receive door-to-door service, we are monitoring no show rates, and monitoring level of service modifications.
  - Corrective Action Plan (CAP) submitted to DHCS 10/07/2024, with thirty (33) actions taken across the seven (7) findings
    - DHCS accepted twenty-three (23) of the proposed corrective actions; and requested additional information for ten (10).
    - KHS submitted the monthly update to DHCS on 12/02/2024 for review.
  - The Plan continues to submit monthly CAP updates to DHCS, with the most recent submission on 01/25/2025.

### DHCS Routine Medical Audit - 2024:

DHCS received the official notification of the Routine Medical Audit on 10/03/2024.

- Pre-Audit deliverables were submitted to DHCS on 10/31/2024.
- Numerous subsequent requests have been received and submitted to DHCS timely.
- The "on site" interview portions of the audit were conducted virtually from 12/09/2024 12/20/2024.
- A preliminary exit conference was held on 12/20/2024, with DHCS verbally reporting potential findings (approximately 9), primarily related to Utilization Management and Grievance processing and notifications.
- The Plan is awaiting receipt of the Preliminary Audit report, after which time we will have fifteen (15) days to provide any additional documentation and/or response.

#### **DMHC Routine Medical Audits**

#### DMHC Routine Medical Audit – 2022/2023:

DMHC conducted a routine audit of KHS in January 2023. The audit period covered 09/01/2020 - 08/31/2022. The Audit Report was received on 03/07/2024.

- DMHC issued the final audit report on 10/08/2024
  - Four (4) of the twenty-four (24) findings from the preliminary report were removed from the final report.
  - Any supporting documentation KHS submitted after 04/21/2024 was not considered in issuance of the final report.
  - Of the twenty (20) findings in the final report:
    - Four (4) were considered 'corrected'.
    - Sixteen (16) were determined to be "not corrected". Although DMHC recognized steps were taken to correct the deficiencies, the effectiveness of the corrective actions will be reassessed in a follow up survey, which will be conducted in November 2025.

Four (4) findings are being referred to the Office of Enforcement:

- The Plan fails to consistently ensure its delegate complies with required utilization management notification standards.
- The Plan failed to consistently demonstrate that for concurrent review denials, care was not discontinued until the enrollee's treating provider had been notified and agreed to an appropriate care plan. Section 1367.01(h)(3).
- > The Plan inappropriately denies post-stabilization care and is operating at variance with policies filed with the Department.
- The Plan improperly denied payment for emergency services and treatment. Section 1371.4(b) and (c).
- Two (2) not able to remediate as these were pharmacy-related and Pharmacy is now carved out
- Compliance continues to meet with stakeholders regarding deficiencies to prepare for follow up from the Office of Enforcement.
- Compliance is in the process of developing the auditing and monitoring plan for 2025, which will include audits of the DMHC deficiencies to ensure compliance prior to the follow up survey, currently targeted for 11/10/2025.

#### DMHC Audit of Fiscal and Administrative Affairs (Financial Audit) - 2024:

- Entrance letter received 10/30/2024
- Deliverables submitted timely on 01/27/2025
- Onsite (Virtual) scheduled to begin 04/07/2025



# Compliance Capsule – December 2024

The Kern Health Systems (KHS) <u>Code of Conduct</u> delves into the key principles that guide us in delivering top-notch healthcare, while maintaining the highest ethical standards. At KHS, our commitment to compliance, integrity, and quality care is unwavering. Here is a closer look at the core values and guiding principles that shape our organization.

#### **Core Values that Drive Us**

- **1.** Equity: We strive to foster an inclusive environment where fairness is paramount. Every individual deserves equal access to healthcare and opportunities.
- 2. Excellence: Our goal is to achieve outstanding results and deliver quality outcomes. We are dedicated to continuous improvement and superior service delivery.
- **3.** Compassion: Empathy and care are at the heart of what we do. We believe in treating everyone with kindness and understanding.
- **4. Collaboration**: Teamwork is essential for solving complex problems and achieving our goals. We value the contributions of every team member and work together to make a difference.
- **5. Innovation**: Embracing new ideas and methods is crucial for making a greater impact. We are open to change and continuously seek innovative solutions.
- **6. Integrity**: Doing the right thing, even in challenging situations, is non-negotiable. Our integrity is the foundation of our trustworthiness and reliability.

#### **Guiding Principles for Ethical Conduct**

Our Code of Conduct is designed to help employees make ethical decisions and comply with applicable laws. Here are the key principles we uphold, along with some relatable scenarios to help you put the principles into practice!

Principle	KHS Scenario	Employee Action
<b>Compliance</b> Adhering to laws and regulations is essential.	You become aware one of your desktop level procedures provides instructions and a link to a letter template that does not align with current regulatory requirements.	Notify your Supervisor, Manager, or Director - OR, notify the Compliance Department at <u>Compliance@khs-</u> <u>net.com</u> (or any individual member of the Compliance team)
Honesty and Professionalism We expect honesty in all interactions and maintaining high standards of conduct.	You are responsible for compiling a report that will be submitted to our regulators. Someone asks you to remove some numbers to improve the results being reported.	Notify your Supervisor, Manager, or Director - OR, notify the Compliance Department at <u>Compliance@khs-</u> <u>net.com</u> (or any individual member of the Compliance team)
<b>Confidentiality</b> Safeguarding confidential and proprietary information is a priority to protect the interests of our members and the company.	You encounter a situation where a patient's confidential medical records are at risk of being disclosed accidentally due to a system error.	Reach out to the HIPAA Team in the Compliance Department at <u>hipaateam@khs-net.com</u>
Ethical Business Practices We avoid conflicts of interest and ensure business relationships are free from improper influence.	You are asked to assist in reviewing a "Request for Approval" (RFP) for a new vendor relationship with a company your cousin owns.	Advise the team you are unable to participate in the evaluation and/or decision process due to your relationship with the potential vendor. <u>14.15_Conflict of Interest</u>

#### **Commitment to Anti-Discrimination and Anti-Harassment**

KHS is dedicated to creating a workplace free from unlawful discrimination and harassment. We believe in respecting all individuals and ensuring a safe and supportive environment for everyone.

**Contact Us:** For further information or any questions regarding our compliance program or values, please reach out to our Compliance Department at Compliance@khs-net.com. At Kern Health Systems, we are committed to building a future where healthcare is delivered with integrity, compassion, and excellence. Join us on this journey towards a healthier and more equitable world.



# **Compliance Capsule – January 2025**

# **Regulatory Calendar**

You may have wondered how the Compliance Department keeps track of the reports/items that are due to the Department of Health Care Services (DHCS) and Department of Managed Health Care (DMHC) daily. The quick answer - Regulators send notices to the Plan and Compliance keeps a spreadsheet that is used to track and monitor the due dates of each requested item.

KHS Stakeholders are a crucial part of keeping the information on the Regulatory Calendar accurate and timely. At the end of each calendar year, Compliance shares the Regulatory Calendar on Microsoft Teams with stakeholders for verification of the Annual, Semi-Annual, Quarterly, Bi-Quarterly, and Monthly reports that will carry over to the next calendar year. It is crucial that the Stakeholders verify the due dates (Month and Day) for that following year, if known.

Month	Report Name 🚽	Effective Date	Regulat 🛫	Details	Responsible Part 🖕	Frequen 🐺	Due Date 👻	Due to Complianc ▼	Compliance Receive Dat 🔻	Submission Date 💌	Timely Submission 👻	Resubmissio-
February	Monthly Certifications - Data, Information, and Documentation Submitted to DHCS-January	5/2/2017	DHCS		Applicable Departments	Monthly	2/14/2025	2/5/2025				No

To assist with the completeness and timeliness of all submissions, Compliance sends two courtesy reminders to the Responsible Party/Stakeholder. The reminders are sent five (5) business days and one (1) business day in advance of the regulatory due date. If possible, items will be due to Compliance three (3) business days before the due date to the Regulator. *Early submissions are always welcomed!* 

Please note: Business owners are responsible for conducting quality control on all regulatory submissions to ensure the accuracy of the data, proper formatting, and adherence to naming conventions and other regulatory requirements

The Regulatory Calendar is available in Microsoft Teams for planning and notification purposes for all Departments.

#### Click here for the Regulatory Calendar.

For more information about the Regulatory Calendar, you can always reach to Deborah Murr, Chief Compliance & Fraud Prevention Officer or Jane MacAdam, Director of Compliance & Regulatory Affairs.

Chief Compliance & Fraud Prevention Officer Deborah Murr, MHA, BS-HCM, RN 661.664.5141 <u>deborah.murr@khs-net.com</u>



Director of Compliance & Regulatory Affairs Jane MacAdam, CHC 661.664.5016 jane.macadam@khs-net.com





# MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT:	2025 Compliance Program Description
DATE:	February 20, 2025

#### **BACKGROUND**

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

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

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

#### **REQUESTED ACTION**

Approve the 2025 Compliance Program Description.



# Kern Health Systems

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

# 2025 CORPORATE COMPLIANCE PROGRAM

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#### **Executive Summary**

Why Have a Compliance Program?

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

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

Kern Health System Health's Compliance Program applies to:

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

What you must do:

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

#### I. INTRODUCTION

Kern Health System (KHS) d.b.a. Kern Family Health Care (KFHC) is the Local Initiative for the arrangement of medical, social, and behavioral health care for Medi-Cal enrollees in Kern County. KHS is a public agency formed under Section 14087.38 of the California Welfare and Institutions Code. KHS began full operations on September 1, 1996, under the Kern County Board of Supervisors. KHS serves more than 400,000 Medi-Cal participants in Kern County. Medi-Cal is a jointly funded, Federal-State health insurance program for certain low-income beneficiaries. KHS is committed to the mission of improving the health of members with an emphasis on prevention and access to quality healthcare services. KHS strives to be a leader in developing innovative partnerships with the safety net and community providers to elevate the health status of all community members. with a commitment to health equity, diversity, and inclusion. We are strongly committed to and have a longstanding reputation for lawful and ethical conduct. We take pride in earning the trust of those we serve, government regulators and one another.

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

The health care industry is heavily regulated by federal and state agencies responsible for ensuring health care organizations operate in compliance with contractual and regulatory obligations. KHS will be regulated by the Centers for Medicare & Medicaid Services (CMS) with the implementation of a Dual Special Needs Medicare Advantage Plan in 2026, the Department of Health Care Services (DHCS) and the Department of Managed Health Care (DMHC).

The Centers for Medicare & Medicaid Services (CMS)

CMS is an agency within the U.S. Department of Health & Human Services responsible for administration of several key federal health care programs. CMS oversees Medicare (the federal health insurance program for seniors and persons with disabilities) and Medicaid (the federal needs-based program).

The Department of Health Care Services (DHCS)

DHCS is one of thirteen departments within the California Health and Human Services Agency (CHHS) that provides a range of health care services, social services, mental health services, alcohol and drug treatment services, income assistance and public health services to Californians. DHCS administers publicly financed health insurance and safety net programs and works to effectively use federal and state funds to operate the Medi-Cal program. DHCS ensures that high-quality, efficient health care services are delivered to more than 13 million Californians (or one in three Californians).KHS maintains contracts with DHCS to operate Medi-Cal managed care services.

The Department of Managed Health Care (DMHC)

DMHC regulates health care service plans that deliver health, dental, vision and behavioral health care benefits. DMHC protects the rights of approximately 20 million enrollees, educates consumers about their rights and responsibilities, ensures financial stability of the managed health care system and assists Californians in navigating the changing health care landscape. DMHC reviews all aspects of the plan's operations to ensure compliance with California law. KHS maintains one Knox-Keene Licenses with DMHC to operate in California.

KHS is committed to the highest standards of ethics, integrity and professionalism throughout every aspect of our business. We are firmly committed to ensuring full compliance with all federal and state health care program requirements. Our compliance efforts are aimed at prevention, detection, and resolution of variances.

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

- 1. Written policies and procedures
- 2. Compliance Leadership and Oversight
- 3. Training and education
- 4. Effective lines of communication
- 5. Enforcement Standards: Consequences and Incentives
- 6. Risk Assessment, Auditing and Monitoring
- 7. Responding to Detected Offenses and Developing Corrective Action Initiatives

The information contained within the program applies to all– the KHS Governing Board Members, our Chief Officers, the KHS Leadership team, staff, and KHS's business associates – and it should be reviewed and referenced often. Our shared commitment to honesty, integrity, transparency and accountability helps develop the trust of our members and our providers. It also helps us establish good working relationships with our federal and state regulators. The Compliance Program supports this commitment by helping to understand how KHS must comply with laws and regulations that govern health care to ensure KHS maintains a reputation of excellence.

Our Compliance Program further supports KHS' overall commitment to ensure we have the organizational capacity, leadership, financial well-being, commitment to invest in our communities, and demonstrated ability to ensure program integrity and compliance.

Written Policies and Procedures	Chief Compliance and Fraud Prevention Officer Compliance Leadership and Oversight	Training and Education	Effective Lines of Communicat ion with Chief Compliance and Fraud Prevention Officer and Disclosure Programs	Enforcement Standards: Consequence and Incentive	Risk Assessment , Auditing and Monitoring	Responding to Detected Offenses and Developing Corrective Action Initiatives
<ul> <li>Fraud, Waste &amp; Abuse, Anti- Kickback Statute, False Claims Act and Stark Law policies</li> <li>Whistle Blower/ Non- retaliation policy</li> <li>Clinical policies</li> <li>HIPAA</li> <li>Conflict of Interest</li> </ul>	<ul> <li>Chief Compliance and Fraud Prevention Officer job description</li> <li>Compliance Committee</li> <li>Oversight of the Program</li> <li>Annual Compliance Report</li> </ul>	<ul> <li>Annual compliance training/on- boarding training</li> <li>Monthly Spotlight</li> <li>Periodic training at staff meetings</li> <li>Ad Hoc training informs and train</li> </ul>	<ul> <li>Open door policy</li> <li>Ethics Hotline</li> <li>Exclusion screening</li> </ul>	<ul> <li>Comply with applicable standards, laws, and procedure s</li> <li>Supervisor and/or Managers oversight of process failures</li> </ul>	<ul> <li>Annual risk review</li> <li>Ongoing audit and oversight activities</li> <li>Ad hoc audits</li> <li>Monthly exclusion screening</li> <li>Maintain anonymo us.</li> <li>Annual risk assess- ment</li> <li>Credential and peer review</li> </ul>	<ul> <li>Internal investi- gations and reporting</li> <li>Review Annual Conflict of Interest Disclosure Forms</li> <li>Process for reporting and resolving incidents</li> </ul>

# KHS's Compliance Program Alignment with OIG Standards

#### II. COMPLIANCE STRUCTURE

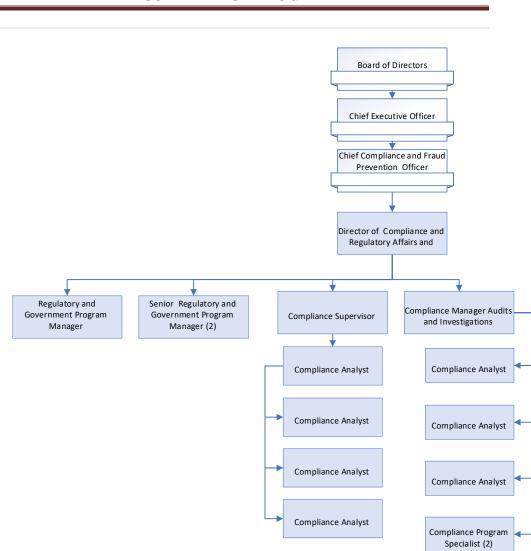
KHS's Compliance Program starts with its Board of Directors, who must assure the organization operates in compliance with applicable Federal, state, and local laws and regulations. The Board of Directors provide direction to our CEO, who sets the tone for the organization's compliance activities.

The Chief Compliance and Fraud Prevention Officer (CCFPO) provides oversight and supervision to the Compliance department. Positions may be added or revised based on the department's identified operational needs.

Because the Chief Compliance and Fraud Prevention Officer is responsible for compliance oversight for all other department activities of the organization, this position reports directly to the Chief Executive Officer to mitigate risk. The Chief Compliance and Fraud Prevention Officer is responsible for implementing a Compliance Program that includes and addresses quality and patient safety compliance risks just as they do for any other compliance risk area integral to KHS's Board of Directors, staff, members, providers, and community.

The Chief Compliance and Fraud Prevention Officer works to ensure the organization has the appropriate policies, procedures, and processes in place to minimize its risk and further the organization's mission to provide a holistic approach to services offerings while promoting equitable and timely access

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



#### III. ELEMENT 1 WRITTEN POLICIES AND PROCEDURES

The written compliance policies and procedures provide a clear explanation of the organization's compliance and quality goals and provide clear and understandable mechanisms and procedures designed to achieve those goals in compliance with Federal, state, and other program requirements and standards. The organization has specific, individual policies for an array of matters ranging from proper documentation of services to whistle blower protections. In addition, the Compliance Policies describe how we implement and operationalize the Compliance Program. Access to policies and procedure include relevant individuals such as employees, contractors, members, customers, subcontractors, agents, or people in other roles, or a subset of the above. KHS' policies and procedures are available online at the KHS's company site www.kernfamilyhealthcare.com.

#### A. Code of Conduct

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

# These six fundamental values: EQUITY, EXCELLENCE, COMPASSION, COLLABORATION, INNOVATION, and

**INTEGRITY**, remind us that preserving an ethical workplace is critical to our long-term success as an organization. The Code articulates the standards of behavior that each one of us is expected to observe while performing our jobs, as well as our commitment to complying with all regulatory requirements, state, and federal laws.

As employees, we are all required to ensure compliance and report any potential issues, ethical concerns, or violations of this Code of Conduct in accordance with policies and procedures. For additional information please refer to the Compliance Program Description, Compliance Guide, Employee Handbook, and Policies and Procedures located on the KHS Intranet website.

## KERN HEALTH SYSTEMS CORE VALUES



# KERN HEALTH SYSTEMS CORE VALUES





htegrify We do the right thing, even when its not the easy thing. Integrity is essential to creating the foundation for trust, workability and performance. Being true to our word and each other is what give us the best possible chance to succeed and make a lasting difference.

B. Conflict of Interest (COI) Policy and Disclosure Statement

Workplace business decisions must be made with objectivity and fairness. A Conflict of Interest (COI), or even the appearance of one, should be avoided. A COI presents itself in the form of a personal or financial gain for an individual or entity that could possibly corrupt the motivation of that individual or entity.

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

Examples of COI include, but are not limited to:

- Accepting concurrent employment with, acting for, or rendering services to any business or endeavor, with or without compensation, which competes with or conducts business with KHS
- Selling products directly or indirectly in competition with KHS financial interest or business involvement with an outside concern which conducts business with or is a competitor of KHS
- · Representing KHS in any transaction in which a personal interest exists
- Accepting gifts in excess of \$150 or any substantial materials or supplies, from an outside company that does business with or is seeking to do business with KHS. The annual gift limit is adjusted biennially and subject to change based on the Consumer Price Index. Designated employees may not accept a gift that is worth more than the financial thresholds set forth in FPPC regulation 2 CCR§ 18730, sections 7-9.5. \$590.001 (2023-2024 limit amounts) in a twelve (12) month period.

KHS Board members, Chief Executives, and all management staff should avoid any business, activity or situation, which may possibly constitute a COI between their personal interests and the interests of KHS. Immediate disclosures are required if any potential situation may involve a COI.

KHS requires certain identified individuals to complete the annual conflict of interest disclosure form to assist in identifying and evaluating potential conflicts of interests. Individuals also are required to disclose any actual, potential, or perceived conflicts as they arise during their affiliation or employment with KHS. The forms are reviewed on an annual basis or when the need to complete the statement arises (new hires or changed circumstances). If KHS has a potential, suspected, and/or actual conflict of interest, KHS will provide a description of the

relationship and a Conflict Avoidance Plan to ensure that such a relationship will not adversely affect DHCS, DMHC, other Managed Care Plans, or Medi-Cal Members. It is the responsibility of everyone to have a working knowledge of these policies and procedures and refer to them.

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

C. Annual Work Plan

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

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

#### IV. ELEMENT 2 DESIGNATION OF A CHIEF COMPLIANCE AND FRAUD PREVENTION OFFICER AND/OR A COMPLIANCE COMMITTEE

An effective Compliance Program reduces and mitigates risk, provides patients safe and high-quality care, and saves costs. DHCS requires KHS to designate a Chief Compliance and Fraud Prevention Officer to carry out and enforce compliance activities. The Chief Compliance and Fraud Prevention Officer functions as an independent and objective person that reviews and evaluates organizational compliance and privacy/confidentiality issues and concerns. The Chief Compliance and Fraud Prevention Officer's main duties include coordination and communication of the compliance plan; this involves planning, implementing, and monitoring the program.

The Chief Compliance and Fraud Prevention Officer is a full-time employee, reporting directly to the Chief Executive Officer (CEO) and the Board of Directors. The CCO reports to the Compliance Committee on the activities and status of the Compliance Program and has the authority to report matters directly to the Board of Directors at any time. The Chief Compliance and Fraud Prevention Officer is an independent employee of KHS and does not serve in any operational capacity.

#### A. Chief Compliance and Fraud Prevention Officer

The responsibilities of the Chief Compliance and Fraud Prevention Officer as defined in the Department of Health Care Services contract include:

- Developing, implementing, and ensuring compliance with the requirements and standards under the DHCS contract.
- Chair the Compliance Committee and serve as a spokesperson for the Committee.
- Oversee and monitor the implementation of the Compliance Program.
- Report periodically to the Compliance Committee, the Chief Executive Officer, and the Board of Directors on the progress of implementation of compliance initiatives, corrective actions, and recommendations to reduce the vulnerability to allegations of fraud, waste, and abuse.
- Develop and distribute all written compliance policies and procedures to all affected employees.
- Periodically revise the program in light of changes in the needs of the organization and in the law, and changes in policies and procedures of government payer health plans and emerging threats.
- Develop, coordinate, and participate in a multifaceted educational and training program that focuses on the elements of the Compliance Program and seeks to ensure that all employees are knowledgeable of, and comply with, pertinent federal and state payer standards. Coordinate with Human Resources to ensure that all directors, officers, employees, and contractors, if applicable, are screened before appointment or engagement and monthly thereafter against any applicable State Medicaid program exclusion lists
- Ensure that employees, vendors, and Board of Directors do not appear on any of the Federal or State "excluded, debarred or suspended" listings published by Medicare and Medicaid.
- Ensure that all Providers/Staff are informed of Compliance Program standards with respect to coding, billing, documentation, and marketing, etc.
- Assist in coordinating internal compliance review and monitoring activities, including annual or whenever necessary reviews of policies.
- Review the results of compliance audits, including internal reviews of compliance, independent reviews, and external compliance audits.

- Independently investigate and act on matters related to compliance, including the flexibility to design and coordinate internal investigations.
- Develop policies and programs that encourage managers and employees to report suspected fraud and other improprieties without fear of retaliation.
- Interact with external legal counsel to discuss the Organization's initiatives on regulatory compliance.
- Handle inquiries by employees, affiliates, members, and family members regarding compliance issues.

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

Coordination and communication are the Chief Compliance and Fraud Prevention Officer's key tools for planning, implementing, and monitoring an effective Compliance Program. The Chief Compliance and Fraud Prevention Officer should strive to develop, and promote, productive working relationships with organizational leaders. Coordinating work and sharing information with leaders of other support functions, including (as applicable), Legal, Internal Audit, Information Technology, Human Resources, Quality, Risk Management, and Security will enhance the strength and success of the Compliance Program.

B. Compliance Committee

Actively leading the Compliance Committee and its meetings is an important and integral function of the Chief Compliance and Fraud Prevention Officer. As the Compliance Committee chair, the Chief Compliance and Fraud Prevention Officer should establish and facilitate committee discussion and encourage active participation by all committee members.

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

The functions of the Compliance Committee are to:

• Analyze the organization's regulatory environment, the legal requirements with which it must comply, and specific risk areas.

- Assess existing policies and procedures that address risk areas for possible incorporation into the Compliance Program.
- Work within the organization's standards of conduct, policies, and procedures to promote compliance. Recommend and monitor the development of internal systems and controls to implement standards, policies, and procedures as part of the daily operations.
- Determine the appropriate strategy/approach to promote compliance with the program and detection of any potential problems or violations.
- Develop a system to solicit, evaluate, and respond to complaints and problems.
- Assessing education and training needs and effectiveness, and regularly reviewing required training
- Monitor Corrective Action Plans
- Develop. review and approve the Compliance Program and Workplan at least annually.

On a quarterly basis, the Chief Compliance and Fraud Prevention Officer and the Director of Compliance meet with the Compliance Committee and provide updates on the department's current and future activities.

C. Governance and Compliance Committee

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

This Committee assists the Board to improve its functioning, structure, and infrastructure. The Committee reviews and makes recommendations regarding KHS's Bylaws and Governance Structure, including committee composition, auditing and investigative practices. The Chief Compliance and Fraud Prevention Officer periodically provides a report to the board assessing the Compliance Committee's performance. This report compares KHS's expectations of the committee's performance with its actual performance. As part of the assessment, the Chief Compliance and Fraud Prevention Officer seeks input from the members of the Compliance Committee, the CEO, and the board.

#### D. Board Compliance Oversight

The United States Sentencing Commission's Guidelines require that a governing authority shall be knowledgeable about the content and operation of the

compliance program and shall exercise reasonable oversight with respect to the implementation and effectiveness of the compliance and ethics program. The board should have access to sufficient knowledge and resources to allow it to fulfill its compliance-related obligations competently. Oversight of the Chief Compliance and Fraud Prevention Officer is a critical component of the board's compliance role. The board should ensure that the Chief Compliance and Fraud Prevention Officer has sufficient power, independence, and resources to implement, maintain, and monitor the Compliance Program and advise the board about compliance operations and risk.

#### V. ELEMENT 3 TRAINING AND EDUCATION

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

KHS requires First Tier Entities to provide Compliance Training to their employees and Downstream Entities within 90 days of hire, assignment or appointment and annually thereafter. <u>First Tier Entity</u> is any party that enters into a written arrangement with KHS to provide administrative services or health care services to a KHS member. <u>Downstream Entity</u> is any party that enters into a written arrangement with persons or entities below the level of the arrangement between KHS and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.

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

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

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

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

Basic training will include:

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

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

#### VI. ELEMENT 4 EFFECTIVE LINES OF COMMUNICATION WITH THE CHIEF COMPLIANCE AND FRAUD PREVENTION OFFICER AND DISCLOSURE PROGRAMS

#### A. Open Lines of Communication

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

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

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

- Online: <u>www.kernfamilyhealthcare.com</u> <u>FraudTeam@khs-net.com</u> <u>HIPAATeam@khs-net.com</u> Compliance@khs-net.com
- Phone: Ethics Hotline 1 (833) 607-6589
- Mail: Kern Health System Health c/o Chief Compliance and Fraud Prevention Officer, 2900 Buck Owens Blvd, Bakersfield CA 93308.

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

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

#### B. Disclosure Programs

All disclosures of compliance concerns, including potential violations of policies or Federal or State requirements, should be recorded in a log maintained by the Chief Compliance and Fraud Prevention Officer or their designee. All disclosures should be logged regardless of how they are made. whether made directly to the Chief Compliance and Fraud Prevention Officer or other compliance personnel, to another organizational leader, or through the anonymous reporting mechanism,

The Chief Compliance and Fraud Prevention Officer may take responsibility for reviewing some reported concerns, some reported concerns may be referred to other leaders or departments, for example, Human Resources, and some reports, such as those involving substantial legal violations, may be referred to counsel or law enforcement. The Chief Compliance and Fraud Prevention Officer should remain involved in all health care compliance investigations in which counsel takes the lead.

# VII. ELEMENT 5 ENFORCING STANDARDS: CONSEQUENCES AND INCENTIVES

#### a. Consequences

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

The Director, Manager, or Supervisor will be responsible for taking appropriate disciplinary actions in the event an employee fails to comply with applicable regulations or policies. The disciplinary process for violations of Compliance Programs and/or any law or regulation will be administered according to KHS protocols (generally oral warning, written warning, suspension without pay, and may lead to termination) depending upon the seriousness of the violation. The Chief Compliance and Fraud Prevention Officer is to be consulted and may consult legal counsel in determining the seriousness of the violation and has responsibility for monitoring the consistency of the discipline. However, the Chief Compliance and Fraud Prevention Officer is involved in imposing discipline.

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

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

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

- 1) Dismissal of the matter.
- 2) Verbal counseling.
- 3) Issuing a warning, a letter of admonition, or a letter of reprimand.
- 4) Entering and monitoring of a formal corrective action plan. The corrective action plan may include requirements for individual or group remedial education and training, consultation, proctoring, and/or concurrent review.
- 5) Reduction, suspension, or revocation of clinical/assigned privileges.

- 6) Suspension or termination of employment.
- 7) Modification of assigned duties.
- 8) Reduction in the amount of salary compensation in parallel with demotion.

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

b. Incentives

KHS has developed appropriate incentives to encourage participation in the Compliance Program. The Chief Compliance and Fraud Prevention Officer, Compliance Committee, and other leaders consider the compliance performance or activities to incentivize, both across the organization and within specific departments or positions. Excellent compliance performance or significant contributions to the Compliance Program could be the basis for, significant recognition, or other, smaller forms of encouragement.

Behaviors that KHS could incentivize include:

- · Achievement of compliance goals that are specific to a department or a specific position description.
- Achievements that reduce compliance risk (e.g., a team that develops a process that reduces compliance risk or enhances compliant outcomes, or an individual who suggests a method of attaining a strategic goal with less risk): or
- · Performance of compliance activities outside of the individual's job description (e.g., mentoring of colleagues in compliant performance or performing as a compliance representative within their department or team).

Achievements in compliance should be treated commensurately with achievements in other areas valued by the organization. Through the thoughtful and deliberate use of incentives, KHS acts to reduce its compliance risk, enhance adherence to the Compliance Program, and develop a positive association with KHS's compliance culture.

#### VIII. ELEMENT 6 RISK ASSESSMENT, AUDITING AND MONITORING

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

A. Risk Assessment

Risk assessment, auditing, and monitoring each play a role in identifying and quantifying compliance risk. Although identifying and addressing risk have always been at the core of Compliance Programs, in recent years, compliance leaders have come to recognize and place increasing emphasis upon the importance of a formal compliance risk assessment process as part of the Compliance Program.

Risk assessment is a process for identifying, analyzing, and responding to risk. A compliance risk assessment is a risk assessment process that looks at risk to the organization stemming from violations of law, regulations, or other legal requirements. In organizations affected by government health care programs, a compliance risk assessment focuses on risks stemming from violations of government health care program requirements and other actions (or failures to act) that may adversely affect KHS's ability to comply with those requirements. Risk assessments are an integral part of the fiscal internal control process and to enterprise risk management and are essential for state and federal monetary funding.

B. Auditing and Monitoring

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

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

# IX. ELEMENT 7 RESPONDING TO DETECTED OFFENSES AND DEVELOPING CORRECTIVE ACTION INITIATIVES

Violations of the organization's Compliance Program, failure to comply with applicable state or federal law, and other requirements of government health plans, and other types of misconduct may threaten KHS's status as a reliable, honest, and trustworthy provider, capable of participating in federal and state healthcare programs. Detected, but uncorrected, misconduct may seriously endanger the mission, reputation, and legal status of the organization. Therefore, monitoring of hotlines, program integrity, and other operational activities is essential in detecting, noncompliance. Consequently, upon reports or reasonable indications of suspected noncompliance, the Chief Compliance and Fraud Prevention Officer

must initiate an investigation to determine whether a material violation of applicable laws or requirements has occurred.

#### A. Investigations of Violations

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

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

B. Reporting to the Government

If the results of the internal investigation identify a problem, the response may be immediate referral to criminal and/or civil law enforcement authorities, development of a corrective action plan, a report to the government, and submission of any overpayments, if applicable. If potential fraud or violations of the False Claims Act are involved, the Chief Compliance and Fraud Prevention Officer or legal counsel should report the potential violation not more than 60 days after the determination that credible evidence of a violation exists to the Office of the Inspector General, Department of Justice, Centers of Medicare and Medicaid Services (CMS), or other appropriate Government authority.

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

C. Implementing Corrective Actions Initiatives

Once KHS has gathered sufficient credible information to determine the nature of the misconduct, steps for prompt corrective action are taken, including:

- Refunding of overpayments.
- Enforcing disciplinary policies and procedures; and
- Making any policy or procedure changes necessary to prevent a recurrence of the misconduct.

Throughout any investigation of any noncompliant conduct the Chief Compliance and Fraud Prevention Officer should gather information to aid them in determining

the root causes of the conduct. Additionally, the Chief Compliance and Fraud Prevention Officer should also determine whether the conduct exposed any compliance weaknesses that could place the entity at risk for other, unrelated misconduct.

#### X. NON-INTIMIDATION AND NON-RETALIATION POLICIES

The organization will protect whistle-blowers from retaliation. KHS maintains a zero tolerance for retaliation against employees who, in good faith, have raised a complaint against some practice of the organization, or of another individual or entity with whom KHS has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

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

Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The Chief Compliance and Fraud Prevention Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within the required timeframes. All reports will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation.

#### XI. KERN HEALTH SYSTEM'S COMMITMENT TO COMPLIANCE

#### A. Standards of Conduct

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

All candidates for employment shall undergo a reasonable and prudent background investigation, including a reference and criminal background check. Due diligence will be used in the recruitment and hiring process to prevent the appointment to positions with substantial discretionary authority, persons whose

record (professional licensure, credentials, prior employment, criminal record or specific "exclusion" from Medi-Cal funded programs) gives reasonable cause to believe the individual has a propensity to fail to adhere to applicable standards of conduct.

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

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

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

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

#### B. Member Rights

We treat our members with respect and dignity and provide care that is both necessary and appropriate. No distinction is made in the admission, transfer, discharge, or care of individuals on the basis of race, creed, religion, national origin, gender, gender expression, sexual orientation, or disability. Clinical care is provided based on identified healthcare needs and Care Management is provided based on needs identified through a uniform assessment tool, and no treatment or action is undertaken without the informed consent of the patient or an authorized representative. Members are provided with a written statement of rights which conforms to all applicable laws, and ensure their autonomy and privacy are respected.

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

#### C. Personal Health Information/HIPAA

KHS collects and aggregates personal health information about our members to provide the best possible care. We realize the sensitive nature of this information and are committed to safeguarding our member's privacy. A member's protected health information (PHI) is protected by the Health Insurance Portability and Accountability Act (HIPAA), the Health Information Technology for Economic and Clinical Health (HITECH) Act and state confidentiality laws.

The Security Standards for the Protection of Electronic Protected Health Information, known as the Security Rule, was also promulgated pursuant to HIPAA. It specifies a series of administrative, physical, and technical safeguards for covered entities and their business associates to ensure, among other provisions, the confidentiality, integrity, and security of electronic PHI. Covered entities and their business associates can consider their organization and capabilities, as well as costs, in designing their security plans and procedures to comply with Security Rule requirements.

If a staff member discovers a potential privacy incident or breach, they are required to report the issue immediately to the Compliance Department . When a breach of PHI is discovered, KHS must report it to the DHCS Privacy Office, DHCS Contract Manager and DHCS Information Security Officer within twenty-four hours of discovery and to the Office for Civil Rights (OCR) under the Department of Health and Human Services (HHS) within the required time frames. A failure to report according to our regulated time frames may result in monetary penalties and/or sanctions against KHS.

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

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

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

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

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

 Maintain appropriate security measures to ensure the confidentiality, integrity, and availability of patients' electronic protected health information (ePHI). Examples of member information that is protected by these regulations includes but is not limited to:

Name     Address     Date of Birth     Driver's License     Social Security Number     KHS Member ID Number     Medi-Cal ID Number     Health Plan Name	Credit Card Nur     Bank Account N     Claims Informatik	nbers • C umbers • N on • Lu • P • A • N	Diagnosis Condition de Results sychotherapy Notes Whorizations Wantal Health Data Clinical Notes	
Demographic Information	Financial Information		linical formation	

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

As healthcare providers, KHS's business involves reimbursement under government programs which require submission of certain reports of our costs of operations. KHS complies with all federal and state laws and regulations relating to cost reports, which define what costs are allowable and describe the appropriate

methodologies to claim reimbursement for the cost of services provided to program beneficiaries. Given the complexity of this area, all issues related to the completion and settlement of cost reports must be communicated through or coordinated with the Chief Financial Officer.

D. Compliance with Applicable Fraud Alerts

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

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

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

The Federal False Claims Act and similar state laws make it a crime to submit false claim to the government for payment. False claims include but are not limited to billing for treatment not rendered; upcoding to bill for higher reimbursement; and falsifying records to support billed amounts. Under the Federal False Claims Act, whistleblowers may bring a civil lawsuit against the company on behalf of the U.S. Government and, if the suit is successful, they may be awarded a percentage of the funds recovered. There is a provision in the Federal False Claims Act that protects a whistleblower from retaliation by an employer. Actions such as suspension, threats, harassment, or discrimination could be considered retaliatory. By statute, different categories of conduct result in different penalty amounts. For example, false claims may result in penalties of up to \$20,000 per item or service falsely claimed, and improper kickback conduct results in penalties of up to \$100,000 per violation.

KHS will not tolerate retaliation against any person who has suspected fraudulent activity and reported those suspicions in compliance with KHS policy.

E. Marketing

KHS will promote only honest, straightforward, fully informative, and non-deceptive marketing. We use marketing to educate the public, increase awareness of our services and recruit employees. All marketing materials must accurately describe our services and programs. To ensure that no incorrect information is disseminated, employees must coordinate all marketing materials with and direct

all media requests to the CEO or designee. KHS will only use and/or disclose any member protected health information for marketing activities if a written prior authorization is obtained. If KHS staff are approached or contacted by the media to discuss KHS, staff are required to refer them to the Senior Director of Marketing and Member Engagement.

All co-branded (KHS and other companies or vendors) and other marketing materials created by other companies or vendors must be approved by the Marketing Department prior to distribution. Marketing materials, including health education information, is subject to DHCS review and approval before using with community events or member education.

F. Anti-Kickback/Inducements

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

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

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

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

Violation of the Federal anti-kickback statute constitutes a felony punishable by a maximum fine of \$100,000, imprisonment up to 10 years, or both. Conviction also will lead to mandatory exclusion from Federal health care programs, including Medicare and Medicaid. Liability under the Federal anti-kickback statute is determined separately for each party involved.

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

G. Relationships with Subcontractors, Vendors and Suppliers

KHS is committed to employing the highest ethical standards in its relationships with subcontractors, vendors, and suppliers with respect to source selection, negotiation, determination of contract awards, and administration of purchasing

activities. All subcontractors, vendors, and suppliers are to be selected solely based on objective criteria; personal relationships and friendships will play no part in the selection process. KHS does not knowingly contract or do business with a subcontractor, or vendor that has been excluded from a government-funded healthcare program. Any subcontractor, vendor, or suppler who has access to the organization's PHI and is not a covered entity, will be required to enter into a Business Associate Agreement to comply with applicable federal and state confidentiality and data protections rules, including HIPAA and 42 C.F.R. KHS will maintain a subcontractor review program for selecting and assessing the appropriate safeguards and security controls for key vendors.

In addition, KHS has entered new arenas in support of its membership. For example, new technology such as Artificial Intelligence and organizations providing non-traditional services in health care settings (such as social services, food delivery, housing support, and care coordination services). While these organizations may be familiar with compliance risks applicable to their current business, KHS will need to evaluate and familiarize the potential for new risk areas associated with new and different lines of health care businesses and technology.

H. Delegation Reporting and Compliance Plan

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

KHS remains fully responsible for the performance of all duties and obligations it delegates to Subcontractors and Downstream Subcontractors. Regardless of the relationship KHS has with a Subcontractor, whether direct or indirect through additional layers of contracting or delegation, KHS has the ultimate responsibility for adhering to, and fully complying with, all terms and conditions of the DHCS Contract, and all state and federal regulations.

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

Responsibilities include:

- Ensure KHS Departments which delegate functions establish performance and reporting deliverables for departmental business needs designed to assess the effectiveness of health care delivery to members in compliance with regulatory requirements.
- Assist Departments with establishing effective departmental auditing tools designed to measure and report delegated entity performance in order to ensure compliance with regulatory requirements.
- Oversee all audits of delegated entities and assure that departments perform all necessary audits of delegated entities which are responsible for those functions delegated as set forth in the written delegation agreement on behalf of KHS. Audits and review of monthly and quarterly reports to be completed on a timely basis.
- Review and evaluate delegated entity's performance including identifying opportunities for performance improvement, recommending and/or issue corrective action plans when a deficiency has been identified.
- Distribute information to the Delegation Oversight Committee regarding findings, recommended changes to contracts and policies, and requested initiatives or project updates by the delegate entity.
- Make recommendations to the Quality Improvement Committee, the Chief Medical Officer, and the Chief Compliance and Fraud Prevention Officer/Director of Compliance regarding the compliance status of the delegated entity as it relates to DHCS contract, DHCS and DMHC All Plan Letters, and CMS and other documented requirements.
- Outstanding issues from the Committee could be advanced to the Kern Health Systems Board of Directors as identified.

KHS will not delegate the following contractual elements, as specified in the DHCS contract:

- Chief Health Equity Officer
- Medical Loss Ratio (MLR)
- Compliance Program
- NCQA Accreditation
- Duty to Ensure Subcontractor, Downstream Contractor, and Network Provider Compliance
- Delegation of Authority
- Conflict of Interest Avoidance

An effective Compliance Program is critical to meeting internal operational goals; decreasing errors; improving the quality of patient care and patient safety; and preventing, detecting, and addressing fraud, waste, and abuse. KHS strives to provide the foundation for the development and sustainment of an effective and

### COMPLIANCE PROGRAM

cost-efficient Compliance Program. By fostering a true cultural shift for the organization from "following" risk management to "living" risk management, KHS is poised to strengthen its enterprise-wide governance, risk, and compliance, now and in the future.



### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT:	2025 Compliance Code of Conduct
DATE:	February 20, 2025

### BACKGROUND

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

The Governance and Compliance Committee has the fiduciary responsibility to oversee Kern Heath System's (KHS) regulatory Compliance Program and shall ensure the establishment and maintenance of an effective compliance and ethics program by assuring compliance activities are reasonably designed, implemented, and generally effective in preventing and detecting risks or compliance violations.

Kern Health System's Code of Conduct articulates the standards of behavior that is demonstrated by all KHS employees and Board Members This Committee assists the Board to improve its functioning, structure, and infrastructure. Adherence to the Code of Conduct demonstrates the organizational commitment to comply with all regulatory requirements, state, and federal laws.

As a core function of the KHS's Governance and Compliance Committee, advancing transparency of all Compliance related activities, serves to mitigate risk to the organization through a centrally comprised oversight committee.

### **REQUESTED ACTION**

Approve the 2025 Compliance Code of Conduct.



# **Code of Conduct**



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### **Executive Summary**

Kern Health Systems, dba Kern Family Health Care, is committed to conducting its business operations in compliance with regulatory and contractual obligations while also delivering high quality and accessible health care services. Kern Health Systems' Compliance Program, Compliance Work Plan, and Code of Conduct together form the core components of the organization's Compliance Program. Kern Health Systems' Compliance Program and Code of Conduct reinforces the organization's purpose and values which support our commitment to integrity and ethical business conduct.

At Kern Health Systems (KHS), compliance and ethical conduct mean doing the right thing while serving the community. The Code of Conduct is a valuable guide to help us choose wisely when faced with an ethical dilemma. All employees, including members of the KHS Board of Directors, are required to perform consistently as outlined in the KHS Code of Conduct.

These six fundamental values: **EQUITY, EXCELLENCE, COMPASSION, COLLABORATION, INNOVATION, and INTEGRITY**, remind us that preserving an ethical workplace is critical to our long-term success as an organization. The Code articulates the standards of behavior that each one of us is expected to observe while performing our jobs, as well as our commitment to complying with all regulatory requirements, state, and federal laws.

As employees, we are all required to ensure compliance and report any potential issues, ethical concerns, or violations of this Code of Conduct in accordance with policies and procedures. For additional information please refer to the Compliance Program Description, Compliance Guide, Employee Handbook, and Policies and Procedures located on the KHS Intranet website.

**Emily Duran** 

Chief Executive Officer

# **CORE VALUES**



# **KERN HEALTH SYSTEMS CORE VALUES**



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We take action to create a culture of fairness and inclusion that fits all members and employees, regardless of zip code, race, ethnicity, preferred language, cultural preferences, or personal history.

• Equity matters because people matter. We recognize that everyone is beautifully diverse, and we are better as an organization and a community when every individual is able to thrive and contribute their unique gifts.

#### Excellence



We continually strive for outstanding results by maintaining high standards, community relevance, and working to improve ourselves and our programs.
Excellence translates to quality outcomes, and a stronger, healthier community. We take pride in our work and invest the necessary effort to grow and ensure a meaningful, measurable impact for those we serve and work with.



#### Compassion

- We seek to see through the eyes of someone else's experience and extend empathy and care.
- Compassion is at the core of who we are. It is something that we give to others and ourselves, recognizing each person's inherent value and worth. When we understand and care for each other, we can design a better solution and response more productively to those is need.

# **KERN HEALTH SYSTEMS CORE VALUES**

### Collaboration



- We leverage each other's experience and expertise to solve problems and accomplish shared outcomes in support of a common mission.
- We recognize that we are most effective when we collaborate. Bringing together different strengths and perspectives promotes greater creativity, and makes for more sustainable, impactful solutions and results.



### Innovation

- We create novel methods, solutions or systems that expand what is possible and deepen our potential impact.
- We value experimentation and out -of-the-box thinking as keys to finding new opportunities, improving efficiency, and producing a greater output and value. We are informed by the changing world that we work in, and constantly looking for ways to better serve our members and ourselves.

### Integrity

- We do the right thing, even when its not the easy thing.
- Integrity is essential to creating the foundation for trust, workability and performance. Being true to our word and each other is what gives us the best possible chance to succeed and make a lasting difference.

# KERN HEALTH SYSTEMS PURPOSE STATEMENT

# **Health and Equity for All!**

	Our Values
It's in everything we do and everything we are. It's our rally cry! It's what brings us together and propels us forward. When we say for all, we mean for <i>all</i> . Our members, our community, our providers and our employees at KHS.	Our Values Equity
At KHS we invest. We invest in what's possible. We equip our community, members, providers, and people to go beyond health and care of the body, to include the health of family, home, work, and relationships.	Excellence
Our members are the heartbeat of our work. Each day is about serving them, empowering them, and caring for them. Care with the kind of quality that	Compassion
raises people up, breaks the cycle of poverty and opens doors to opportunity.	Collaboration
Employees are not just coming to work; they come to make a difference. They come to KHS as the place to express their full and best gifts, grow as leaders, and leave the community a better place.	Innovation
When we level up, our community levels up.	Integrity
Health and Equity for All is about more than healthcare; it's about fostering a community of care. This means people-care, member-care, community-care, and provider-care – each facet integral, every individual valued.	

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### **CODE OF CONDUCT PRINCIPLES**

KHS employees are bound to comply, in all official acts and duties, with all applicable laws, rules, regulations, standards of conduct, including, but not limited to laws, rules, regulations, and directives of the federal government and the state of California, including KHS rules, policies, and procedures.

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

All new employees will receive orientation and training in compliance policies and procedures. Participation in required training is a condition of employment. Failure to participate in required training may result in disciplinary actions, up to and including, termination of employment. Every employee is asked to attest that they have received, read, and understood the contents of the compliance plan.

Every employee will receive an initial compliance orientation and periodic training updates regarding compliance protocols as they relate to the employee's individual duties. Non-compliance or violations will result in sanctioning of the involved employee(s) up to, and including, termination of employment. Disciplinary action will be taken in accordance with Kern Health System Human Resources policies and Employee Handbook.

Employees are required to read, acknowledge, and attest to completion of training on Kern Health Systems' Code of Conduct, annually. Employees understand and agree their attestation certifies the employee has received, read, agrees with, and will abide by, the Code of Conduct and all Kern Health System policies.

### **Conduct**

Anti-Discrimination/Anti-Harassment. Employees will not unlawfully discriminate or engage in unlawful harassment against anyone on account of age, disability, marital status, national origin, race, religion, sexual orientation, or gender identity in hiring or other employment practices. Employees are responsible for supporting Kern Health System in its endeavor to protect others from such harassments and to assist affected employees in support and preventative action.

**Honesty.** Employees must not make false or misleading statements to any members and/or persons doing business with Kern Health System or about products or services offered by Kern Health System. Intentional acts of dishonesty are subject to strict disciplinary action, up to and including termination. Suspected violations should be promptly reported to the Compliance team at **FraudTeam@khs-net.com**.

**Professionalism.** Personal and professional behavior must conform to the standards expected of persons in their positions and within their responsibilities to ensure no misrepresentation of facts.

**Duty to Safeguard.** Employees must safeguard the identity, eligibility, individually identifiable health information, and other confidential information in accordance with Kern Health System policies and applicable legal requirements. Suspected violations should be promptly reported to the Compliance team at **HIPAATeam@khs-net.com**.

**Proprietary Information.** Employees will safeguard confidential proprietary information, which includes, but is not limited to contractor information, proprietary systems and software, research studies, and reports.

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Kern Health Systems maintains a strong commitment to comply with all applicable Federal and State requirements and standards under its contract and licensure with the State Regulatory agencies. KHS's organizational expectation requires all employees, Executive officers, Board of Directors, Network Providers, Subcontractors, and Downstream Contractors to act ethically and have a responsibility in ensuring compliance.

**Compliance with the Law.** Employees will not lie, cheat, steal, or violate any law in connection with their employment with Kern Health System. Employees cannot be suspended, terminated, debarred or otherwise ineligible to participate in any Federal or State health care program. Employees must act ethically, and all employees have a responsibility for ensuring compliance.

**Compliance Program and Reporting.** Employees are required to promptly report suspected violations of any Federal and/or State statute, regulation, or guideline, or Kern Health Systems policies. Employees must report any non-compliance or misconduct to a supervisor, the Chief Compliance and Fraud Prevention Officer, Director of Compliance and Regulatory Affairs and/or anonymously to the Compliance Ethics Hotline 1-833-607-6589.

**Regulatory Reporting.** Employees must notify the Chief Compliance and Fraud Prevention Officer and/or the Director of Compliance and Regulatory Affairs immediately upon the receipt of an inquiry, or other government request for information from an external body. Employees will not take action with regulatory bodies that is false or misleading and will communicate with regulatory agencies in a direct, open, and honest manner.

Accurate Books and Records. Financial reports, accounting records, expense accounts, timesheets, regulatory reporting, and other documents must be prompt and accurately represent the facts or true nature of the transaction(s). Improper or fraudulent documentation or reporting will violate this policy and may violate the law. Employees are to report inaccuracies promptly.

**Preservation of Documentation and Records.** Employees will not destroy or alter information or documents in anticipation of, or in response to, a request for documents by any governmental agency or court with jurisdiction.

**Protection of Company Property**. Employees are responsible for protecting and taking reasonable steps to prevent the misuse, theft, or damage of Kern Health System assets. Kern Health System property may not be converted to personal use.

### **Conflicts of Interest**

**Avoiding Conflict.** Employees are expected to avoid, and not engage in, situations or business practices that conflict with the interests of the company. If under any circumstance, employee interests' conflict with those of Kern Health Systems, the employee must seek advice from the Chief Compliance and Fraud Prevention Officer and their senior management.

**Business Relationships.** Offering, giving, soliciting, or accepting any form of bribe or other improper payment is expressly prohibited. Kern Health Systems' business must be executed in a manner designed to further the interests of Kern Health Systems, rather than the interests of an individual.

**Gifts.** Employees will not accept or solicit personal gratuities, gifts, favors, services, entertainment, or any other things of value from any person or organization unless specifically permitted by Kern Health Systems.

**Meals.** Employees may not accept cash or cash equivalents. Perishable or consumable gifts given to a department are not subject to any specific limitation. Business meetings at which a meal is served are not prohibited from being provided by Kern Health Systems to a partner, or by a partner to Kern Health Systems.

**Use of Funds.** Kern Health Systems and its employees will not make gifts of public funds or assets or lend credit to private persons without adequate consideration unless such actions clearly serve a public purpose and are approved by the Legal Department.

The Code of Conduct is a living document that will be reviewed on an annual basis and updated as necessary to reflect the needs of the organization. A copy can be downloaded from the KHS Intranet as well as our website-**kernfamilyhealthcare.com**.

Without programs to prevent, detect, and correct non-compliance, risk is created for potential harm to members, such as delayed services, denial of benefits, difficulty in using providers of choice and other hurdles to care or loss of contracts or licensures.

If anyone has questions regarding the Code of Conduct, our Compliance Program, or are unsure if something is non-compliant or in violation, please reach out to the Chief Compliance and Fraud Prevention Officer via email at **deborah.murr@khs-net.com** or phone at 661-664-5541, and/or the Director of Compliance and Regulatory Affairs via email @ jane.macadam@khs-net.com or phone at 661-664-5016 or the Compliance team via email at **Compliance@khs-net.com**.

Compliance is your partner, advocate, and confidante; ready to assist with all compliance related issues.

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## MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT:	2025 Compliance Guide
DATE:	February 20, 2025

### BACKGROUND

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

The Governance and Compliance Committee ensures the establishment and maintenance of an effective compliance and ethics program by assuring compliance activities are reasonably designed, implemented, and generally effective in preventing and detecting risks or compliance violations.

Kern Health System's Compliance Guide offers a self-study reference guide in support of KHS's commitment to acting ethically and responsibly in a culture of compliance, ethics, and integrity. Additional resources are available in the KHS Employee Handbook and policies and procedures.

Educational support to all staff and Board Members for managing organizational risks related to Fraud, Waste, and Abuse (FWA) and Privacy and Security issues under the Health Insurance Portability and Accountability Act (HIPAA) ensures the organization is provided the necessary tools to protect KHS members' personal health information and KHS's proprietary activities.

As a core function of the KHS's Governance and Compliance Committee, advancing transparency of all Compliance related activities, serves to mitigate risk to the organization through a centrally comprised oversight committee.

### **REQUESTED ACTION**

Approve the 2025 Compliance Guide.





# Self-Study Employee Guide

HIPAA Fraud, Waste, or Abuse Code of Conduct Core Values



# KHS Self-Study Employee Guide

HIPAA Fraud, Waste, or Abuse Code of Conduct

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# A message from the **Compliance Department**

At Kern Health Systems we are deeply committed to acting ethically and responsibly in a culture of compliance, ethics, and integrity. To support that commitment, we have created this Self-Study Employee Guide that will cover general information regarding HIPAA, Fraud, Waste, or Abuse, and the KHS Code of Conduct.

Additional information can be found in the Employee Handbook as well as polices and procedures located on the KHS Intranet. Should you have questions regarding any of the topics in this guide, please contact the Compliance Department.

Methods for contacting Compliance and reporting concerns:

FraudTeam@khs-net.com HIPAATeam@khs-net.com Compliance@khs-net.com Director of Compliance and Regulatory Affairs: jane.macadam@khs-net.com Chief Compliance and Fraud Prevention Officer: deborah.murr@khs-net.com

KHS employees can also report suspected ethical abuses and fraud by calling the Ethics Hotline at:

# 1-833-607-6589

Available 24/7. All calls are strictly confidential.



KHS Compliance Guide - 3 -

# HIPAA

# What does it mean to you?

At Kern Health Systems every employee is responsible for the health records of over 400,000 Members. It's important to understand the state and federal laws that regulate the privacy and protection of Member information, as necessary to carry out KHS workforce functions.

HEALTH NSURANCE PORTABILITY ACCOUNTABILITY ACT

WHAT DOES THE LAW SAY?

KHS Compliance Guide - 4 -

The Health Insurance Portability and Accountability Act of 1996 or (HIPAA) is a federal law designed to protect a subset of sensitive information known as protected health information or (PHI) shared with health plans, doctors, hospitals and others who provide and pay for healthcare. In 2009, HIPAA was expanded and strengthened by the HITECH Act (Health Information Technology for Economic and Clinical Health).

# What is PHI, ePHI, and PI?

The HIPAA Privacy Rule protects the privacy of individually identifiable health information, called protected health information (PHI).

PHI (Protected Health Information) is any information that can be used to identify a Member, whether living or deceased - that relates to the patient's past, present, or future physical or mental health or condition.

The HIPAA Security Rule protects information which is individually identifiable health information received, maintained or transmitted in electronic form. The Security Rule calls this information "electronic protected health information" (e-PHI). PI (Personal Information) is any information that is not public and maintained by an agency that identifies or describes an individual. This may include two or more pieces of information such as first and last name with a social security number and or date of birth.

## **Examples of PI**

- Name (first and last)
- Social Security Number
- Physical Description
- Home Address
- Home Telephone Number
- Education
- Financial Matters
- Medical or Employment History
- Statements made by or attributed to the individual

Employees may access Member PHI, ePHI or PI ONLY when necessary to perform their jobrelated duties.

HIPAATeam@khs-net.com

You must take immediate action and report all potential privacy breaches or unauthorized disclosures to your Supervisor and the *HIPAATeam@khs-net.com* or the Chief Compliance Officer



A privacy breach is an unauthorized disclosure of PHI, ePHI, or PI in any manner (paper, electronic or verbal) that violates either Federal or State laws.



### TYPES OF BREACHES

Paper Breach

Misdirected paper faxes with PHI outside of KHS, loss or theft of paper documents containing PHI, mailings with PHI to incorrect providers or members.



Electronic Breach

Stolen, unencrypted laptops, hard drives, PCs with ePHI, stolen unencrypted USB devices (memory sticks, thumb drive, etc.), misdirected e-fax to an unauthorized party.



### Verbal Breach

Sharing PHI with friends or family outside of work, over the phone to a person not authorized by law or permission.

# **Privacy & Security Tips**

Protect PHI and ePHI at all times – your job and reputation may depend on it.



- Over, turn over, or lock up PHI and lock your computer screen when you're away from your workstation.
- Use encryption for emails containing ePHI.
- On not discuss PHI outside of work under any circumstances.
- Protect PHI on computers, laptops, copy machines, or other electronic devices.
- When faxing member information, double check the recipient's number.
- Promptly pick up your copies containing PHI from copy machines.
- Report accidental or willful disclosures of PHI and security violations to your Supervisor and the KHS Privacy Officer by using the HIPAA Team email node - HIPAATeam@khs-net.com.
- On not leave your passwords exposed.
- Use confidential shredding bins to dispose of PHI.

Accessing or disclosing Member's PHI is only permitted when it pertains to the employee's job duties.

# Penalties for Breaches

Breaches of the HIPAA Privacy and Security Rules have serious ramifications that may result in civil and criminal penalties.

# CIVIL

HIPAA civil financial penalties apply to covered entities and its employees which may include: \$141-\$2,134,831 in fines or more for single violation up to \$1.5 million for multiple violations in 1 year. Additional separate penalties can be assessed by the Attorney General of \$100 to \$25,000 per violation category.



# CRIMINAL

Criminal penalties for knowingly obtaining, using or disclosing PHI in violation of HIPAA may include fines up to \$50,000 to \$250,000 and up to 10 years in prison.

Sources: 45 C.F. R. § 160.404, 42 U.S. Code § 1320d-6



Violations of KHS policies may also result in disciplinary action, up to and including termination of employment.



Provide only the information that is necessary in order to minimize risk to the security of a member's PHI.

Follow minimum necessary principles for using confidential information:

- If you don't need confidential information to complete a task, don't access it.
- If specific information is requested, such as a list of specific members or a person's name, send only that.
- If you need to reply to or forward an email or text message, remove all non - essential PHI and recipients from the message before you send it.
- Leave minimal information necessary on voicemail or answering machines.

HIPAA requirements state that when you access, use, or disclose PHI, only access, use, or disclose the minimum necessary information to accomplish the intended purpose.

Sources: 45 C.F. R. § 164.502(b), 45 C.F.R. 164.514(d)

We are ALL responsible for reporting suspected cases of FWA.

# Fraud, Waste, or Abuse

## What is FRAUD?

An intentional deception or misrepresentation made by persons with the knowledge that the deception could result in some unauthorized benefit to themselves or some other person and includes any act that constitutes Fraud under applicable federal or State law, including 42 CFR section 455.2 and W&I section 14043.1(i). WASTE? The over utilization or

inappropriate utilization of services and misuse of resources.

## or ABUSE?

Practices that are inconsistent with sound fiscal and business practices or medical standards, and result in an unnecessary cost to the Medi-Cal program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for health care. It also includes Member practices that result in unnecessary cost to the Medi-Cal program.

WHAT DOES THE LAW SAY? The False Claims Act (FCA) (31 U.S.C. §3729-3733), protects the government from being overcharged or sold substandard goods or services. The FCA imposes liability on any person who submits a claim to the federal government that he or she knows is false.

KHS Compliance Guide - 10 -



- **Provider FWA**
- Billing for services not rendered
- Sending Members a bill after the plan has made payment
- Coding a New Patient Visit instead of an Established Patient Visit
- Soliciting or receiving kickbacks
- Questionable prescribing practices
- Member FWA

Report FWA

- Ambulance abuse and overuse of Emergency Rooms
- Sharing ID card, benefit sharing
- Illegal doctor shopping & drug-seeking behavior
- Deliberately providing misinformation to retrieve services
- Selling and forging prescriptions

## Speak Up!

Report suspicious activities to your Supervisor and the Director of Compliance by using the Fraud Team email node. You can also make anonymous reports by calling the Ethics Hotline at 1-833-607-6589, available 24/7. All calls to the hotline are strictly confidential.

KHS Compliance Guide -11-

# **Do the right thing**

Anyone with information about possible fraud, waste, or abuse can make a confidential report.

Kern Health Systems does NOT allow or tolerate retaliation against those who, in good faith, report potential Fraud, Waste, or Abuse (FWA) to the Compliance Department.



# **Report FWA concerns:**

- To your Supervisor or Management Team
- Email the Fraud Team at FraudTeam@khs-net.com
- In person to the Compliance Team
- Call the Ethics Hotline 1-833-607-6589

When you report, you're protected. KHS employees can report suspected ethical abuses and fraud by calling the Ethics Hotline at:

# 1-833-607-6589

Available 24/7. All calls are strictly confidential.

KHS Compliance Guide - 12 -

## **HEADLINE TEST**



KHS Compliance Guide - 13

Do the right thing while serving the community.



# **Code of Conduct**

At Kern Health Systems (KHS), compliance and ethical conduct mean doing the right thing while serving the community.

The KHS' Code of Conduct is a set of values outlining the responsibilities for you as an employee and KHS as an organization.

These SIX fundamental values: EXCELLENCE, EQUITY, INTEGRITY, INNOVATION, COLLABORATION, AND COMPASSION, remind us that preserving an ethical workplace is critical to our long-term success as an organization. The Code articulates the standards of behavior that each one of us is expected to observe while performing our jobs.

KHS maintains a non-retaliation policy. As employees we are required to, in good faith, report compliance issues, ethical concerns, or violations of this Code of Conduct in accordance with KHS policies.



Potential compliance concerns should be reported to the Director of Compliance, Chief Compliance Officer, or Compliance@khs-net.com.

Kern Health Systems is committed to advancing our values by designing our services and benefits that meet the needs of diverse patient populations

KHS Compliance Guide -14



The Code of Conduct is a cornerstone of the Kern Health Systems Compliance Program and articulates the standards of behavior that each one of us is expected to observe while performing our jobs.

KHS Compliance Guide - 15

## KERN HEALTH SYSTMS CORE VALUES

#### Equity



We take action to create a culture of fairness and inclusion that fits all members and employees, regardless of zip code, race, ethnicity, preferred language, cultural preferences, or personal history.

Equity matters because people matter. We recognize that everyone is beautifully diverse, and we are better as an organization and a community when every individual is able to thrive and contribute their unique gifts.

#### Excellence



We continually strive for outstanding results by maintaining high standards, community relevance, and working to improve ourselves and our programs.
Excellence translates to quality outcomes, and a stronger, healthier community. We take pride in our work and invest the necessary effort to grow and ensure a meaningful, measurable impact for those we serve and work with.



#### Compassion

- We seek to see through the eyes of someone else's experience and extend empathy and care.
- Compassion is at the core of who we are. It is something that we give to others and ourselves, recognizing each person's inherent value and worth. When we understand and care for each other, we can design a better solution and response more productively to those is need.



#### Collaboration

- We leverage each other's experience and expertise to solve problems and accomplish shared outcomes in support of a common mission.
   We recognize that we are most effective when we collaborate. Bringing together
- different strengths and perspectives promotes greater creativity, and makes for more sustainable, impactful solutions and results.



#### Innovation

- We create novel methods, solutions or systems that expand what is possible and deepen our potential impact.
- We value experimentation and out-of-the-box thinking as keys to finding new opportunities, improving efficiency, and producing a greater output and value.
   We are informed by the changing world that we work in, and constantly looking for ways to better serve our members and ourselves.



### Integrity

- We do the right thing, even when its not the easy thing.
- Integrity is essential to creating the foundation for trust, workability and performance. Being true to our word and each other is what gives us the best possible chance to succeed and make a lasting difference.

KHS Compliance Guide - I6-

## KERN HEALTH SYSTEMS PURPOSE STATEMENT

## Health and Equity for All!

It's in everything we do and everything we are. It's our rally cry! It's what	Our Values
brings us together and propels us forward. When we say for all, we mean for <i>all</i> . Our members, our community, our providers and our employees at KHS.	Equity
At KHS we invest. We invest in what's possible. We equip our community, members, providers, and people to go beyond health and care of the body, to include the health of family, home, work, and relationships.	Excellence
Our members are the heartbeat of our work. Each day is about serving them, empowering them, and caring for them. Care with the kind of quality that	Compassion
raises people up, breaks the cycle of poverty and opens doors to opportunity.	Collaboration
Employees are not just coming to work; they come to make a difference.	
They come to KHS as the place to express their full and best gifts, grow as leaders, and leave the community a better place.	Innovation
When we level up, our community levels up.	Integrity
Health and Equity for All is about more than healthcare; it's about fostering a community of care. This means people-care, member-care, community-care, and provider-care – each facet integral, every individual valued.	

The Chief Compliance and Fraud Prevention Officer and the entire Compliance Department are valuable resources available to partner with you in all aspects of ensuring compliance. Compliance is everyone's responsibility.

- Answer questions
- Clarify requirements, regulations, and reporting obligations.
- Provide guidance or training on compliance or regulatory topics.
- Investigate and resolve any concerns or potential violations.
- Provide guidance on implementing new requirements or corrective actions for any potential areas of non-compliance.

An effective compliance program is critical to meeting internal operational goals; decreasing errors; improving the quality of patient care and patient safety; and preventing, detecting, and addressing fraud, waste, and abuse. KHS strives to provide the foundation for the development and sustainment of an effective and cost-efficient compliance program. By fostering a true cultural shift for the organization from "following" risk management to "living" risk management, KHS is poised to strengthen its enterprise-wide governance, risk, and compliance, now and in the future.

KHS Compliance Guide - 17-



### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT:	2025 Anti-Fraud Plan
DATE:	February 20, 2025

### BACKGROUND

In accordance with California Health and Safety Code Section 1348, Kern Health Systems (KHS) establishes and maintains an antifraud plan. The purpose of the antifraud plan outlines KHS strategies and efforts to identify and reduce costs to the plan, providers, subscribers, enrollees, and others caused by fraudulent activities, and to protect consumers in the delivery of health care services through the timely detection, investigation, and prosecution of suspected fraud.

The Governance and Compliance Committee ensures the establishment and maintenance of an effective compliance and ethics program by assuring compliance activities are reasonably designed, implemented, and generally effective in preventing and detecting risks or compliance violations.

The KHS Compliance Department regularly reviews strategies to strengthen its Anti-Fraud Plan. Key elements include ensuring enhanced fraud risk awareness and facilitating increased coordination and collaboration across the organization are essential to improving its fraud risk assessment processes.

KHS provides an effective training program for all KHS employees and Board of Directors. Providers, vendors, subcontractors, and enrollees also receive information to educate and improve their awareness of various forms of fraud, waste, or abuse and how they can detect, prevent, and report suspected fraud, waste, or abuse. This training highlights KHS' commitment to compliance with federal and state regulations regarding fraud, waste, or abuse.

### **REQUESTED ACTION**

Approve the 2025 Anti-Fraud Plan.



#### ANTI-FRAUD PLAN

In accordance with California Health and Safety Code Section 1348, Kern Health Systems (KHS) establishes and maintains an antifraud plan. The purpose of the antifraud plan outlines KHS strategies and efforts to identify and reduce costs to the plan, providers, subscribers, enrollees, and others caused by fraudulent activities, and to protect consumers in the delivery of health care services through the timely detection, investigation, and prosecution of suspected fraud.

### 1. Definitions:

- Abuse is defined as practices that are inconsistent with sound fiscal and business practices or medical standards, and result in an unnecessary cost to the Medi-Cal program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for health care. It also includes Member practices that result in unnecessary cost to the Medi-Cal program.
- **Fraud** is defined as an intentional deception or misrepresentation made by persons with the knowledge that the deception could result in some unauthorized benefit to themselves or some other person and includes any act that constitutes Fraud under applicable federal or State law, including 42 CFR section 455.2 and W&I section 14043.1(i).
- Waste includes the overutilization or inappropriate utilization of services and misuse of resources.

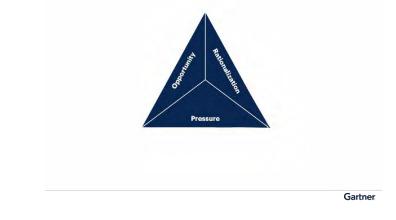
#### 2. Structure:

Under the leadership of the Chief Compliance and Fraud Prevention Officer (CCFPO), the KHS Compliance Department is responsible for implementation of the Anti-Fraud Plan (AFP). The Compliance Department is responsible for Anti-Fraud Plan oversight, and it has full authority to review all documents and other information that are relevant to the exercise of position duties. In addition, the Chief Compliance and Fraud Prevention Officer is copied on internal reports and work with Directors to identify opportunities for process improvement. The Chief Compliance and Fraud Prevention Officer annually reviews and updates the Anti-Fraud Plan as necessary to address KHS operational, legislation, or federal/state policies changes.

The Chief Compliance and Fraud Prevention Officer reports to the Chief Executive Officer and has access KHS legal counsel, and dotted reporting authority to the KHS Board of Directors. The attached Fraud Reporting Structure<sup>i</sup> demonstrates the relationship of the Compliance Department to senior management and KHS Board of Directors (see attachment A).

- KHS employees, providers, members, vendors, and sub-contractors shall abide by all parts of this plan.
- KHS serves Medi-Cal beneficiaries and coordinates care with local programs.
- KHS does not delegate program integrity and compliance plan functions to any Subcontractor or Downstream Contractor.

The KHS Compliance Department regularly reviews strategies to strengthen its Anti-Fraud Plan<sup>1</sup>. Key elements include ensuring enhanced fraud risk awareness and facilitating increased coordination and collaboration across the organization are essential to improving its fraud risk assessment processes.



Fraud, Waste, and Abuse (FWA) Committee:

The Compliance Department chairs a Fraud, Waste, and Abuse Committee, which reviews and discusses potential fraud, waste, and abuse activities. The Committee meets at least quarterly, and more often as needed based on FWA activities and investigations.

#### 3. Policies and Procedures:

KHS maintains an anti-fraud strategy to identify fraud, waste, or abuse and reduce costs associated with such activities. This includes the protection of the members during the delivery of health care services by providers.

The Compliance Department is responsible for the development and implementation of policies and procedures to prevent and detect fraud, waste, or abuse, which address specific areas of suspected fraud, waste, or abuse and the initiation of corrective action to prevent similar offenses. KHS has an established policy, *14.04-P Preventing, Detecting, and* 

*Reporting Fraud, Waste, or Abuse*, which is submitted and approved by both the Department of Healthcare Services (DHCS) and the Department of Managed Health Care (DMHC) (see Attachment B).

In accordance with 42 USC section 1396b(i)(2), KHS will not pay any amount for any services or items, other than Emergency Services, to an Excluded Provider as defined in Exhibit A, Attachment III, Subsection 1.3.4.A, (*Tracking Suspended, Excluded, and Ineligible Providers*) of DHCS Contract. This prohibition applies to non-emergent services furnished by a Provider at the medical direction or prescribed by an Excluded Provider when the Provider knew or had a reason to know of the exclusion or prescribed by an Excluded Provider direction of a credible allegation of Fraud.

- Compliance with the Anti-Fraud Plan and related policies and procedures may be a factor in evaluating the performance of employees. KHS may take disciplinary action, up to and including termination, for violation of these requirements.
- Contracted providers are by virtue of their contract are obligated to adhere to all KHS' policies and procedures including regulatory requirements related to Fraud, Waste, or Abuse. Providers access relevant policy and procedures via KHS' website. Additionally, contracted providers periodically receive provider awareness bulletins.

#### 4. Anti-Fraud Awareness Training Program:

Noncompliance and misconduct stem from many factors, and organizational culture remains a leading cause of both. Fraud-awareness training creates a culture of fraud awareness, helping prevent fraud and increase the likelihood of incident reporting. Comprehensive fraud-awareness training programs help address the conditions that lead to fraud — rationalization, pressure, and opportunity — by educating employees about common fraud scenarios and communicating consequences for fraudulent activity and behavior. A strong code of conduct provides the foundation for a fraud-aware culture.

KHS provides an effective training program for all KHS employees and Board of Directors. Providers, vendors, subcontractors, and enrollees also receive information to educate and improve their awareness of various forms of fraud, waste, or abuse and how they can detect, prevent, and report suspected fraud, waste, or abuse. This training highlights KHS' commitment to compliance with federal and state regulations regarding fraud, waste, or abuse.

- New employees receive Anti-Fraud Awareness training as part of the New Employee Orientation Program within 90 days from their hire date.
- FWA training is also conducted for all employees annually, which requires all employees to participate in the training and pass quizzes presented throughout the training.
- Employee attendance and participation in training programs are a condition of continued

employment, and failure to comply with training requirements may result in disciplinary action, up to and including termination.

- The Compliance Department maintains adequate training records, including attendance logs and material distributed during the training sessions.
- If an employee is unclear as to their obligations regarding anti-fraud matters, the employee may seek clarification from the Fraud Team, Director of Compliance, or the Chief Compliance and Fraud Prevention Officer.
- The Chief Compliance and Fraud Prevention Officer, Director of Compliance and members of the Compliance Department attend anti-fraud training, workshops, and seminars to enhance their knowledge and awareness of fraud investigation, detection, and prevention.
- New providers contracting with Kern Health Systems (KHS) are educated through our new provider orientation training, which includes a specific section on fraud, waste, and abuse.

#### 5. Communication:

Employees may report suspected fraud, waste, or abuse or any anti-fraud compliance issue to the Anti-Fraud Team, Chief Compliance and Fraud Prevention Officer or designee, or by calling the Ethics Hotline. After making the report, the employee should refrain from additional discussion of the matter, except with the Chief Compliance and Fraud Prevention Officer or designee. All reports directed to the Compliance Department will be reviewed within the standards set by contract or law.

KHS acknowledges that information shared by DHCS, other State and federal agencies, and other Medi-Cal managed care plans in connection with any Fraud, Waste, or Abuse referral must be considered confidential, until formal criminal proceedings are made public. All reports of suspected fraud, waste, or abuse will be treated confidentially. However, contingent upon circumstances, KHS may be required to reveal such information to comply with governmental authorities or law enforcement.

In accordance with Policy 14.04-P *Preventing, Detecting, and Reporting Fraud, Waste, or Abuse Prohibition of Retaliation*, KHS prohibits retaliation against any employee who makes a good faith report of suspected fraud, waste, or abuse. No employee will be subject to disciplinary action solely because they reported what they reasonably believe to be an act of wrongdoing. However, an employee whose report of wrongdoing contains an admission of personal wrongdoing cannot be guaranteed protection against disciplinary action. The fact that the employee volunteered the information will be considered as a favorable act in any disciplinary action concerning that employee. An employee may be subject to discipline if KHS determines they knowingly fabricated, in whole or in part, a report of wrongdoing. In addition to published policies and training, KHS supports ongoing communication and resources related to fraud, waste, and abuse, some of which are outlined below:

- The Compliance Department hosts an annual company-wide Compliance Awareness week event during the month of November. Materials are created internally and cover a variety of Compliance-related topics, including fraud, waste, and abuse.
- The KHS Code of Conduct also provides education on fraud, waste, and abuse. The code of Conduct is reviewed during New Employee Orientation and is also referenced during Compliance Week Activities. It is also available on the website (internal and external) for reference as needed.
- Additional provider education and resources include our Provider Manual and policies, which includes information on detection and reporting of fraud, waste, and abuse.
- The Member Handbook (Evidence of Coverage) describes examples of fraud, waste, and abuse and encourages members to report any allegations of fraud related to providers or members suspected of misusing his or her benefits or the benefits of others.
- The KHS website provides instructions for reporting fraud. A KHS FWA Reporting Form is available online at the KHS website for providers, members, and the public to use to report suspected fraud.
- Reports of suspected fraud, including those provided anonymously, are also accepted orally by telephone, via email to a dedicated Fraud Team email address, in person, or in writing from any source including employees, members, subcontractors, downstream subcontractors, providers and the public.
- The annual FWA training includes reminders on the internal processes for referring potential FWA to Compliance and the importance of timely referrals, including job aids and tutorials.
- The Compliance Team issues a monthly Compliance Capsule on a variety of topics, with at least one monthly capsule dedicated to potential fraud, waste, and abuse. The Compliance Capsule is distributed to all employees via email and also posted to the KHS internal employee dayforce hub.
- The Anti-Fraud Plan is submitted annually to the KHS Board of Directors (BOD). Regular reporting on the KHS FWA activities is also reported to the BOD.

#### 6. Fraud Investigations:

The Chief Compliance and Fraud Prevention Officer, in collaboration with the Director of Compliance, oversees fraud, waste, or abuse investigations. The Compliance Manager of Audits and Investigations assists in managing the day-to-day operations regarding fraud, waste, and abuse.

The Compliance Department has dedicated team members responsible for researching and gathering information, including supporting documentation, for allegations of fraud, waste, or abuse received by the department.

Allegations may be identified and/or received from enrollees, providers, KHS employees, subcontractors, government regulatory agents, the public, or a variety of other sources.

The Compliance department also serves as the primary point of contact in the coordination of KHS resources in response to external auditor, regulator, or law enforcement requests, including but not limited to the California Department of Justice Special Investigators and DHCS Medi-Cal investigators.

Compliance Department activities may involve the submission of the results of the preliminary investigation to the Department of Health Care Services (DHCS) Program Integrity Unit, and possibly law enforcement. KHS is committed to comply with any investigation or a prosecution conducted by the Division of Medi-Cal Fraud and Elder Abuse (DMFEA) and/or the United States Department of Justice (US DOJ), including communicating requirements with Subcontractors and Downstream Subcontractors.

- All allegations or suspicions of potential fraud, waste, and abuse received or identified are submitted to the Compliance Department for investigation.
- All allegations of fraud, waste, or abuse are entered in a Fraud Log to control and track the status of investigations.
- Compliance conducts investigations, which may include, but are not limited to reviews and/or analysis of claims, medical records, accounting records, and utilization management prior authorizations; telephone interviews; provider responses; and/or other applicable investigation techniques.
- Cases may be determined to be unsubstantiated if the act committed was due to an honest and unintentional mistake, and/or where there is no evidence of potential fraud, waste, and abuse upon the completion of the investigation.
- Actions taken as a result of investigations may include but are not limited to: referring to criminal and/or civillaw enforcement authorities as appropriate; education; issuing formal corrective action plans and monitoring through closure; disciplinary action, provider termination, or no additional action being taken, dependent on the nature of the allegation and outcome of the investigation.
- All investigations are documented utilizing an internal investigation form, with the allegation, investigation form, reporting, and all communications maintained in individual case files.

- The Director of Compliance, Manager of Audits and Investigations, Compliance Auditor, and Compliance Analysts meet weekly to review newly received cases, the status of open cases, and determine next steps.
- The CCFPO meets with the Director of Compliance, Manager of Audits & Investigations, and lead Compliance Analyst bi-weekly for oversight and additional direction on specific cases as needed.
- The FWA Committee also provides oversight and direction related to the FWA investigations.
- Compliance submits credible allegations of potential fraud, waste, or abuse to the Department of Health Care Services (DHCS) Program Integrity Unit, and law enforcement as required and outlined within our policies.

#### 7. Auditing and Monitoring:

- The Compliance Department submits an Annual Audit and Monitoring Plan to the Chief Executive Officer and Board of Directors for review and approval annually. The Annual Audit Plan contains intended areas of focus and outlines audit objectives for a calendar year. KHS regularly audits and monitors its internal departments, providers, subcontractors, and vendors.
- Compliance coordinates internal reviews and monitoring activities, including periodic reviews of departments based upon the annual audit plan or requests for a special audits, which may be triggered through other monitoring activities or reviews.
- The Claims Department also conducts ad hoc audits related to potential fraud, waste, and abuse, reporting results up to Compliance and the Fraud, Waste, and Abuse Committee.
- In addition to the FWA specific investigations, additional monitoring activities occur to detect possible provider or member fraud. Some examples are outlined at a high level below and reported up through the FWA Committee:

<b>Monitoring Activity</b>	Description	Department
Verification of Services	Quarterly mailing to at least 150 members to validate claims processed by KHS were actually received by the member	Compliance
Transportation Misuse	Member Transportation reports are reviewed for potential misuse; members found to be abusing the use of the transportation services may be restricted in the types of transportation services provided	Member Services

<b>Monitoring Activity</b>	Description	Department
Grievance	Report of possible fraud when a member has filed a grievance is investigated.	Member Services
Provider Monitoring	Monthly review of multiple ineligible provider and suspensions lists (OIG, DHCS, etc).	Provider Credentialing

#### 8. Reporting:

KHS complies with all reporting requirements as outlined within the DHCS contract and state and federal requirements.

- KHS reports FWA activity status regularly to the KHS Board of Directors and the quarterly FWA Committee.
- KHS reports relevant allegations to the DHCS Program Integrity Unit within ten (10) business days of initial identification and within ten (10) business days of completion.
- KHS provides a quarterly states report on FWA investigations to the DHCS Program Integrity unit within ten (10) calendar days of the end of each reporting quarter.
- KHS reports to other agencies and/or law enforcement as required based on the individual investigation.
- KHS provides an annual anti-fraud report to the Department of Managed Health Care Services by 12/31 of each year.
- KHS complies with the DHCS Contract, State and Federal laws, and the guidelines issued by DHCS pertaining to reporting and retention policies for the treatment of recoveries of all Overpayments to Providers, including for the treatment of recoveries of overpayments due to Fraud, Waste, and Abuse, as outlined in KHS Policy 6.01-P, Claims Submission and Reimbursement.

#### **References:**

i Attachment A – Fraud Reporting Structure

ii Attachment B – KHS Policy14.04-P, Preventing, Detecting, and Reporting Fraud, Waste, or Abuse

<sup>1</sup> 2022 Gartner Audit Key Priorities and Risks Survey.



#### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT:	2024 Compliance Work Plan Quarter 4 2024 Update
DATE:	February 20, 2025

#### BACKGROUND

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

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

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

The 2024 Quarter 4 Workplan update provides a summary review of activities that were scheduled for 2024 and the status of those activities.

#### **REQUESTED ACTION**

Approve the 2024 Compliance Work Plan Quarter 4 Update.

			KERN HEAL		STEMS				
			20 Complian	)24 ce Prog	gram				
ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
inpliance Plan Annual Review/Update of Compliance Documents and itten Policies and Procedures									
2024 Compliance Work Plan	Create 2024 Compliance Plan		Chief Compliance Officer Director of Compliance						
1a. Obtain Board Approval Review/Update and Approval of Compliance Code of Conduct	Obtain Board Approval of Compliance Work Plan Update Code of Conduct to align with 2024 DHCS Contract and obtain Board approval	2/15/2024	Chief Compliance Officer Chief Compliance Officer Director of Compliance		Complete	BOD approval Februay 2024			
2a. Obtain Board Approval of Compliance Code of Conduct	Obtain Board Approval of Compliance Code of Conduct	12/17/2024	Chief Compliance Officer		Complete	Awaiting corporate updates to pillars to update Code of Conduct further.	Six (6) new pillars have been adopted an approved July 2024. Final revision to Code of Conduct ir progress.	Code of Conduct finalized with new values and purpose. Reviewed by CLHRO for use.	Code of Conduct submitted to DHCS and approved
Review/Update and Approval of Compliance Guide	Update Code of Conduct and obtain Board approval		Chief Compliance Officer Director of Compliance						
3a. Obtain Compliance Committee Approval of Compliance Guide	Obtain Compliance Committee Approval of Compliance Guide	11/20/2024	Chief Compliance Officer		Complete		Six (6) new pillars have been adopted an approved July 2024. Final revision to Code of Conduct ir progress.	Compliance guide finalized and under internal review with leadership. Compliance meeting scheudled for 11/20/2024.	Reviewed and ready for review GCC and BOD 1/2025
3b. Obtain Board approval of Compliance Guide	Obtain Board approval of Compliance Guide	12/17/2024	Chief Compliance Officer		Complete		Six (6) new pillars have been adopted an approved July 2024. Final revision to Code of Conduct ir progress.	1	Reviewed and ready for review GCC and BOD 1/2025
Create 2024 Compliance Program	Create 2024 Compliance Program		Chief Compliance Officer Director of Compliance						
4a. Obtain Compliance Committee Approval of Compliance Program	Obtain Compliance Committee Approval of Compliance Program	3/29/2024	Chief Compliance Officer		Complete	Committee approval February 2024			
4b. Obtain Board approval of Compliance Program	Obtain Board approval of Compliance Program	2/15/2024	Chief Compliance Officer		Complete	BOD approval Feburay 2024			
Coordinate Departmental Review/Update of all Policy and ocedures	Create schedule & ensure all policies		Compliance Manager Compliance Analyst Compliance Specialist						
5a. Create schedule and distribute to stakeholders	Create schedule for policy reviews and distribute	6/1/2024	Compliance Manager		Complete	Reconciliaton work in progress; policies identified that were not updated over past year for APLs/2024 Contract Readiness, which will be the initial focus for review.	7/5/2024 Notifications sent to department leadership/executives for annual policy review updates process.		
5b. Track to completion	All policies to be reviewed by end of year	12/31/2024	Compliance Manager Compliance Analyst Compliance Specialist		Complete		Ongoing monitoring for completed reivews and submissions for final approvals.	Ongoing monitoring for completed reivews and submissions for final approvals.	Ongoing monitoring for comple reivews and submissions for fin approvals.
5c. Report Policy Review Status in Compliance Committee Meetings	Provide quarterly update to Compliance Committee (number reviewed/to be reviewed by department)	Quarterly	Compliance Manager Compliance Analyst Compliance Specialist		Complete	Reconciliation being finalized for NCQA, APL, 2024 DHCS Contract updates. Reporting will begin in Q2 Compliance Committee Meeting	Held August 14, 2024	Held August 26, 2024	Held November 20, 2024
Review/Update Compliance Policy & Procedures	Review/Update all Compliance owned policy and procedures		Director of Compliance Compliance Manager						
6a. Create Public versions of policies where needed (e.g. FWA, HIPAA) $% \left( {{\rm FWA},{\rm HIPAA}} \right)$	Create public facing versions of identified policies (e.g. HIPAA; FWA; etc)	12/31/2024	Director of Compliance Compliance Analyst		Complete	On track for publication by target date of 06/01/2024	Updated versions of HIPAA and FWA policies pending posting on website.	Policy revisions or new added as completed	Policy revisions or new added completed
Compliance Committee and Oversight									
Conduct Committee Meetings at least quarterly									
a. Conduct Compliance Committee meetings at least quarterly	Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly	Quarterly	Director of Compliance Compliance Manager		Complete	Held February 29, 2024	Held May 8, 2024	Held August 26, 2024	Held November 20, 2024
<ul> <li>b. Conduct Fraud, Waste, and Abuse Committee at least quarterly</li> </ul>	Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly	Quarterly	Director of Compliance Compliance Manager		Complete	Held February 9, 2024	Held May 6, 2024	Held August 5, 2024	Held November 4, 2024
c. Conduct Delegation Oversight Committee at least quarterly	Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly	Quarterly	Director of Compliance Compliance Manager		Complete	Held February 26, 2024	Held May 7, 2024	Held July 30, 2024	Held October 28, 2024

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### KERN HEALTH SYSTEMS 2024 Compliance Program

ACTIVITY									
	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
Review/update Committee Charters at least annually	Review/Update Charters and obtain Committee								
2a. Compliance Committee	Review/Update Charter	6/1/2024	Chief Compliance Officer		Complete		Delayed Q3		Reviewed with no revisions
2a.1 Obtain Committee Approval	Obtain Committee Approval on updated Charter	Q3 2024	Chief Compliance Officer		Complete	-	Delayed Q3		Reviewed with no revisions
2b. FWA Committee	Review/Update Charter	6/1/2024	Chief Compliance Officer		Complete	-	Delayed Q3		Reviewed with no revisions
2a.1 Obtain Committee Approval	Obtain Committee Approval on updated Charter	Q3 2024	Chief Compliance Officer		Complete		Delayed Q3 Delayed Q3		
					Complete				Reviewed with no revisions
c. Delegation Oversight Committee	Review/Update Charter	6/1/2024	Chief Compliance Officer		Complete		Delayed Q3		Reviewed with no revisions
2c.1 Obtain Committee Approval	Obtain Committee Approval on updated Charter	Q3 2024	Chief Compliance Officer	(	Complete		Delayed Q3		Reviewed with no revisions
ovide regular Compliance Updates to the Board of Directors		Bi-Monthly BOD Meetings	Chief Compliance and Fraud Prevention Officer	c	Complete	Held February 15, 2024	Held April 18, 2024	Held August 15, 2024	Held October 17, 2024
fective Training and Education									
n coordination with HR, review/update Corporate Compliance ning for calendar year 2024									
1a. Compliance Training	Review/update Compliance Training	4/1/2024	Director of Compliance	C	Complete	Compliance working with Human Resources Learning and Development team to revise/refresh content and delivery of training	2024 FWA, HIPAA trainings updated and will be assigned to staff in August 2024	Follow up and closure of open trainings for organization by Compliance and Learning/Development staff	Follow up and closure of open trainings for organization by Compliance and Learning/Development staff
1b. Fraud, Waste, and Abuse Training	Review/Update FWA Training	4/1/2024	Director of Compliance	c	Complete	Compliance working with Human Resources Learning and Development team to revise/refresh content and delivery of training	2024 FWA, HIPAA trainings updated and will be assigned to staff in August 2024	Follow up and closure of open trainings for organization by Compliance and Learning/Development staff	Follow up and closure of open trainings for organization by Compliance and Learning/Development staff
1c. HIPAA/Privacy Training	Review/Update HIPAA/Privacy Training	4/1/2024	Director of Compliance	(	Complete	Compliance working with Human Resources Learning and Development team to revise/refresh content and delivery of training	2024 FWA, HIPAA trainings updated and will be assigned to staff in August 2024	Follow up and closure of open trainings for organization by Compliance and Learning/Development staff	Follow up and closure of oper trainings for organization by Compliance and Learning/Development staff
In coordination with HR, track/report on completion of indatory training (Compliance, FWA, HIPAA)	Track annual training to completion		Director of Compliance (HR resource TBD)						
2a. Report training status in quarterly Compliance Committee	Report status of training completions, by department, in	Quarterly	Director of Compliance		Compliance	Reported out in Compliance Committee Meeting 02/29/2024; will	Reported out in Compliance Committee Meeting 05/08/2024 and	Reported out in Compliance Committee Meeting and will	Reported out in Compliance Committee Meeting and will
Meetings	quarterly Compliance Committee Meetings	quarterry	(HR resource TBD)	ľ	compnance	also be Q2 agenda item	will continue to be an agenda item for each meeting.	continue to be an agenda item for each meeting.	continue to be an agenda iten each meeting.
5	quarterly Compliance Committee Meetings Review/Update Compliance New Hire Orientation Overview	1/1/2024	(HR resource TBD) Chief Compliance and Fraud Prevention Officer		Complete		will continue to be an agenda item	continue to be an agenda item for	continue to be an agenda item each meeting.
Meetings Review/Update New Hire Orientation Overview Compliance & Ethics Week	Review/Update Compliance New Hire Orientation		Chief Compliance and			also be Q2 agenda item Updated for 2024 in HR scheduled	will continue to be an agenda item	continue to be an agenda item for	continue to be an agenda item each meeting.
Review/Update New Hire Orientation Overview	Review/Update Compliance New Hire Orientation Overview Plan and Execute activities for annual Compliance &	1/1/2024	Chief Compliance and Fraud Prevention Officer Compliance Manager Compliance Team		Complete	also be Q2 agenda item Updated for 2024 in HR scheduled	will continue to be an agenda item for each meeting. Parntering with Delegation Oversight team to complete with contracting/pre-delegation audit	continue to be an agenda item for each meeting. Planning begins in September/October.Scheduled for	continue to be an agenda iten each meeting. New subcontractors attest to compliance topic training at contracting
Review/Update New Hire Orientation Overview Compliance & Ethics Week	Review/Update Compliance New Hire Orientation Overview Plan and Execute activities for annual Compliance & Ethics Week Establish content and method for delegated	1/1/2024 11/15/2024	Chief Compliance and Fraud Prevention Officer Compliance Manager Compliance Team Members Compliance Manager		Complete Complete	also be Q2 agenda item Updated for 2024 in HR scheduled onboarding Noved target date due to resource constraints related to regulatory	will continue to be an agenda item for each meeting. Parntering with Delegation Oversight team to complete with contracting/pre-delegation audit Additionally delegated entities/vendors identified— All Med Cotiviti Hall Letter Harte	continue to be an agenda item for each meeting. Planning begins in September/October.Scheduled for November 4-8, 2024 New subcontractors attest to compliance topic training at	each meeting.
Review/Update New Hire Orientation Overview Compliance & Ethics Week Establish Compliance Training for Subcontractors 5a. Identify Delegated Entities/Subcontractors to receive	Review/Update Compliance New Hire Orientation Overview Plan and Execute activities for annual Compliance & Ethics Week Establish content and method for delegated entity/subcontractor Compliance training Identify subcontractors to which Compliance Training	1/1/2024 11/15/2024 9/1/2024	Chief Compliance and Fraud Prevention Officer Compliance Manager Compliance Team Members Compliance Manager Director of Compliance		Complete Complete Complete	also be Q2 agenda item Updated for 2024 in HR scheduled onboarding Moved target date due to resource constraints related to regulatory audits American Logistics VSP Health Dialog	will continue to be an agenda item for each meeting. Parntering with Delegation Oversight team to complete with contracting/pre-delegation audit Additionally delegated entities/vendors identified— All Med Cotivitied Hall Letter Harte Hanks LIfeSigns SPH Analytics Web MD lignite (Health Wise) Zelis	continue to be an agenda item for each meeting. Planning begins in September/October.Scheduled for November 4-8, 2024 New subcontractors attest to compliance topic training at	each meeting.
Review/Update New Hire Orientation Overview Compliance & Ethics Week Establish Compliance Training for Subcontractors 5a. Identify Delegated Entities/Subcontractors to receive training	Review/Update Compliance New Hire Orientation Overview Plan and Execute activities for annual Compliance & Ethics Week Establish content and method for delegated entity/subcontractor Compliance training Identify subcontractors to which Compliance Training applies	1/1/2024 11/15/2024 9/1/2024 9/1/2024	Chief Compliance and Fraud Prevention Officer Compliance Manager Compliance Team Members Compliance Manager Director of Compliance Compliance Manager Director of Compliance		Complete Complete Complete	also be Q2 agenda item Updated for 2024 in HR scheduled onboarding Moved target date due to resource constraints related to regulatory audits American Logistics VSP Health Dialog Language Line Initial discussions with HR on potential use of new training platform. Currently re-reviewing DHCS contract to determine topics	will continue to be an agenda item for each meeting. Parntering with Delegation Oversight team to complete with contracting/pre-delegation audit Additionally delegated entities/vendors identified— All Med Cotiviti Hall Letter Harte Hanks LlfeSigns SPH Analytics Web MD Ignite (Health Wise) Zelis (PaySpan) Reviewing required topics for delegate training referencing increased number of identified	continue to be an agenda item for each meeting. Planning begins in September/October.Scheduled for November 4-8, 2024 New subcontractors attest to compliance topic training at contracting New subcontractors attest to compliance topic training at	each meeting. New subcontractors attest to compliance topic training at contracting New subcontractors attest to compliance topic training at

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ΑCΤΙVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
8. 2024 DHCS Contract Monitoring Activities	Compliance coordinates with project team and key stakeholders	Ongoing	Director of Compliance Compliance Analyst		Complete	DHCS submissions/AIR completion Compliance Dashboard Health Equity Dashboard Reports for PHM, UM, WP, PNM QNXT Config Updates MOU Status Reporting & Execution	Compliance Dashboard Health Equity Dashboard Reports for PHM, UM, WP, PNM QNXT Config Updates MOU Status Reporting &	DHCS submissions/AIR completion Compliance Dashboard Health Equity Dashboard Reports for PHM, UM, WP, PNM QNXT Config Updates MOU Status Reporting & Execution	DHCS submissions/AIR completion Compliance Dashboard Health Equity Dashboard Reports for PHM, UM, WP, PNM QNXT Confit Updates MOU Status Reporting & Execution
9. Compliance key personnel attend regulatory-focused meetings:									
9a. LHPC call (weekiy)		Weekly	Director of Compliance		Complete	Attended by Director of Compliance and CCO	Attended by Director of Compliance and CCO	Attended by Director of Compliance and CCO	Attended by Director of Compliand
9b. CAHPS meeting (weekly)		Weekly	Manager of Compliance		Complete	Attended by Director of Compliance and CCO	Attended by Director of Compliance and CCO	Attended by Director of Compliance and CCO	Attended by Director of Compliand and CCO
9c. DHCS Plan Call (including Payment Call) (weekly)	Attend calls and report relevant updates to key stakeholders	Weekly	Director of Compliance		Complete	Attended by Director of Compliance and CCO			Attended by Director of Compliano and CCO
9d. DHCS topic-specific webinars/meetings (ad hoc)		As scheduled	Director of Compliance Compliance Manager		Complete	Attended by Director of Compliance and CCO	Attended by Director of Compliance and CCO	Attended by Director of Compliance and CCO	Attended by Director of Compliance and CCO
9e. DMHC Roundtable Meetings (guarterly)		Quarterly	Director of Compliance		Complete	Attended by Director of Compliance	Attended by Director of Compliance	Attended by Director of Compliance	Attended by Director of Compliance
9f. LHPC Compliance Officer Meetings (monthly)	-	Monthly	Chief Compliance Officer		Complete	and CCO Attended by Director of Compliance	and CCO Attended by Director of Compliance		
Si. Et ir C Compliance Onicer Meetings (monthly)		wontiny	Director of Compliance		complete	and CCO	and CCO	and CCO	and CCO
D. Effective Lines of Communication									
1. Distribute Monthly "Compliance Capsule" email communications	Distribute monthly Compliance Capsule email communication by the 15th of each month	Monthly	Compliance Manager Compliance Analysts		Complete	January 29, 2024-Remote Work and Member Privacy February 26, 2024-Privacy Protections/Permissions March 25, 2024 - FWA	April 24, 2024 - Enforcement May 28, 2024-Office of Inspector General (OIG) June 21, 2024- Centers for Medicare and Medicaid (CMS)	July 28, 2024- Anti-Kickback and Stark Law August 28, 2024-Artificial Intelligence and Machine Learning September 26, 2024- DSNP and Medicare	October 23, 2024- DHCS/DMHC Filing requirements November 21, 2024-DHCS/DMHC Regulatory Audits December 17, 2024-Code of Conduct
2. Conduct Compliance Awareness Survey	Compliance will implement a compliance survey to obtain feedback from employees to evaluate how well the compliance program is functioning and identify areas that can be strengthened.	3/1/2024	Compliance Manager / Director of Compliance		Complete	Conducted 3/4/2024 (255 respondents)			
<ol> <li>Focus at least one monthly Compliance Capsule email on methods for communication with Compliance</li> </ol>		12/312024	Director of Compliance		Complete	Q1 Privacy protections	Q2 Enforcemnt	Q3 Anit-Kickback and Stark Law	Q4- Code of Conduct
4. Compliance Updates						January 16, 2024-APL			
4a. Compliance provide updates in Executive Officers Meeting		Ad hoc	Chief Compliance Officer		Complete	ownership/oversight February 27, 2024-Change Healthcare Breach	June 2, 2024-DMHC 2023 audit July 2, 2024-DSNP Strategy and filing	August 13, 2024-Enterprise Risk Assessment; APL ownership	October 8, 2024-2024 DHCS audit scheduled for 12/8-12/20/2024
4b. Compliance provides updates in Operations Meeting		Ad hoc	Chief Compliance Officer Director of Compliance		Complete	Regulatory Calendar Process	Compliance Training Process	Timely filing regulations	DHCS Audit 12/9/2024
4c. Compliance provide updates at BI-monthly Board meetings		Bi-montlhy	Chief Compliance Officer		Complete	BOD February 15, 2024	BOD April 18, 2024	BOD August 18, 2024	BOD October 17, 2024
<ol> <li>Compliance continues to coordinate communication and hold meetings as needed regarding regulatory updates (APLs, emails, DHCS weekly meetings, etc.)</li> </ol>		Ongoing	Compliance Manager Director of Compliance		Complete	DHCS APL 24-001, 002, 003	DHCS APL 24-004, 005, 006, 007, 008	DHCS APL 24-009, 010, 011, 012, 013, 014	DHCS APL 24-015, 016, 017, 018, 019
6. Participate in weekly Grievance & Appeals review meetings	review materials, attend meetings, request updates, provide education in weekly meetings	weekly	Director of Compliance Compliance Auditor		Complete	Director of Compliance attended weekly and provided feedback; transition to review of agenda by Compliance Auditor with oversight from Director of Compliance	Director of Compliance attended weekly and provided feedback; transition to review of agenda by Compliance Auditor with oversight from Director of Compliance	Director of Compliance attended weekly and provided feedback; transition to review of agenda by Compliance Auditor with oversight from Director of Compliance	Director of Compliance attended weekly and provided feedback; transition to review of agenda by Compliance Auditor with oversight from Director of Compliance
7, Participate in weekly Discriminations review meetings	review materials, attend meetings, request updates, provide education in weekly meetings	weekly	Director of Compliance		Complete	Director of Compliance attended weekly meeting and responded to additional email reviews as needed.	Director of Compliance attended weekly meeting and responded to additional email reviews as needed	Director of Compliance attended weekly meeting and responded to additional email reviews as needed	Director of Compliance attended weekly meeting and responded to additional email reviews as needed
E. Well Publicized Disciplinary Standards									

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ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
<ol> <li>In coordination with HR, ensure review of new hires against exclusionary databases and report out in Compliance Committee</li> </ol>		Ongoing	Director of Compliance		Complete	New hire onboarding includes review of exclusionary databases	New hire training completed by Leaerning/Develoment team	New hire training completed by Leaerning/Develoment team	New hire training completed by Leaerning/Develoment team
<ol> <li>Incorporate further emphasis on disciplinary standards into Compliance materials, trainings, policies, and new hire orientation</li> </ol>		Ongoing	Director of Compliance		Complete	Updated Compliance program to outline disciplinary standards	Working with HR Learning and Development for process for accountability for addressing late or incomplete trainings	Video for compliance week Incentivize completion to staff HR provides weekly reporting during the 60 days and thereafter once a month	Updated Code of Conduct and Compliance Guide
F. Routine Monitoring and Identification of Compliance Risks									
1. Complete Risk Assessments and incorporate into Compliance Auditing/Monitoring Plan for 2025			Director of Compliance						
1a. 2023-2024 APLs		Ongoing	Director of Compliance		Complete		Retrospecitve audits and internal audits inlcuded as part of monitoring plan	Retrospecitve audits and internal audits inlcuded as part of monitoring plan	Retrospecitve audits and internal audits inlcuded as part of monitoring plan
1b. 2023 DHCS Medical Survey Findings		8/30/2024	Director of Compliance		Complete		Retrospecitve audits and internal audits inlcuded as part of monitoring plan	DHCS audit findings/CAP closed	
1c. 2023 DMHC Medical Survey Findings		9/30/2024	Director of Compliance		Complete		Retrospecitve audits and internal audits inlcuded as part of monitoring plan	DMHC audit findings/CAP in progress	Submissions for CAP activites filed as required-remaining CAP activities will be followed in 2025
1d. Prior Regulatory Audits		Ongoing	Director of Compliance		Complete		Retrospecitve audits and internal audits inlcuded as part of monitoring plan	Retrospecitve audits and internal audits inlcuded as part of monitoring plan	Retrospecitve audits and internal audits inlcuded as part of monitoring plan
<ol> <li>Establish Routine monthly Operational Reporting for Monitoring/Oversight/Identification of Potential Compliance Issues (e.g. Grievance timeliness)</li> </ol>		9/30/2024	Director of Compliance		Complete	Currently working on development of Compliance Dashboard and identifying additional reports to be included in Q2 Compliance Committee	Dashboard development delayed - still testing the first measures.	KPI established for Compliance Dashboard in Production adddtional KPI identified for implementation	Compliancf Dashboard initial KPI
<ol> <li>Report on items being monitored in quarterly Compliance Committee Meeting</li> </ol>		Quarterly	Director of Compliance		Complete	Currently working on development of Compliance Dashboard and identifying additional reports to be included in Q2 Compliance Committee	Dashboard development moving delayed - still testing the first measures.	Reports on department KPIs discussed/completed	Reports on department KPIs discussed/completed
5. Conduct and report out on all audits in the Compliance Committee Meeting (# TBD)		Q3 2024	Director of Compliance		Complete	Results of grievance audit reported in 02/29/2024 Meeting	Results of two additional grievance audits and three utilization management activities underway and draft reporting in 05/08/2024 meeting.	Clalims process audit completed 10/2024 Population Health Management internal audit planned for Q3 2024	Claiim process audit completed PHM audit for compliance to contract requirements ongoing
G. Procedures and Systems for Prompt Response to Compliance Issues									lirea
1. Create Compliance Issues Tracking Log			Director of Compliance			<b>.</b>			걸
1a. Report on status of Compliance Issues in quarterly Compliance Committee Meetings		Quarterly	Director of Compliance Manager of Compliance		Complete	Tracking Log has been created and will be reported upon in 1st quarter 2024 Compliance Committee Meeting (April/May)	Delayed until August meeting due to resource constraints and receipt of audit reports	Tracking Log reported upon in quarterly Compliance Committee Meeting	Tracking Log reported upon in quarterly Compliance Committee Meeting
2. Create Compliance Policy for Prompt Response to compliance Issues (include tracking mechanism, reporting, CAP process)			Director of Compliance		Complete	Policy drafted	Routed for signatures	Completed	feetin
2b. Report on status of CAPS in quarterly Compliance Committee Meetings		Quarterly	Director of Compliance		Complete	VSP Cap discussed in 4th Quarter Delegation Oversight Committee meeting held 02/26/2024 FWA CAP discussed in FWA Subcommittee 02/09/2024	Continued reporting out in Delegation Oversight meeting 05/07/2024 and FWA Committee meeting on 05/08/2024	VSP (vision) CAP closed with ongoing monitoring of access and availability of vision services. American Logistics (transportation) FWA remediation with member/providers in progress	Meeting, February 20,
H. Fraud, Waste, and Abuse (FWA)									yır v
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			2024 Compliance P	rogram				
ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY Ris		Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
1. Attend DOJ FWA Trainings		Quarterly/ Annual	Director of Compliance Chief Compliance Officer Compliance Analyst	Complete	Q1 meeting schedule 3/26/2024- FWA/SIU and Manager Audits and Investigations attending	Q2 meeting held 05/07/2024 and attended by CCO, Manager of Audits & Investigations, and Lead SIU Compliance Analyst	Q3 Meeting scheduled 8/13/2024- Manager Audits/Investigations and Lead SIU COmpliance Analyst to attend	Q3 Meeting scheduled 11/5/2024- Manager Audits/Investigations and Lead SIU COmpliance Analyst to attend
2. Review/Update Annual FWA Plan	Review, update, and submit annual FWA plan to DMHC	12/31/2024	Director of Compliance	Complete	Began review and on track to submit to DMHC by target date	Ongoing	FInalizing for Q4 BOD review	Submitted to DMHC for approval and then BOD in February 2025
<ol> <li>Facilitate FWA Data Mining Workgroup at least every other nonth</li> </ol>	Facilitate workgroup meetings and prioritize	Ongoing	Chief Compliance and Fraud Prevention Officer Director of Compliance	Complete	Bi-weekly FWA CAP meeting held with compliance leadership and Lead SIU compliance analyst	Bi-weekly FWA CAP meeeting helo with compliance leadership and Lead SIU compliance analyst	Bi-weekly FWA CAP meeeting held with compliance leadership and Lead SIU compliance analyst	Bi-weekly FWA CAP meeeting hel with compliance leadership and Lead SIU compliance analyst
3b. Facilitate FWA Workgroup monthly/quarterly focused on complicated/high risk/Corrective Action Plans		Ongoing	Director of Compliance / Compliance Analyst FWA/CAP Workgroup	Complete	Meetings held to review and obtain consensus on approach to suspected FWA	Internal compliance FWA workgroup meetings bi-weekly to address high risk	Various provider CAPs in progress resulting from data mining/reporting/DHCS/DOJ requests	Various provider CAPs in progress resulting from data mining/reporting/DHCS/DOJ requests
<ol> <li>Conduct investigations regarding potential FWA and provide Jpdated FWA Reporting to FWA Committee</li> </ol>		Ongoing	Director of Compliance / Compliance Analyst	Complete	Updates reported in 02/09/2024 FWA Subcommittee Meeting	Updates reported in 05/06/2024 FWA Subcommittee Meeting Status reporting submitted to DHCS on 04/30/2024 in alignment with 2024 contract.	Held August 5, 2024	Held November 4, 2024
. Delegation Oversight								
. Schedule & Coordinate Annual Delegation Oversight Audits					Audit Catagoria Latter finalized and	Des Audit deliversblas dus luns		
1a. VSP		6/1/2024	Compliance/PNM/UM	Complete	Audit Entrance Letter finalized and provided to VSP; finalizing dates of audit	Pre-Audit deliverables due June with completion targeted by mid- July	Joint operations meeting minutes and performance reivew 7/30/2024	Completed Q4 2024
1b. American Logistics (AL)		6/1/2024	Compliance/Member Services Marketing	Complete	Unannounced portion of audit (required by 2024 DHCS Contract) scheduled for 03/21/2024. Audit letter drafted	Results of unannounced portion discussed in Delegation Oversight meeting 05/07/2024; Final announced audit letter on target to be sent by mid-May for audit in June/July.	Joint operations meeting minutes and performance reivew 7/30/2024	Completed Q4 2024
1c. Health Dialog		6/1/2024	UM	Complete		Finalized list of requests on 05/07/2024 and will be communicated to Health Dialogue by mid-May	Health Dialogue acquired by Care Net for Nurse Advice Line services with KHS. Pre-delegation audit in progress. Q2 JOM held 8/22/2024	Completed Q4 2024
1d. Language Line		6/1/2024	Compliance/Cultural and Linguistics Health Equity	Complete	Cultural Linguistics reported out on oversight in 02/08/2024 Meeting	Cultural Linguistics reported out on oversight in 05/07/2024 Delegation Oversight Committee Meeting	Joint operations meeting minutes and performance reivew 7/30/2024	Completed Q4 2024
2. Participate in quarterly delegated subcontractor joint operating neetings (JOM)								
3a. Kaiser		Ongoing	Director of Compliance	Complete	Kaiser JOM no longer occurring due to termination of contract effective 12/31/2023			
3b. VSP		Ongoing	Director of Compliance	Complete	Director of Compliance attended Q1 meeting 02/01/2024	Director of Compliance attended Q1 meeting 05/02/2024 Q2 meeting 08/07/2024	Director of Compliance attended Q4 JOM scheduled 11/6/2024	Director of Compliance attended Q4 JOM scheduled 1/7/2025 due holiday
3c. AL		Ongoing	Director of Compliance	Complete	Director of Compliance attended Q1 meeting 02/29/2024	CCO attended meeting 6/27/2024	Q3 meeting held 8/29/2024	Q3 meeting held 11/22/2024
3d. Health Dialog		Ongoing	Director of Compliance	Complete	Director of Compliance attended Q1 meeting 02/22/2024	Held 8/22/2024	Q3 JOM scheuduled 11/20/2024	Director of Compliance attended Q4 JOM scheduled 1/9/2025 due holiday
3e. Language Line		Ongoing	Director of Compliance	Complete			Q3 meeting held 9/4/2024	Q3 meeting held 12/4/2024
Create delegation reporting and compliance plan			Director of Compliance				go modulig field 3/4/2024	go moduling held 12/4/2024
4a. Delegation Function Matrix Updates		6/1/2024	Director of Compliance	Complete	Completed as part of 2024 DHCS Contract Readiness and published to website; will be updated as needed if new delegates identified			

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2024												
Compliance Program												
ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS			
4b. Delegation Justification and Plan		6/1/2024	Director of Compliance		Complete	Completed as part of 2024 DHCS Contract Readiness and published to website; will be updated as needed if new delegates identified						
4c. Contract Requirements Grid		6/1/2024	Director of Compliance		Complete	Completed as part of 2024 DHCS Contract Readiness and published to website; will be updated as needed if new delegates identified						
<ol><li>Track Delegated Entity Compliance with APLs through APL grid attestation at least quarterly</li></ol>	Distribute APL grid and follow up as needed with subcontractors to complete; report out on status in Delegation Oversight Committee quarterly		Delegation Oversight/Director of Compliance									
5a. Report status of Delegates APL compliance quarterly	Report status in Delegation Oversight Committee meeting quarterly	Quarterly	Delegation Oversight/Director of Compliance		Compliance		Reported in 05/07/2024 Delegation Oversight Committee Meeting; grid for Q1 sent to VSP					
5b. Determine if/how to incorporate other subcontractors and which subcontractors and begin distribution/tracking	Distribute APL grid and track to ensure responses received	Quarterly	Delegation Oversight/Director of Compliance		Compliance							

KERN HEALTH SYSTEMS



#### MEMORANDUM

TO:Kern Health Systems Board of DirectorsFROM:Deborah Murr, Chief Compliance and Fraud Prevention OfficerSUBJECT:2025 Compliance Work PlanDATE:February 20, 2025

#### **BACKGROUND**

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

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

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

The 2025 Compliance Workplan update provides a summary review of activities scheduled for 2025, including revisions for new requirements under DHCS, DMHC, and Center for Medicare and Medicaid Services (CMS).

#### **REQUESTED ACTION**

Approve the 2025 Compliance Work Plan.

DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
Create 2025 Compliance Plan		1					1	
Obtain Governance and Compliance Committee	2/7/2025	Chief Compliance Officer		In Progress				
Approval		Director of Compliance		-				
Obtain Board Approval of Compliance Work Plan	2/20/2025	Chief Compliance Officer		In Progress				
Update Code of Conduct to align with 2025 DHCS Contract and obtain Board approval								
3a. Obtain Governance and Compliance Committe Approval	2/7/2025	Chief Compliance Officer		In Progress				
Obtain Board Approval of Compliance Code of Conduct	2/20/2025	Chief Compliance Officer		In Progress				
Update Code of Conduct and obtain Board approval								
3a. Obtain Governance and Compliance Committe	2/7/2025	Chief Compliance Officer		In Progress				
Approval	2/1/2023	Director of Compliance		III Flogless				
Obtain Compliance Committee Approval of Compliance Guide	2/12/2025	Chief Compliance Officer		In Progress				
Obtain Board approval of Compliance Guide	2/20/2025	Chief Compliance Officer		In Progress				
Create 2025 Compliance Program								
4a. Obtain Governance and Compliance Committe	2/7/2025	Chief Compliance Officer		In Progress		1	1	1
Approval Dotain Compliance Committee Approval of Compliance	2/12/2025	Chief Compliance Officer		In Progress				
Program Obtain Board approval of Compliance Program	2/20/2025	Chief Compliance Officer		-				
Obtain Board approval of Compliance Program	2/20/2025	Chief Compliance Officer		In Progress				
Create schedule & ensure all policies								
Create schedule for policy reviews and distribute	3/3/2025	Compliance Manager		In Progress				
, , , , , , , , , , , , , , , , , , , ,		Compliance Manager						
All policies to be reviewed by end of year	12/31/2025	Compliance Analyst Compliance Specialist		In Progress				
		Compliance Manager						1
Provide quarterly update to Compliance Committee (number reviewed/to be reviewed by department)	Quarterly	Compliance Analyst Compliance Specialist		In Progress				
Review/Update all Compliance owned policy and procedures		Compilance operiality						
Create public facing versions of identified policies (e.g.		Director of Compliance						
HIPAA; FWA; etc)	12/31/2025	Compliance Analyst		In Progress				
							-	
Create agenda, minutes and action items, related								
reporting and documents for review and hold meeting	Quarterly	Director of Compliance		In Progress				
quarterly	,	Compliance Manager						
Create agenda, minutes and action items, related		Director of Compliance						
reporting and documents for review and hold meeting	Quarterly	Compliance Manager		In Progress				
quarterly		Compliance Manager						
Create agenda, minutes and action items, related		Director of Compliance						
reporting and documents for review and hold meeting	Quarterly	Compliance Manager		In Progress		1	1	1
quarterly Review/Update Charters and obtain Committee								
Approvals								
Review/Update Charter	4/1/2025	Chief Compliance Officer		In Progress				
Obtain Committee Approval on updated Charter	Q22025	Chief Compliance Officer	1	In Progress		1	1	1
Review/Update Charter	4/1/2025	Chief Compliance Officer	1	In Progress		1	T	1
Obtain Committee Approval on updated Charter	Q2 2025	Chief Compliance Officer		In Progress				
Review/Update Charter	4/1/2025	Chief Compliance Officer		In Progress				
Obtain Committee Approval on updated Charter	Q2 2025	Chief Compliance Officer		In Progress				
	Bi-Monthly BOD	Chief Compliance and	1	In Progress				
	Meetings	Fraud Prevention Officer	I					
	Monthly	Chief Compliance and Fraud Prevention Officer		In Progress				
Review/Update Compliance Training	4/1/2025	Director of Compliance	I	In Progress		1		
Review/Update FWA Training Review/Update HIPAA/Privacy Training	4/1/2025 4/1/2025	Director of Compliance Director of Compliance		In Progress In Progress				

DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
Report status of training completions, by department, in uarterly Compliance Committee Meetings	Quarterly	Director of Compliance/Human Resources/Leaerning and Development		In Progress				
Plan and Execute activities for annual Compliance & Ethics Week	11/10/2025	Compliance Manager Compliance Team Members		In Progress				
dentify subcontractors to which Compliance Training pplies Establish content and method of delegate raining	4/3/2025	Compliance Manager Director of Compliance		In Progress				
mplement delegated entity/identified subcontractor raining	Quarterly	Compliance Manager Director of Compliance		In Progress				
Review and continually expand upon content of Provider Manual for Compliance-related topics	Ongoing	Compliance Manager/Designee		In Progress				
Receive, review, distribute regulatory updates regarding rainings, webinars, meetings to relevant stakeholders	Ongoing	Director of Compliance Compliance Analyst(s) Program Manager(s)		In Progress				
ttend calls and report relevant updates to key takeholder				In Progress				
Attend calls and report relevant updates to key takeholder	Weekly	Chief Compliance Officer Director of Compliance		In Progress				
Attend calls and report relevant updates to key takeholder	Weekly	Chief Compliance Officer Director of Compliance		In Progress				
Attend calls and report relevant updates to key takeholder	As scheduled	Chief Compliance Officer Director of Compliance		In Progress				
Attend calls and report relevant updates to key takeholder	Quarterly	Chief Compliance Officer Director of Compliance		In Progress				
Attend calls and report relevant updates to key takeholder	Monthly	Chief Compliance Officer Director of Compliance		In Progress				
Attend calls and report relevant updates to key takeholder	Monthly	Chief Compliance Officer Director of Compliance		In Progress				
Post Compliance Capsule to Ceridian Hub for staff isibility	Monthly	Chief Compliance Officer/Compliance Manager		In Progress				
Compliance will implement a compliance survey to bbtain feedback from employees to evaluate how well he compliance program is functioning and identify areas hat can be strengthened.	3/1/2025	Director of Compliance/Compliance Program Manager		In Progress				
Distribute monthly Compliance Capsule email communication by the 15th of each month	12/312025	Director of Compliance/Compliance Program Manager		In Progress				
		Chief Compliance Officer						
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Review materials, attend meetings, request updates, rovide education in weekly meetings	Weekly	Director of Compliance Compliance Auditor		In Progress				
Review materials, attend meetings, request updates, rovide education in weekly meetings	Weekly	Compliance Manager Compliance Analyst		In Progress				
Review materials, attend meetings, request updates, rovide education in weekly meetings	Weekly	Director of Compliance		In Progress				

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DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
Conduct annual audit for compliance and identify any ey performance indicator variances	Ad hoc	Delegation Oversight/Compliance		In Progress				
Process/ Contract/Reporting updates	Quarterly	Delegtion Oversight/Director of		In Progress				
Process/ Contract/Reporting updates	Quarterly	Compliance Delegtion Oversight/Director of Compliance		In Progress				
Process/ Contract/Reporting updates	Quarterly	Delegtion Oversight/Director of Compliance		In Progress				
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	3/1/2025	Delegtion Oversight/Director of Compliance		In Progress				
	3/1/2025	Delegtion Oversight/Director of Compliance		In Progress				
	3/2/2025	Delegtion Oversight/Director of Compliance		In Progress				
eport status in Delegation Oversight Committee eeting quarterly	Quarterly	Compliance Manager/Senior Program Manager		In Progress				
istribute APL grid and track to ensure responses aceived	Quarterly	Compliance Manager/Senior Program Manager		In Progress				
Review and approval for DMHC/DHCS	Ongoing							

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DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
		Delegtion						
	1/27/2025	Oversight/Director of Compliance		In Progress				
	1/10/2025	Delegtion Oversight/Director of Compliance		In Progress				
	2/7/2025	Delegtion Oversight/Director of Compliance		In Progress				
	2/7/2025	Delegtion Oversight/Director of Compliance		In Progress				
	2/7/2025	Delegtion Oversight/Director of Compliance		In Progress				
	2/7/2025	Delegtion Oversight/Director of Compliance		In Progress				
	2/7/2025	Delegtion Oversight/Director of Compliance		In Progress				
	6/3/2025	Delegtion Oversight/Director of Compliance		In Progress				
	7/3/2025	Delegtion Oversight/Director of Compliance		In Progress				
	9/1/2025	Delegtion Oversight/Director of Compliance		In Progress				
	10/1/2025	Delegtion Oversight/Marketing		In Progress				
	10/15/2025	Delegtion Oversight/Marketing/ Enrollment		In Progress				
		Director of Compliance						
Coordinate with Project Management to implement new Policy Management Platform to improve efficiency	1/1/2025	Project Management Office Program Manager		In Progress				
Design and implement 2nd module for compliance activity monitoring to include NCQA and Date Governance	2/1/2025	Director of Compliance Officer Project Management Office Program Manager		In Progress				
Review/evaluate vendors	6/1/2025	Chief Compliance Officer Learning and Development Program Manager		In Progress				
Purchase content for organizational wide distribution for education/training	6/1/2025	Chief Compliance Officer Learning and Development Program Manager		In Progress				
Outline corporate structures Policy Establish Risk Committee Policy and Procedure Development/Revisions Begin Organization Risk discussions/interviews	1/2025- 3/31/2025	Chief Compliance Officer Director of Compliance Program Manager(s) Operational Stakeholders		In Progress				

DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
Training Development Outline and document Risk Governance structure Identify ERM leadership and frame risk tolerance and risk exposure	4/1/2025- 7/31/2025	Chief Compliance Officer Director of Compliance Program Manager(s) Operational Stakeholders		In Progress				
Perform Enterprise Wide Risk Assessment	7/31/2025- 9/1/2025	Chief Compliance Officer Director of Compliance Program Manager(s) Operational Stakeholders		In Progress				
Risk Strategy/Remediation Planning/Monitoring Roadmap Plan or 2026 Project for Risk Mitigation	9/1/2025- 12/31/2025	Chief Compliance Officer Director of Compliance Program Manager(s) Operational Stakeholders		In Progress				
		Chief Compliance Officer						
		Director of Compliance Compliance Manager Program Manager(s) Operational Stakeholders						
Timely submission of pre-audit deliverables Responses to ongoing requests from regulators ollowing pre-audit deliverable submission Responses to Preliminary Audit Reports Corrective Action Plans for Final Report	01/27/2025 - 12/31/2025	Chief Compliance Officer Director of Compliance Compliance Manager Program Manager(s) Operational Stakeholders		In Progress				
Timely submission of pre-audit deliverables Responses to ongoing requests from regulators ollowing pre-audit deliverable submission Responses to Preliminary Audit Report Corrective Action Plans for Final Report	10/01/2025 - 12/31/2025	Chief Compliance Officer Director of Compliance Compliance Manager Program Manager(s) Operational Stakeholders		In Progress				
Timely submission of pre-audit deliverables Responses to ongoing requests from regulators ollowing pre-audit deliverable submission Responses to Preliminary Audit Reports Corrective Action Plans for Final Report	10/01/2025 - 12/31/2025	Chief Compliance Officer Director of Compliance Compliance Manager Program Manager(s) Operational Stakeholders		In Progress				
Timely submission of pre-audit deliverables Responses to ongoing requests from regulators ollowing pre-audit deliverable submission Responses to Preliminary Audit Reports Corrective Action Plans for Final Report	07/01/2025 - 10/15/2025	Chief Compliance Officer Director of Compliance Compliance Manager Program Manager(s) Operational Stakeholders		In Progress				



#### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Alan Avery, Chief Operating Officer
SUBJECT:	4 <sup>th</sup> Quarter 2024 Operations Report
DATE:	February 20, 2025

I am pleased to once again be able to report that all Operational Departments continue to meet all regulatory requirements and performance metrics during the 4<sup>th</sup> Quarter of 2024.

#### **CLAIMS**

We continue to follow the trend of the previous three quarters of 2024 and experienced an increase in the number of incoming provider claims received during the 4<sup>th</sup> Quarter with 1,529,137 claims being submitted. This reflects an increase of 60,000 claims over the previous quarter. During 2024, the Plan received 4.5 million claims compared to 3,480,499 in 2023 which equates to a growth of 30% increase year over year. This increase can be attributed to the significant increase in new KHS membership, retention of members thru the redetermination process, and members once again seeking healthcare services.

Due to the significant increase in claims volume management is continually monitoring daily incoming claims inventory and making adjustments to resources as needed to ensure we meet our performance and regulatory metrics. We are confident that we have the systems in place to manage the increased number of claim receipts as 99% of claims continue to be submitted electronically with only 1% of the claims received via paper. These paper claims are then converted into an electronic file format allowing them to load electronically into the KHS claims workflow. Once loaded into the claims workflow, the QNXT core system processes them automatically. The auto adjudication of the claims continued to remain consistently high at 88%, meaning claims were received and processed without any manual intervention but heavily monitored with ongoing audits by claims staff members to ensure accuracy and quality metrics are met.

The Claims Department Provider Call Center continues to receive a high volume of provider calls seeking clarification regarding claim payment and processing questions. This new service is greatly appreciated by providers. During the 4<sup>th</sup> Quarter the provider call volume was slightly less than the previous quarters. This decrease can be attributed to provider office closures during the holidays but similar in volume compared to the 4<sup>th</sup> quarter of 2023. We estimate call volume into the Claims Department Provider Call Center will pick up in the first quarter of 2025.

#### MEMBER SERVICES

Similar to incoming claim volume during the 4<sup>th</sup> quarter, Member and Provider calls to the Member Services Department decreased over previous quarters due to holidays throughout the quarter. Key indicators (abandonment rate, average speed to answer and average talk time) are all aligned with normal trends. The top five reasons members call Member Services continues to remain the same: (1) New Member questions (2) PCP changes (3) Making demographic changes (4) Requesting replacement ID Cards (5) Checking referral status.

Similar trends for outbound call volume followed incoming call volume with a slight decrease over previous quarters with 61,622 calls. However, member walk-in visits remained fairly consistent with previous quarters with 1300 visitors coming to our office for assistance with redetermination processing, ID card replacements and other issues.

We continue to successfully manage incoming phone activity by managing our personnel resources along with encouraging members to obtain their own personal account on the KHS Member Portal. During the 4<sup>th</sup> quarter 3600 members created new online accounts. Currently nearly 90,000 members have online accounts which allows them to perform all of the top five reasons and other service functions they would normally call Member Services to perform.

#### **PROVIDER RELATIONS**

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

The Primary Care Provider (PCP) network grew slightly from the previous quarter adding 14 new additional PCPs for a total of 505 PCP providers while the specialty provider network also had a minor increase of 11 specialists during the 4<sup>th</sup> Quarter. Our complete contracted provider network consists of 4,409 providers at the close of the Quarter. It is noteworthy that our overall provider network continued to grow during the past twelve months. At the end of the 4<sup>th</sup> Quarter 2023 our complete provider network consisted of 3,749 providers compared to the current network of 4,409 providers a 17% overall increase.

The Department monitors network capacity/adequacy via a Full-Time Equivalency (FTE) provider to member ratio, which is based on regulatory requirements. For PCPs, the regulatory standard is one FTE PCP for every 2,000 members. As of the 4<sup>th</sup> Quarter of 2024, the Plan maintained a network of one FTE PCP for every 1,514 members, meeting the requirement. The Plan is also required to maintain a network of one FTE physician for every 1,200 members. As of the 4<sup>th</sup> Quarter, the Plan maintained a network of one FTE Physician for every 256 members, meeting the requirement. Even as our membership continues to grow, the Plan's network continues to meet all regulatory capacity/adequacy requirements. PNM maintains ongoing recruitment and contracting efforts to promote network growth and ensure access to care for Plan members.

The last key provider network indicator that we continually monitor, and report is PCP and Specialty care appointment availability. Non-urgent PCP appointments must be available within 10 days. During the 4<sup>th</sup> Quarter, the PCPs provided visits on average within 1.3 days. Non-urgent

appointments with a specialist must be available within 15 days. Our specialist appointment is currently at 3.5 days.

#### **GRIEVANCE REPORT**

Total grievances for the 4<sup>th</sup> quarter were similar with the grievance total of the 3<sup>rd</sup> quarter with slightly over 2600 formal & exempt grievances. Two grievance categories continue to trend slightly higher including Access to Care and Quality of Care. We did not find any obvious outliers or trends for the volume of these categories, but we are continuing to monitor going forward to identify any future trends. The volume of Exempt grievances decreased significantly during the quarter and was the lowest throughout all 2024. We hope this trend continues in 2025 and we will continue to monitor and track exempt grievances, looking to identify any trends and will make any corrective action needed.

DHCS requires health plans to forward copies of all member discrimination grievances within 10 days to their office of Civil Rights when members allege discrimination based on any characteristic protected by federal or state nondiscrimination laws. Characteristics protected by federal, or state nondiscrimination laws include sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental ability, physical disability, medical condition, genetic information, marital status, gender, gender identity, sexual orientation, creed, or health status. The plan identified 71 grievances classified as discrimination during the 4<sup>th</sup> Quarter reporting period compared to 52 received during the 3<sup>rd</sup> Quarter, but well within range of the previous 1<sup>st</sup> and 2<sup>nd</sup> quarters. All discrimination grievances were reported timely to DHCS Office of Civil Rights.

Part two of the required Grievance Report is the disposition of the formal grievances. Following the review and investigation of the 476 Potential Inappropriate Care by the Quality Department, 353 of the decisions were upheld, 69 were overturned and ruled in favor of the member and 54 grievances were still under review by the Quality Department. The remaining 1,558 grievances were reviewed and managed by the Grievance Coordinators, 1,028 of the decisions were upheld by the Plan, 370 were overturned and ruled in favor of the member and 160 were still under review. The primary reason for overturning the original decision of the grievance occurs when we receive additional supporting documentation from the member or the provider.

To fully comprehend the dynamics and relativity of the grievance volume, the plan calculates the number of grievances received in relation to the number of medical visits and the enrollment. During the 4<sup>th</sup> Quarter, there was over 1.5 million medical encounters provided to our 405,000 members many of whom are new to managed care. In total, KHS received 2.21 grievances per 1,000 members per month, well within the range of the other LHPC Plan averages of 1.00 - 3.99 per month.

#### **REQUESTED ACTION**

Receive and file.

## 4<sup>th</sup> Quarter 2024 Operational Report

Alan Avery Chief Operating Officer



### 4<sup>th</sup> Quarter 2024 Claims Department Indicators

Activity	Goal	4 <sup>th</sup> Quarter 2024	Status	3 <sup>rd</sup> Quarter 2024	2 <sup>nd</sup> Quarter 2024	1 <sup>st</sup> Quarter 2024	4 <sup>th</sup> Quarter 2023
Claims Received		1,529,137		1,475,200*	1,490,017	1,384,539	1,222,704
Electronic	95%	99%		99%	99%	99%	99%
Paper	5%	1%		1%	1%	1%	1%
Claims Processed Within 30 days	90%	98%		98%	99%	97%	95%
Claims Processed within 45 days	95%	99%		99%	99%	99%	99%
Claims Processed within 90 days	99%	100%		100%	100%	100%	100%
Claims Inventory-Under 30 days	96%	99%		99%	99%	99%	99%
31-45 days	<3%	<1%		<1%	<1%	<1%	<1
Over 45 days	<1%	<1%		<1%	<1%	<1%	<1
Auto Adjudication	85%	88%		88%	87%	85%	87%
Audited Claims with Errors	<3%	2%		1%	<2%	<2%	<2%
Claims Disputes	<5%	<1%		<1%	<1%	<1%	<1%
Provider Calls		8,060		10,260	9,374	10,194	7,343
							KER

KERN HEALTH SYSTEMS

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### 4<sup>th</sup> Quarter 2024 Member Service Indicators

Activity	Goal	4 <sup>th</sup> Quarter 2024	Status	3 <sup>rd</sup> Quarter 2024	2 <sup>nd</sup> Quarter 2024	1 <sup>st</sup> Quarter 2024	4 <sup>th</sup> Quarter 2023
Incoming Calls		68,844		74,004	72,308	84,175	56,804
Abandonment Rate	<5%	2%		1%	1%	10%	3%
Avg. Answer Speed	<2:00	:18		:13	:15	2:22	:43
Average Talk Time	<9:00	8:02		8:20	9:10	10:20	9:26
Top Reasons for Member Calls	Trend	<ol> <li>New Member</li> <li>Demographic changes</li> <li>PCP Change</li> <li>ID Card</li> <li>Referrals</li> </ol>		<ol> <li>New Member</li> <li>PCP Change</li> <li>Demographic changes</li> <li>ID Card</li> <li>Referrals</li> </ol>	<ol> <li>New Member</li> <li>PCP Change</li> <li>Demographic Changes</li> <li>ID Card</li> <li>Referrals</li> </ol>	<ol> <li>New Member</li> <li>PCP Change</li> <li>Demographic Changes</li> <li>ID Card</li> <li>Referrals</li> </ol>	<ol> <li>New Member</li> <li>PCP Change</li> <li>Demographic Changes</li> <li>ID Card</li> <li>Referrals</li> </ol>
Outbound Calls	Trend	61,622		67,046	68,943	71,842	63,700
# of Walk Ins	Trend	1343		1305	1228	1510	1163
Member Portal Accounts-Q/Total	4%	3677 89,798 (22.24%)		4217 85,968 (21.44%)	4466 81,752 (20.36%)	6825* 78,462 (19.14%)	3097 70,461 (19.45%)

### 4<sup>th</sup> Quarter 2024 Provider Network Indicators

# of PCP       Image: Solution of the sector o	Activity	Goal	4 <sup>th</sup> Quarter 2024	Status	3 <sup>rd</sup> Quarter 2024	2 <sup>nd</sup> Quarter 2024	1 <sup>st</sup> Quarter 2024	4 <sup>th</sup> Quarter 2023
% Growth       i.e.       2.85       3.15%       2.37%       [1.27%]       2.84%         # of Specialist       559       548       559       564       546 $%$ Growth       2.01%       [1.97]       [.89%]       3.30%       5.41% $%$ Growth       2.01%       [1.97]       [.89%]       3.30%       5.41% $%$ Growth       1:200       1:1,514       1:1544       1:1809       1:1889       1:1579         FTE PCP Ratio       1:200       1:256       1       1:260       1:294       1:291       1:283         FTE Physician Ratio       1:100       1:3 days       2.5 days       3.2 days       2.7 days       3.7 days         PCP       <10 days								
# of Specialist       559       564       546         % Growth $559$ $564$ $546$ % Growth $2.01\%$ $[1.97]$ $[.89\%]$ $3.30\%$ $5.41\%$ FTE PCP Ratio $1:2000$ $1:1,514$ $1:1544$ $1:1809$ $1:1889$ $1:1579$ FTE Physician Ratio $1:1200$ $1:256$ $1:260$ $1:294$ $1:291$ $1:283$ PCP $<10$ days $1.3$ days $2.5$ days $3.2$ days $2.7$ days $3.7$ days         Specialty $<15$ days $3.5$ days $4.6$ days $6.8$ days $4.9$ days $8.1$ days	# of PCP		505		491	476	465	471
% Growth       2.01%       [1.97]       [.89%]       3.30%       5.41%         FTE PCP Ratio       1:2000       1:1,514       1:1544       1:1809       1:1889       1:1579         FTE Physician Ratio       1:1200       1:256       1       1:260       1:294       1:291       1:283         PCP       <10 days	% Growth		2.85		3.15%	2.37%	[1.27%]	2.84%
FTE PCP Ratio       1:2000       1:1,514       1:1544       1:1809       1:1889       1:1579         FTE Physician Ratio       1:1200       1:256       1:260       1:294       1:291       1:283         PCP       <10 days	# of Specialist		559		548	559	564	546
FTE Physician Ratio1:2001:2561:2601:2941:2911:283PCP<10 days	% Growth		2.01%		[1.97]	[.89%]	3.30%	5.41%
FTE Physician Ratio1:2001:2561:2601:2941:2911:283PCP<10 days								
PCP       < 10 days       1.3 days       2.5 days       3.2 days       2.7 days       3.7 days         Specialty       < 15 days	FTE PCP Ratio	1:2000	1:1,514		1:1544	1:1809	1:1889	1:1579
Specialty     < 15 days     3.5 days     4.6 days     6.8 days     4.9 days     8.1 days	FTE Physician Ratio	1:1200	1:256		1:260	1:294	1:291	1:283
Specialty     < 15 days     3.5 days     4.6 days     6.8 days     4.9 days     8.1 days								
	РСР	< 10 days	1.3 days		2.5 days	3.2 days	2.7 days	3.7 days
1	Specialty	< 15 days	3.5 days		4.6 days	6.8 days	4.9 days	8.1 days
								1

### 3<sup>rd</sup> Quarter 2024 Grievance Report

Category2	Q4 2024	Status	Issue	Q3 2024	Q2 2024	Q1 2024	Q4
Access to Care	603		Appointment Availability	530	541	384	347
Coverage Dispute	0		Authorizations and Pharmacy	0	0	0	0
Medical Necessity	241		Questioning denial of service	275	357	385	423
Other Issues	134		Miscellaneous	92	118	64	39
Potential Inappropriate Care	476		Questioning services provided. All PIC identified cases forwarded to Quality Dept.	438	538	572	522
Quality of Service	509		Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department	467	417	338	296
Discrimination (New Category)	71		Alleging discrimination based on the protected characteristics	52	81	60	40
Total Formal Grievances	2034			1854	2052	1803	1667
Exempt	644		Exempt Grievances-	774	1177	1881	1620
Total Grievances (Formal & Exempt)	2678			2628	3229	3684	3287

KHS Grievances per 1,000 members – 2.21 LHPC Average 1.0 – 3.99/month



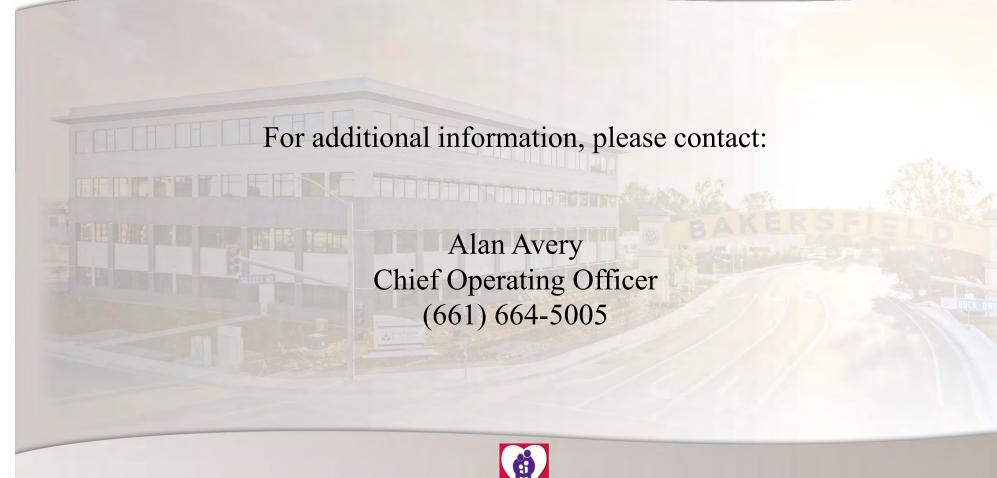
KERN HEALTH SYSTEMS

### Additional Insights-Formal Grievance Detail

Issue	2024 4 <sup>th</sup> Quarter Grievances	Upheld Plan Decision	Further Review by Quality	Overturned Ruled for Member	Still Under Review
Access to Care	209	142	0	49	18
Coverage Dispute	0	0	0	0	0
Specialist Access	394	204	0	147	43
Medical Necessity	241	140	0	79	22
Other Issues	134	108	0	12	14
Potential Inappropriate Care	476	353	0	69	54
Quality of Service	509	370	0	82	57
Discrimination	71	64	0	1	6
Total	2034	1381	0	439	214

KERN HEALT SYSTEMS

### Questions





#### MEMORANDUM

TO:	Kern Health Systems Board of Directors
FROM:	Martha Tasinga, MD, MPH, MBA
SUBJECT:	Chief Medical Officer Report
DATE:	February 20, 2025

#### BACKGROUND

The Chief Medical Officer's presentation provides a medical management update on Physician Services, Inpatient Utilization, Outpatient Services and Emergency Room Visits and an overview of the Population Health Management program with brief overview of the MPL trends and current measures.

Included is Attachments A – D with the detailed medical management performance dashboard.

#### **REQUESTED ACTION**

Receive and File.



### MARTHA TASINGA MD.MPH.MBA

**FEBRUARY 20,2025** 

CHIEF MEDICAL OFFICER REPORT



# POPULATION HEALTH MANAGEMENT

### **POPULATION HEALTH MANAGEMENT PROGRAM**

Major Organ Transplants (MOT) program

- 680 = Total of members enrolled in the program
  - 410 = Evaluation Phase
  - 160 = Listed Phase (121 Kidney, 24 Liver, 1 Lung, 2 Bone Marrow, 1 Heart, and 11 needing more than 1 organ).
  - 7 = MOT Transplant Phase
  - 103 = MOT Post Transplant Phase (Members who are either less than a year post transplant or more than a year. 2 members have been readmitted to the hospital).

Palliative Care Program

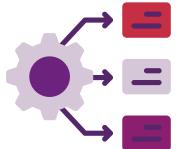
- Voluntary program
- 4,416 eligible members
- 986 members received palliative care coordination
- 70 connected to palliative care provider
- 2025 project to increase members participation in the program

Maternal Mental Health

- 1178 pregnant women called
- 680 (63%) were enrolled/accepted the program
- 656 (96%) accepted to complete the PHQ 9 depression screening
- 73 (11%) screened positive and were connected to BH providers for management contracted screened for depression.

#### **POPULATION HEALTH MANAGEMENT PROGRAM**

- Identified a need to triage and quickly assigned members to complex Case management or care coordination when they are referred to the PHM
- Implemented a Triage line for PHM led by an experienced RN
- This team triaged 4,776 members referrals
- 2,622 were assigned for care coordination, had their concerns resolved by the triage team and their case was closed.
- 2,154 referrals were enrolled in different PHM programs



# COMPLEX CASE MANAGEMENT (CCM)

Eligible Members	12,000
Referred Members	6,014
Members that Received CCM Services	2,355
131 Members Completed Goals	
Members Received Care Coordination Services.	1,955
Total Services Rendered	4,310
(Note: 72% of Members Served)	

# **CCM Summary of Key Findings**

- Random sample of 93 members 6 months after discharged from CCM.
- After case management, there was a 55% overall reduction in total healthcare costs.
- For Office and Outpatient visits, the cost per episode increased after case management.
- However, inpatient and emergency care experienced significant decreases, with reductions of about 78% in inpatient costs and 24% in emergency care costs.
- Cost per member in office, outpatient, and urgent care settings increased, but the increases were much smaller, with outpatient care increasing by approximately 90%, office visits rising by 52%, and urgent care costs increasing by 17%.
- Case management effectively optimized healthcare delivery by reducing the need for expensive hospital care and focusing on more cost-efficient management.

# KHS Board of Directors Meeting, February 20, 2025

# UTILIZATION MANAGEMENT

## **PHYSICIAN SERVICES UTILIZATION**

- Professional visits PMPM for all Aid codes except SPDs remain stable from to September December 2024
- SPDs continuing to use more professional services than projected.
- Cost per professional visits is higher than projected for all AID codes
- High utilization started in August and there could be many factors causing this
  - Our push to close gaps in care
  - Might continue through January with the flu season.
  - Increase in rates
- Top 3 diagnosis
  - Wellness visits
  - hypertension
  - Diabetes
  - Chronic kidney disease

Refer to **Attachment A** for full Detail



## **INPATIENT UTILIZATION**



Inpatient cost for all aid codes is higher than projected even though utilization is lower than previous year's Q4



#### Q4 2024

- Average Acute Bed days 170 per 1000 members (224 in Q4, 2023)
  Admissions 52.0/1000 members (54 IN 2024)
- Average length of Stay(ALOS) 3.00 days (3.32 IN 2024)



Top 4 reasons for inpatient stay are related to pregnancy and delivery. (average 400 deliveries every month)



Most inpatient stays were admitted at Kern Medical and BMH

Refer to Attachments A & B for full Detail

# **OUTPATIENT HOSPITAL SERVICES**

These are services provided in the outpatient section of the hospital. However, it also includes patients who are admitted to the hospital for observation usually less than 2 days LOS

Utilization of these services is higher than projected but in line with projections for the other AID codes.

Top diagnosis for utilization of these services in descending order •Sepsis

Other urinary tract infection

- •Chronic Kidney/end stage kidney disease
- •Hypertension



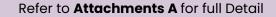
KHS Board of Directors Meeting

February 20, 2025

Refer to **Attachment A** for full Detail

# **EMERGENCY ROOM VISITS**

- Below projections for all AID codes
- Majority of ER visits are at BMH
- Top diagnoses for ED visit in descending order of frequency
  - Other unspecified acute respiratory disease
  - Chest pain
  - Abdominal and pelvic pain
  - Urinary tract infection







# **THANK YOU**

Martha Tasinga, MD Chief Medical Officer



#### Attachment A



Governed Reporting System

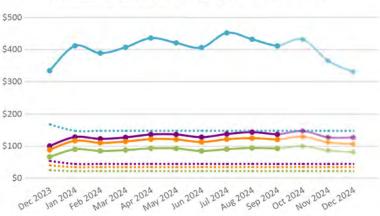
#### Physician Services

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

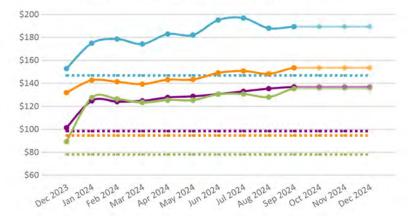
 MCAL	Expansion	_	Actual
 MCAL	Expansion	-	Budget
 MCAL	Expansion	-	Forecast

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

Professional Services Incurred by Aid Group PMPM

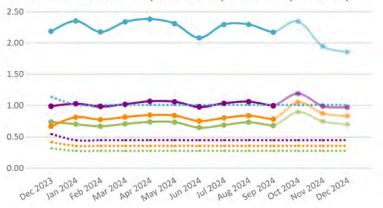


Professional Service Visits per 1,000 per Month by Aid Group 2500 2000 1500 1000 500 ..... 0 May 2024 Jan 2024 Feb 2024 Apr 2024 Jun 2024 Dec 2023 Mar 2024 Jul 2024 AUB 2024 Sep 2024 Oct 2024 NOV 2024 Dec 2024



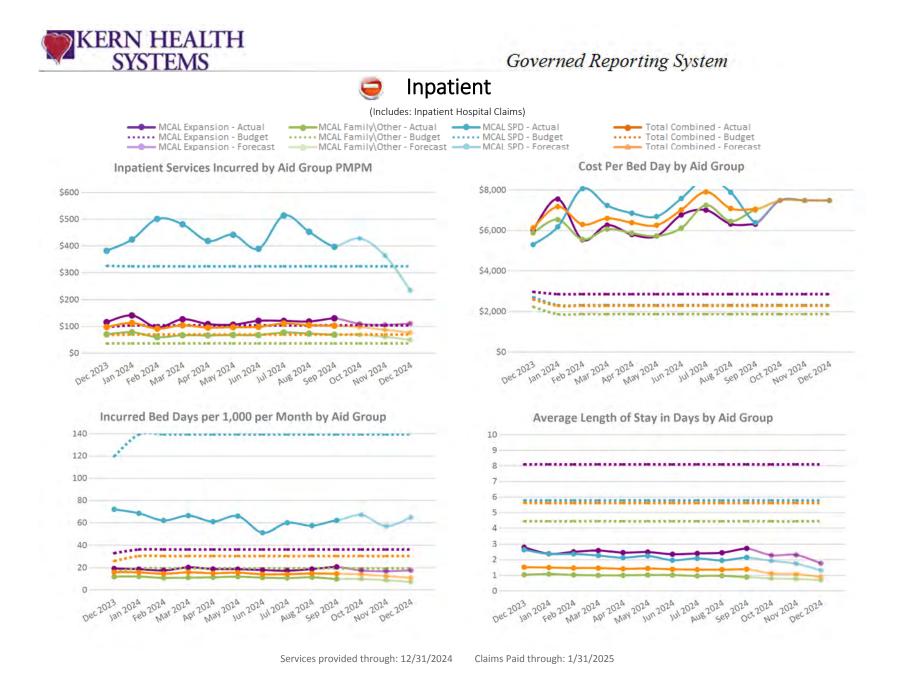
Cost per Professional Service Visit by Aid Group

Professional Service Visits per Member per Month by Aid Group



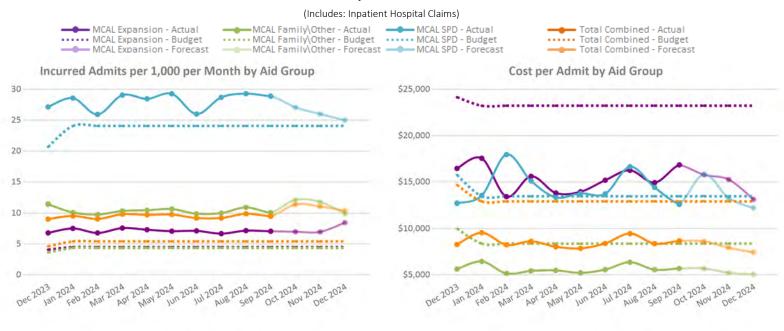
Services provided through: 12/31/2024

Claims Paid through: 1/31/2025



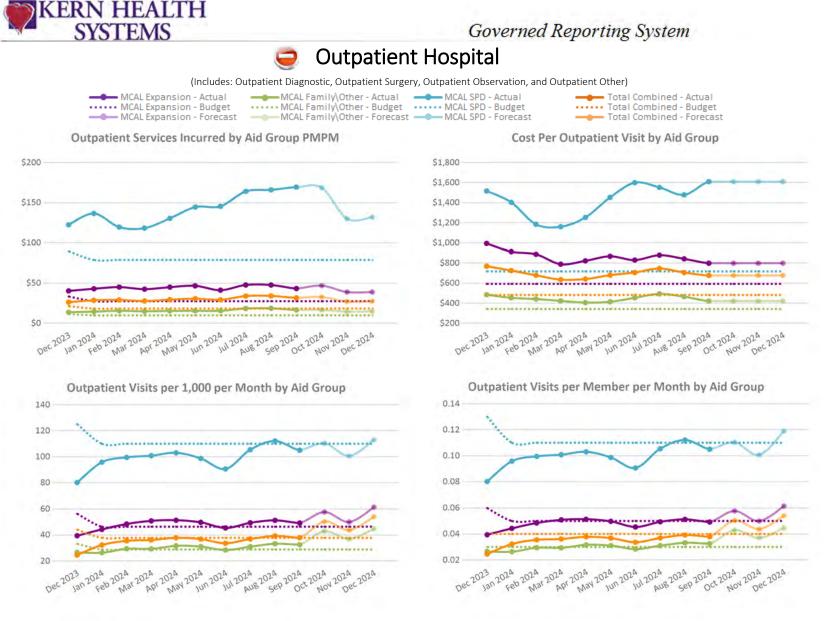


#### Inpatient



Services provided through: 12/31/2024

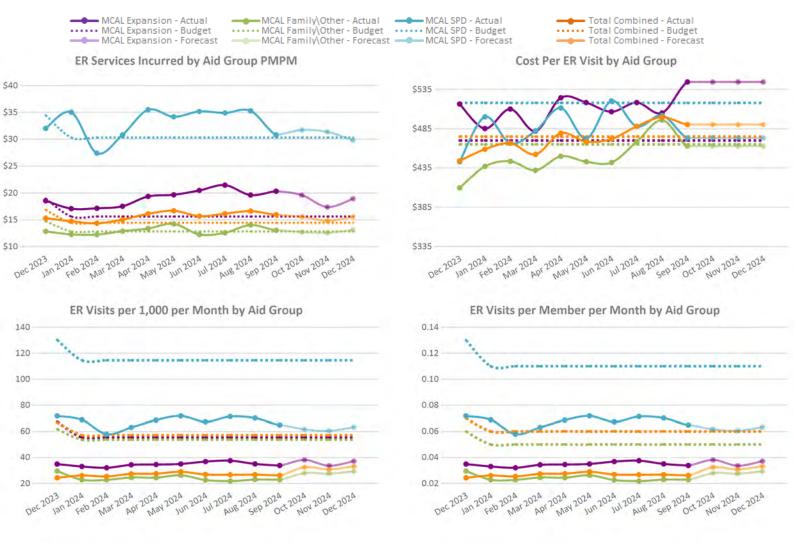
Claims Paid through: 1/31/2025



Services provided through: 12/31/2024



#### Emergency Room



Services provided through: 12/31/2024

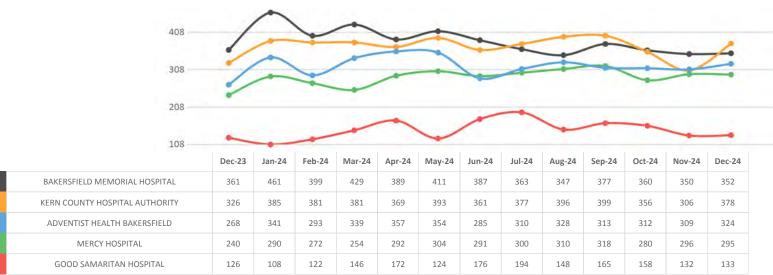
Claims Paid through: 1/31/2025

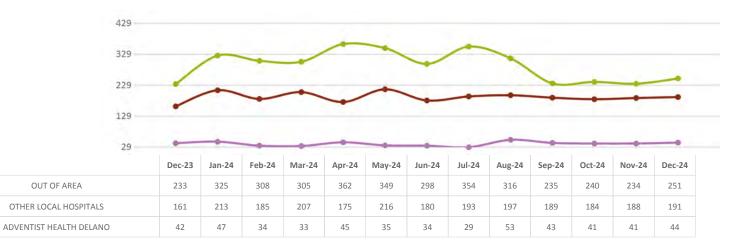
#### **Attachment B**

KERN HEALTH SYSTEMS



#### Inpatient Admits by Hospital









#### Emergency Visits by Hospital







#### MCAS MY2025 Performance Trending Metrics through January 2025





W30 0 - 15 Months	W30 15 - 30 Months	WCV
21.56 % HITS FOR MPL 1,664	53.86 % HITS FOR MPL 902	2.75 %
MPL: 58.38% Under MPL by 36.82%	MPL: 66.76% Under MPL by 12.90%	MPL: 48.07% Under MPL by 45.32%

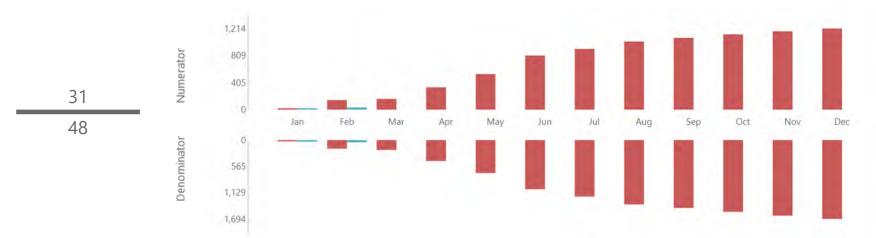
Measure rates are thru claims and standard supplemental data. No medical record reviews are included.



#### Asthma Medication Ratio

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

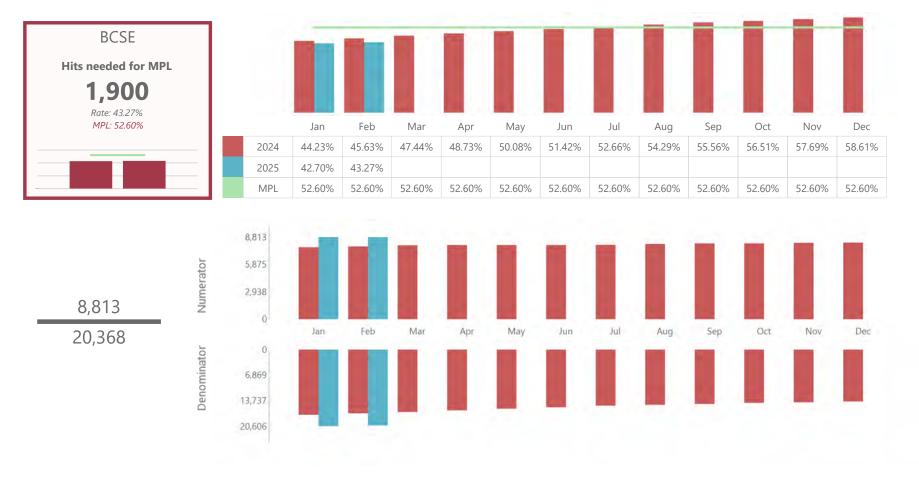






#### Breast Cancer Screening - ECDS

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





#### Controlling High Blood Pressure

The percentage of members 18–85 years of age who had a diagnosis of hypertension (HTN) and whose BP was adequately controlled (<140/90 mm Hg) during the measurement year.



#### Cervical Cancer Screening

KERN HEALTH SYSTEMS

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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 high-risk human papillomavirus (hrHPV) testing performed within the last 5 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 high-risk human papillomavirus (hrHPV) testing performed within the last 5 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 high-risk human papillomavirus (hrHPV) testing performed within the last 5 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 high-risk human papillomavirus (hrHPV) testing performed within the last 5 years.





#### Developmental Screening in the First 3 Years of Life

14,005

The percentage of children screened for risk of developmental, behavioral and social delays using a standardized screening tool in the 12 months preceding or on their first, second, or third birthday. This is a composite measure of screening in the first three years of life that includes three, age-specific indicators assessing whether children are screened in the 12 months preceding or on their first, second or third birthday.





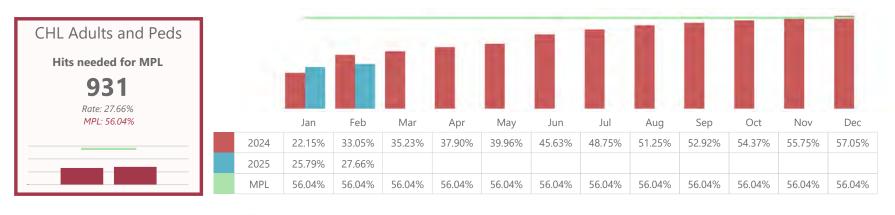
#### Chlamydia Screening in Women

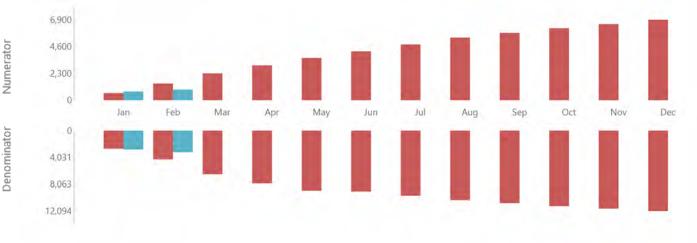
908

3,283

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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.





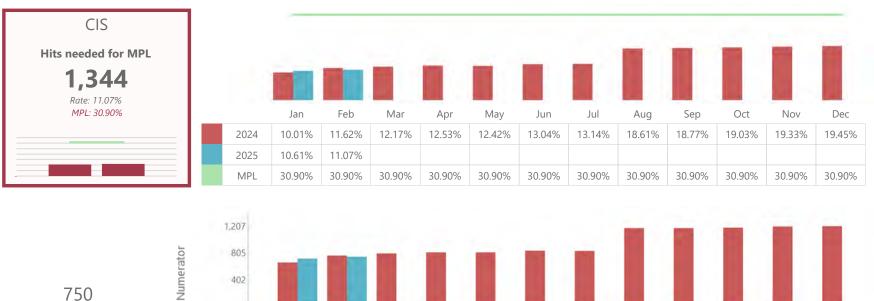
Dec

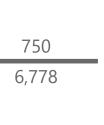


Governed Reporting System

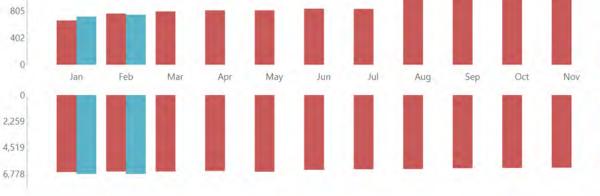
#### Childhood Immunization Status

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





Denominator



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#### Follow-Up After Emergency Department Visit for Substance Use

The percentage of emergency department (ED) visits among members age 13 years and older with a principal diagnosis of substance use disorder (SUD), or any diagnosis of drug overdose, for which there was follow-up within 30 days of the ED visit.





#### Follow-Up After Emergency Department Visit for Mental Illness

304

608

912

The percentage of emergency department (ED) visits for members 6 years of age and older with a principal diagnosis of mental illness or intentional self-harm, who had a follow-up visit for mental illness within 30 days of the ED visit.





21,450

21,860

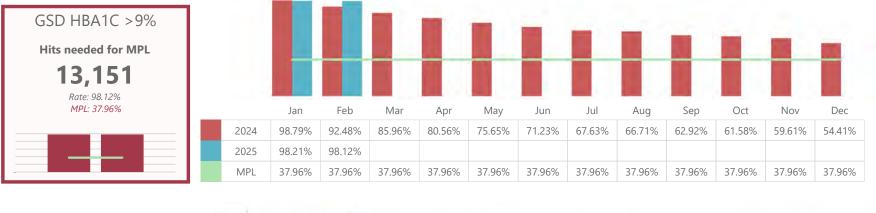
#### Glycemic Status Assessment for Patients With Diabetes

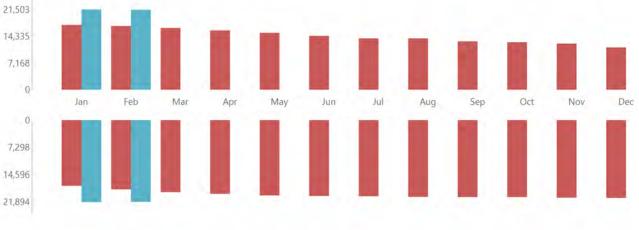
The percentage of members 18–75 years of age with diabetes (types 1 and 2) whose most recent glycemic index (hemoglobin A1c [HbA1c] or glucose management indicator [GMI]) was >9.0% during the measurement year.

Inverted Measure - a lower rate is desired for this measure.

Numerator

Denominator







#### 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.



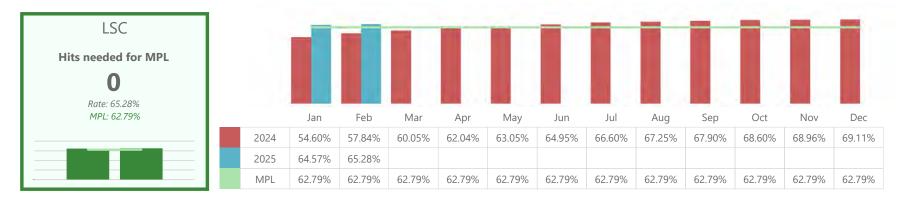
Feb Mar May Jul Sep Jan Apr Jun Aug 0 Denominator 2,829 5,657 8,486

499 / 604



#### Lead Screening in Children

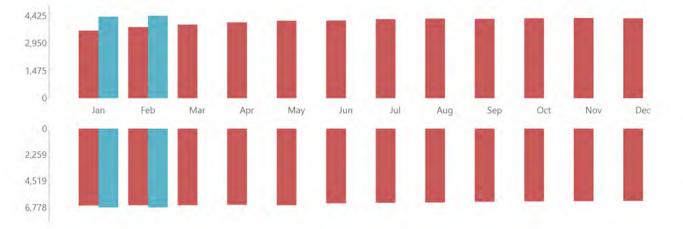
The percentage of children 2 years of age who had one or more capillary or venous lead blood test for lead poisoning by their second birthday.





Numerator

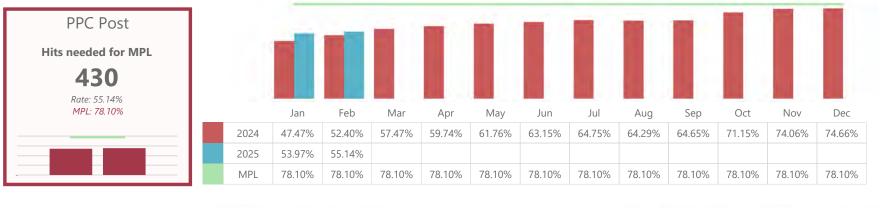
Denominator

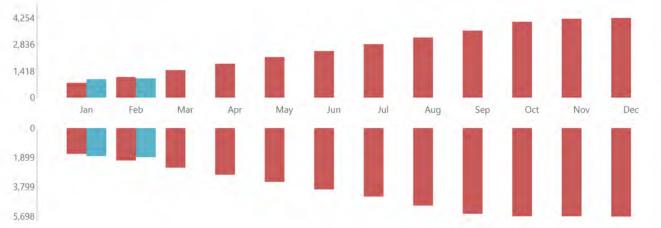




#### Prenatal and Postpartum Care

The percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year. Postpartum Care. The percentage of deliveries that had a postpartum visit on or between 7 and 84 days after delivery.

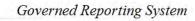




1,035 1,877 Numerator

Denominator





#### Prenatal and Postpartum Care

KERN HEALTH

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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.



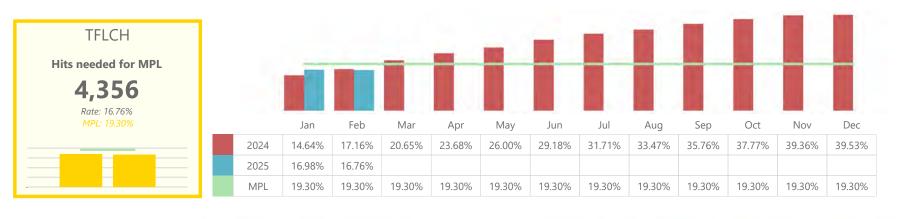


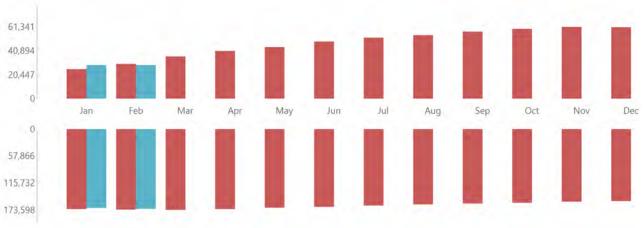
#### Prevention: Topical Fluoride for Children

Numerator

Denominator

Percentage of children aged 1–21 years who received at least 2 topical fluoride applications as (a) dental OR oral health services, (b) dental services, and (c) oral health services within the reporting year.





28,739 171,479

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#### Well-Child Visits in the First 30 Months of Life

The percentage of members who had the following number of well-child visits with a PCP during the last 15 months. Well-Child Visits in the First 15 Months. Children who turned 15 months old during the measurement year: Six or more well-child visits.





Governed Reporting System

#### Well-Child Visits in the First 30 Months of Life

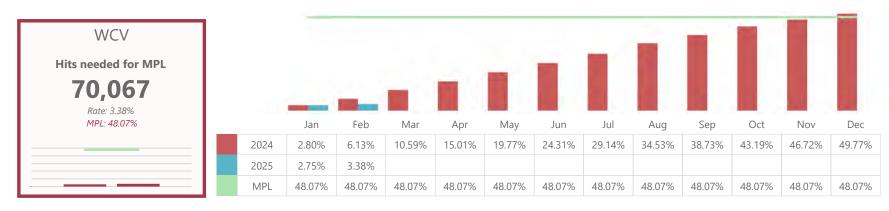
The percentage of members who had the following number of well-child visits with a PCP during the last 15 months. Well-Child Visits for Age 15 Months–30 Months. Children who turned 30 months old during the measurement year: Two or more well-child visits.

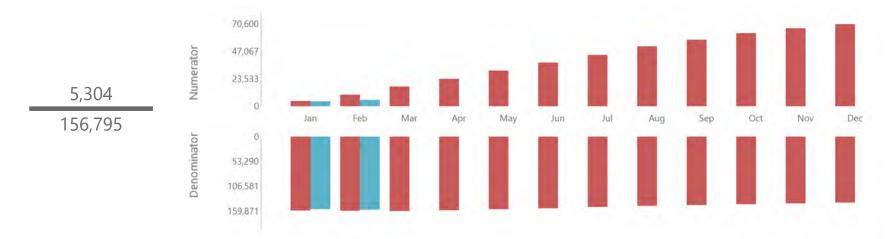




#### Child and Adolescent Well-Care Visits

The percentage of members 3–21 years of age who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year.





# KERN HEALTH SYSTEMS

BOARD OF DIRECTOR'S MEETING

## 2025

Chief Executive Officer's Report Emily Duran February 20, 2025



#### KHS CORPORATE STRATEGIC PLAN

The KHS Strategic Plan defines the organization's priority areas and serves as a roadmap for 2023–2025. Attachment A: Strategic Plan Status Report: Q4 2024 provides a summary of key accomplishments from the fourth quarter of 2024. the organization's forward-looking focus. Overall, KHS continues to make steady progress toward achieving its strategic goals, as detailed in the attachment.

#### DHCS MATERNAL HEALTH AND ADVANCE BIRTH EQUITY

California has been selected to participate in the Centers for Medicare & Medicaid Services' Transforming Maternal Health (TMaH) Model, a 10-year initiative aimed at improving maternal health outcomes and reducing disparities. With \$17 million in funding, the program will be implemented in five Central Valley counties—Fresno, Kern, Kings, Madera, and Tulare—where maternal health challenges are most severe. The TMaH Model will focus on value-based care, prioritizing patient health outcomes over service volume, and expanding access to midwives, doulas, and birth centers. This initiative aligns with California's broader commitment to maternal health equity, addressing racial and ethnic disparities in pregnancy-related care. Key components include enhanced provider training, improved care coordination, and support for social determinants of health such as housing and transportation. TMaH also complements the state's Birthing Care Pathway and other Medi-Cal programs aimed at ensuring comprehensive, whole-person maternal care.

#### MEDICARE D-SNP

#### Background

The CalAIM initiative focuses on transforming Medi-Cal to reduce health disparities, improve health outcomes, and enhance care delivery, particularly for the most vulnerable populations. Dual-eligible members, who qualify for both Medicare and Medi-Cal, often face complex healthcare needs and coordination challenges, which led to the creation of Dual Special Needs Plans (D-SNPs). These Medicare Advantage plans provide tailored care coordination and wrap-around services for this population. In alignment with CalAIM's January 1, 2026, timeline, KHS will implement a D-SNP line of business to integrate care across both programs, requiring significant regulatory compliance, new internal infrastructure, and process development.

Update: Through an RFP process, KHS contracted with an Administrative Services Contractor for the D-SNP line of business. The contract contains several administrative functions including call center, grievance, enrollment, claims, utilization management, etc. Regulatory approved executed copies of the Pharmacy Benefit Manager (PBM) contract and administrative services contractor contract were required as part of the Centers for Medicare and Medicaid submission due February 12th, 2025. KHS was able to successfully submit the CMS H contract application on February 10th, 2025. In preparation for CMS Bid process, KHS posted a request for proposal for supplemental benefit vendors on January 31st, 2025, with a bid proposal due date or March 3rd, 2025.



#### LEGISLSTIVE SUMMARY

**Federal** –Staff are currently monitoring the forthcoming healthcare proposals associated with the 2025 House reconciliation package. It is anticipated that Congress will present the package in February, followed by a series of discussions leading to a final vote in March or later. In preparation for the release of the reconciliation package, our staff is actively engaging with local congressional representatives to highlight the importance of Medi-Cal within our communities. Our Government Relations staff is in regular communication with our national healthcare trade association, Association for Community Affiliated Plans (ACAP), to remain informed about the latest developments on Capitol Hill. Furthermore, in February our Government Relations staff will participate in ACAP's annual legislative fly-in, which will provide additional opportunities to engage Kern County's congressional representatives regarding healthcare policy.

**State** – The State Legislature reconvened on January 3rd, with the deadline for the introduction of new bills set for February 21st. In the interim, legislative policy committees will convene to assess the merits of various bill proposals. Our staff is monitoring pertinent bills and analyzing their potential impacts. The 2025 bill tracking document can be found under **Attachment B: Bill Tracking**, and we expect the tracking list to increase as the introduction deadline approaches. On February 26th, KHS Government Relations staff will be present in Sacramento for the Local Health Plans of California (LHPC) Legislative Day, where they will engage with Legislative and Regulatory staff on priority issues for the year.

2025-2026 January Draft Budget Proposal: Governor Newsom presented his 2025-2026 budget on January 10, 2025. The first draft is considered the starting point of a 6-month process to determine the State spending effective July 1, 2025. The Governor's Administration projects a balanced budget for the upcoming fiscal year. Despite the balanced budget, the Governor has asked the Legislature to demonstrate restraint with any new funding for the upcoming year. The Governor noted that there are several risk factors that could negatively affect the state's budget, which include natural disasters, new federal administration, and the economy. The governor proposes to maintain investments in recent initiatives such as CalAIM and maintaining coverage for the Medi-Cal expansion population. The budget reflects Proposition 35 expenditures for calendar years 2025-2026 only. It also includes the provider rate increases for primary care, maternal care, and non-specialty mental health services that were implemented in the 2024 targeted rates increases; however, the final spending plan is subject to the consultation with the stakeholder advisory committee that will be developed based on the passage of Proposition 35 last November. Between now and May the Governor's Administration, Legislators, and other Stakeholders will engage in additional State Budget conversations via the legislative process. Then in May the Governor's Administration will release an updated budget proposal with the latest revenue and spending projections. As always, the KHS Government Relations staff will be actively engaged in the process, along with our Trade Associations and other partners.



#### **GRANTS AND STRATEGIC INITIATIVES 2023 – 2025**

**Community-Based Initiative & Quality Grant:** A one-year update is provided in the attached presentation, see **Exhibit C: Quality Grant & Community Initiative**, to highlight a few selected Community-Based Initiative (CBI) and the Quality Grant awardees. In addition to the CBI and Quality Grant award, presentations on Healthcare Workforce will also be provided by California State University, Bakersfield and Good Samaritan Hospital.

**Recruitment and Retention (R&R) Grant:** All contracts under this grant program have been fully executed. Below is a snapshot of the progress on the R&R Grant. Since the last CEO Report from December of 2024, the R&R grant has helped recruit an additional 3 providers, bringing the total to 26. The year one updates are as follows in the R&R Memo.

<b>RECRUITMENT &amp; RETENTION</b>	SINCE LAST CEO REPORT	AS OF 12/15/2024
Physician Recruitment under R&R	3	26
Physician Retainment under R&R	0	23
Transportation Services Rendered Kern Valley Healthcare District	308	2,353

## **INCENTIVE PAYMENT PROGRAM FUNDING**

#### <u>Background</u>

The CalAIM Incentive Payment Program (IPP) is intended to support the implementation and expansion of Enhanced Care Management (ECM) and Community Supports (CSS) by incentivizing managed care plans (MCPs) to invest in provider capacity and delivery system infrastructure; bridge current silos across physical and behavioral health care service delivery; reduce health disparities and pro mote health equity; achieve improvements in quality performance; and encourage take-up of Community Supports. IPP Program Year 1 and Year 2 have been successfully completed, Year 3 is currently active with estimated completion dates of March 2025. Once all three years have been completed, a final summary of IPP will be presented to the Board of Directors.

#### IPP Program Year 3 | January 1, 2024 – June 30, 2024

A total of nine (9) providers and CBOs were contracted in IPP PY3 funding for Enhanced Care Management and Community Support Services. All contracts have been fully executed and providers have started working on projects specific to their milestones and requesting reimbursement and five (5) of the nine (9) providers have successfully completed their milestones. Clinica Sierra Vista (CSV) has successfully completed their IPP milestones for both their Baker and Lamont location, enhancing care for justice-involved individuals. The Baker location went live on 9/1/2024 and the site has enrolled 32 members. The Lamont location completed renovations at their facility and has enrolled 72 members. These efforts reflect the broader goals of IPP to improve access to care, enhance service delivery, and achieve better outcomes for members, particularly in communities facing complex health and social challenges.



#### IPP Next Steps:

As programs are going live, milestones are being successfully completed, the grants team is preparing reimbursements and providing support with ongoing projects. The team is working closely with providers to help close out milestones as deadlines approach and provide extensions where needed. The team predicts a final presentation to be given to board on all IPP programs around August 2025.

#### COMMUNITY HEALTH PARTNERSHIP HIGHLIGHTS

Kern Health Systems awarded **Magdalene Hope \$14k** in funding through the Community Health Partnership Grant to help with infrastructure and renovations for the Women's Drop-in Center located on 3rd Street & Union Ave at 333 Union Ave. suite 197D. The vision is to have a safe place for women in the neighborhood and inner city to come rest, charge their phone, eat a hot meal, shop at our free clothing closet, receive counseling, therapy and prayer and to know that they have a way out of their current lifestyle (prostitution, trafficking, domestic violence, sexual assault) if need be. The grants team had the opportunity to attend the ribbon cutting of the new center on January 30, 2025. See below:





#### KHS Live Better Program

KHS partnered with the City of Delano's Park and Recreation to offer the Live Better Program, a free community fitness and educational wellness program available to all residents. This program aims to improve the health and wellbeing of participants through fun and interactive classes offered at various sites. KHS first launched the Live Better Program for adults in June 2024 offering both Yoga and Zumba classes throughout the week. On average about 100 participants attended the classes each month. Due to the success of the program, KHS expanded the program in January 2025 to offer free fitness classes to the youth of Delano. Additionally, KHS added two new Live Better Program sites in the 4th quarter of 2024 in partnership with the Family Resource Centers at Greenfield and Lake Isabella/Kernville.





#### STUDENT BEHAVIORAL HEALTH INCENTIVE PROGRAM (SBHIP)

#### Background

The State Budget for 2021 – 2022 included \$13.2 million over three years in incentive funding to build infrastructure, partnerships, and capacity for school behavioral health services in Kern County.

#### **Program Summary**

Kern County Superintendent of Schools (KCSOS) is the fiduciary intermediary for fund distribution for the SBHIP initiative in Kern County. In total, Kern Health Systems (KHS) was allocated to be awarded \$9,991,993.26 under the SBHIP program, for which funds are earned through the school districts achieving the established milestones of each targeted intervention. The four domains of focus-- substance use disorder, parenting and family services, behavioral health and wellness, and strengthening partnerships, all focused to improve access and assistance at the school sites through a care delivery system to the students and their families. Data sharing agreements for the exchange of basic student/member information are in place between KHS and KCSOS, thus supporting the potential to create a county/district wide electronic records system. KHS, Blue Cross, and Kaiser have successfully executed a Memorandum of Understanding (MOU) as required under the SBHIP program and have submitted the MOU to DHCS for final approval.

To date, all the districts are on track to successfully meet their milestones and outcomes. KHS submitted a response to DHCS for the final Project Outcomes Report on February 10, 2025, and is currently under review by DHCS. Upon approval of the Project Outcomes Report the distribution of the remaining funding allocations to KHS is anticipated in April 2025.

The SBHIP initiative is anticipated to transition to fully operational programs within the Local Education Agency (LEA) system with ongoing support under the Children and Youth Behavioral Health Initiative (CYBHI) in 2025. Lost Hills School District is a participant in the second cohort of the Children and Youth Behavioral Health Initiative (CYBHI) for Mental Health reimbursements with additional funding through a CYBHI grant. Under CYBHI, the Medi-Cal delivery system and commercial health plans will be required to reimburse providers for a predefined set of medically necessary outpatient mental health and substance use disorder services provided to a student, 25 years of age or younger, at or near a school-site. The CYBHI Act requires that DHCS-funded grants achieve four core objectives-build partnerships, capacity, and infrastructure supporting ongoing school-linked behavioral health services for children and youth; expand access to licensed medical and behavioral health coaches serving children and youth; build a statewide, community-based organization provider network for behavioral health prevention and treatment services for children and youth; and enhance coordination and partnerships with respect to behavioral health prevention. and treatment services for children and youth via appropriate data sharing systems.

#### KHS DECMEBER 2024 ENROLLMENT:

		Ethn
Member Age		Hisp
0-5	12%	Caus
18-Jun	30%	NoV
19-44	35%	Afric
45-64	17%	Asia
65+	6%	Filipi

Ethnicity	
Hispanic	63%
Causcasian	16%
No Valid Data	12%
African American	<mark>6</mark> %
Asian Indian	1%
Filipino	1%
Other	1%

Language	
English	
Spanish	

Other

66% 33%

1%

Percentage Increase in Membership from previous month

				Enrollment Type			
				Seniors & Persons with Disabilities			Total KHS Medi-Cal Managed Care
	FAMILY-ADULT	FAMILY-CHILD	FAMILY-OTHERS'	(SPDs)	Adult Expansion	Long Term Care	Enrollment
2024-11	74,750	167,460	25,417	20,318	115,195	523	403,663
2024-12	74,714	167,698	25,388	20,327	116,413	525	404,198
% Change	0.0%	0.1%	-0.1%	0.0%	1.1%	0.4%	0.3%

**Enrollment Update:** The Kern County Department of Human Services continues their "automated discontinuance process" for Medi-Cal Redeterminations when beneficiaries do not complete the Annual Eligibility Redetermination process.

#### **COMMUNITY EVENTS**

#### KHS will share sponsorship in the following events in February and March:

Organization Name	Event Name	Purpose	Donated Amount
St. Vincent De Paul Store, Inc	Patrick's Pantry Project	Donation will help purchase essentials for the senior citizen residents at Valley Convalescent Hospital.	\$1,000
Kern County Hispanic Chamber of Commerce	2025 Installation & Business Awards Gala	The Installation and Business Awards Gala celebrates 40 years of success. KCHCC recognizes individuals and businesses in the community who have made contributions to KCHCC and business community.	\$12,000
Garden Pathways, Inc	Heart of the Country	Proceeds benefit Garden Pathways mentoring and education programs for at-risk and low-income families and youth.	\$5,000
Valley Fever Americas Foundation	Foundation Night at the Bakersfield Condors	Sponsor the purchase of 100 tickets for survivors and family members to the Bakersfield Condors game. All proceeds benefit the Foundation.	\$1,500
Safe Haven Kids League of California City	Annual Spread the Love Kids Winter Coat & Community Resource Giveaway	This event will provide the following to the California City community: free food boxes & fresh produce, educational items, winter coats for all kids, hygiene kits, free giveaways to all that attend, art & crafts for the kids, food & beverage, and more.	\$3,000
Community Interventions	3rd Annual Black Healing Summit	This event is designed to foster community, healing, and empowerment in the African American community, addressing healing, health, and wellness.	\$1,000



Organization Name	Event Name	Purpose	Donated
Boys & Girls Clubs of Kern County	Youth of the Year Legacy Gala	All proceeds raised from the Legacy Gala will be invested back into the Club's Advanced Education Scholarship fund for young adults in their programs.	\$1,500
California State University Bakersfield Foundation	Alumni Hall of Fame	Recognize graduates of CSUB whose career accomplishments, community service and/or support of the university have made their alma mater proud.	\$2,500
City Serve Network	The Mayor's Ball	The Mayor's Ball is an annual benefit that brings together local community leaders who care to invest in Bakersfield and see it become a flourishing place to live and thrive for all.	\$5,000
Bakersfield City School District Education Foundation	Student 5k Pajama Run	Promote wellness through exercise with the participation of 20 students from each of the 42 schools in the district.	\$2,040
Golden Empire Gleaners	The Giving Table	Benefits the Golden Empire Gleaners, an organization with the mission to alleviate hunger and provide food for those in need in the Kern County community.	\$5,000
Bakersfield West Rotary	30th Annual Cioppino Feed	Support the Bakersfield West Rotary Stoope Family Foundation, Wounded Heroes Fund, ADAKC, Boys & Girls Club, Ronald McDonald House	\$2,500
Kern County Sheriff's Employees' Benefit Association	Honor Run	Proceeds will support the families of fallen deputies through scholarships for their children, and funding youth programs through the Sheriff's Activities League.	\$250
Kern County Cancer Foundation	Teaming Up Against Cancer	Help pay for the treatment of local cancer patients who lack insurance or sufficient coverage to pay for their medical care.	\$1,000
Bakersfield College Foundation	The Annual Sterling Silver Dinner	Recognize community members whose support is bringing to life many of BC's new programs and campus improvements.	\$3,000
Bakersfield Chapter of the Links, Incorporated	3rd Annual Black Family Wellness Expo	The goal is to promote and facilitate programs that support the maintenance of good health and the elimination of chronic health disparities in communities of color through education, health advocacy, and optimal utilization of health resources.	\$2,500
Bakersfield East Rotary Foundation	Vino Amore	Proceeds benefit the Bakersfield East Rotary Foundation Club and other local organizations.	\$5,000
Stewards Inc.	Bakersfield Amazing Race	Proceeds support the most vulnerable of the community, mentally disabled, and elderly adults with financial services.	\$1,000
Inspire Me Counseling and Wellness Center	It Hurts to Heal Women's Conference	Breaking the stigma surrounding mental health and providing a platform for women to engage in conversations about mental and emotional wellness.	\$2,000
The Wildlands Conservancy	10th Annual Spring Nature Festival	This two-day event welcomes thousands of visitors to celebrate the season by offering exhibits, guided hikes, and other educational and physical activity programs.	\$2,500
Active Bakersfield Alliance/ Mercury Event	Bakersfield Marathon	Proceeds support the wellbeing of youth in our community - CSUB Scholarships, Healthy Kids in Healthy Homes and Downtown Elementary School.	\$3,000



KHS will also	participate in the	following events	in Februarv	and March:
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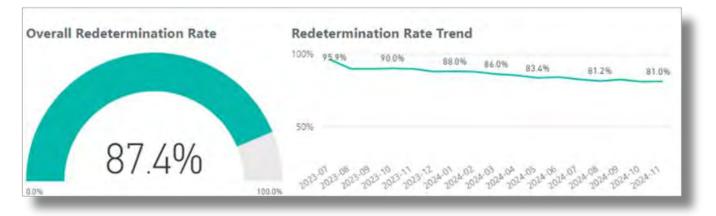
Organization Name	Event Name	Location	Date	Time
Kern County Public Health	Know Your Numbers	315 E. 18th St., Bakersfield, CA 93305	2/12/2025	2:00pm - 3:00pm
Stay Focused Ministries	The Celebration of a King	Belle Terrace Park 1101 E. Belle Terrace, Bakersfield, CA 93307	2/18/2025	11:00am-1:00pm
First Presbyterian Church	Food Pantry	1705 17th St., Bakersfield, CA 93301	2/20/2025	7:30am - 9:00am
Bakersfield College	Financial Aid Fest 2025	1801 Panorama Dr., Bakersfield, CA 93305	2/26/2025	10:00am - 2:00pm
Kern County Behavioral Health and Recovery Services	Black History Month Resource Fair	331 18th St., Bakersfield, CA 93301	2/28/2025	1:00pm - 4:00pm
Kern County Public Health	Know Your Numbers	10300 San Diego St., Lamont, CA 93241	3/4/2025	3:00pm - 4:00pm



#### Medi-Cal Renewal Updates

KHS continues direct outreach activities to members who must complete the Medi-Cal renewal process or those in a hold status who have 90 days (from disenrollment date) to complete their renewal to be retroactively enrolled to their disenrollment date. Member communications include: text messages, mail, phone calls, and the KFHC Member Portal. KHS also continues working with providers, local Medi-Cal enrollment entities, and community-based organizations to support the correct completion of renewal applications.

#### Below are Medi-Cal Redetermination Trending Rates.



#### **Employee Video Newsletter**

KHS' Video Employee Newsletter can be seen by clicking the following link: KHS February Newsletter on Vimeo

#### **KHS Media Clips**

We compiled local media coverage that KHS received in October 2024 – November 2024. Please see Attachment D: Public Relations/Publicity Media Clips.



## KHS MEMBER ENGAGEMENT | COMMUNITY HIGHLIGHTS

#### **Cervical Cancer Awareness - Free Screening Event**

To wrap up Cervical Cancer Awareness Month, we proudly sponsored the 6th annual Free Cervical Cancer Screening Event. This event brought free cervical cancer screenings, mammograms, and other health resources to Mercado Latino! We thank our partners in coming together and making cervical cancer screenings accessible to the East Bakersfield community this month.





#### Saint Vincent De Paul

Kern Family Health Care is honored to partner with Saint Vincent De Paul and CAPK Food Bank to help fight food insecurity in our community. Through this collaboration, over 10,000 meals are provided each month to those in need. Our team was also proud to join in, helping package and distribute meals, bringing smiles and gratitude to many. We remain committed to supporting initiatives that promote health, wellness, and access to essential resources for Kern County





#### **CAPK - Shafter Youth Center**

Kern Health Systems is proud to support hands-on learning opportunities for local youth through our grant funding. At the Shafter Youth Center, kids embarked on an exciting STEM journey—exploring science through activities like dissecting crayfish and earthworms, building art robots, and learning about energy transfer. Their experience culminated in educational visits to the California Science Museum and the Discovery Cube Science Center in Los Angeles, inspiring the next generation of innovators!







#### **KHS ORGANIZATIONAL HIGHLIGHTS**

#### **KHS World Diabetes Day**

Our staff had a great time learning tips about healthy lifestyle choices from different educational booths, as well as sampling some healthy meal bites from Mango Haus, a Blue Zones approved restaurant. Our staff were also treated to delicious acai bowls, courtesy of Healthful Harvest. Thank you to our Wellness Program for organizing this amazing event for our employees!





#### KHS Leaders Making an Impact in our Community

Kern Health Systems proudly recognizes the incredible leadership and community engagement of several of our team members these past months. Maritza, our Community Engagement Supervisor, was honored with the Community Impact Award from KCHCC for her 17 years of dedication to fostering meaningful connections and improving community well-being. Melinda, LMFT and Director of Behavioral Health at Kern Health Systems, recently inspired students at Richland Junior High with an empowering message on leadership, mentorship, and personal growth. Their dedication to service and leadership continues to make a lasting impact, and we are grateful for their commitment to our mission!



## Attachment A



	Goal 1
Goal Name   Description	<u>Quality and Equity</u> Deliver exceptional quality outcomes and health equity for KHS members
Strategy 1	Increase overall quality with a drive toward achieving Managed Care Accountability Set (MCAS) Minimum Performance Levels (MPL) and closing disparity gaps.
Accomplishments	<ul> <li>The annual MCAS audit is underway for Measurement Year 2024. Current YTD administrative rates reflect meeting MPL for 5 measures and within 5% MPL for 6 additional measures. Demonstrating improvement in 12 MCAS measures.</li> <li>Mobile Unit partnerships established with more than 15 school districts across the county and expanding.</li> <li>Two interventions established with two local PCPs focused on well-care visits for children and adolescents.</li> <li>Inaugural Quality and Health Equity Awards Dinner hosted in October.</li> <li>Multiple mammogram clinic days offered throughout October in support of early detection for the BCS MCAS measure.</li> </ul>
Strategy 2	Meet National Committee for Quality Assurance (NCQA) standards and work toward accreditation.
Accomplishments	<ul> <li>Additional mock audit file reviews completed for Utilization Management and Population Health Management.</li> <li>On-going efforts made to prepare for full mock audit and operationalization of updated policies and procedures.</li> <li>Continued configuration efforts for regulatory software SAi360 to leverage for on-going monitoring of NCQA standard compliance.</li> <li>Bookmarking and annotating of evidence for uploading into NCQA survey tool.</li> </ul>
Strategy 3	Further maturity of the organization's Health Equity programs under the direction of the Chief Health Equity Officer.
Accomplishments	<ul> <li>Continued support and administration of 12 practices enrolled in the Equity Practice Transformation (EPT) program as well as co-administrating the IHI/DHCS Child Health Equity pilot program with 2 providers in partnership with Quality Performance.</li> <li>Ongoing curriculum development for Health Equity training for providers, employees and contractors in accordance with APL 23-025 as well as development and integration of training requirements from APL 24-018.</li> <li>Justice, Equity, Diversity, &amp; Inclusion (JEDI) Committee and the Provider Health Equity &amp; Learning (P-HEAL) Collaborative were launched. Health Equity hosted and participated in the Executive Quality Improvement Health Equity Committee (EQIHEC), Health Equity Transformation Steering Committee (HETSC), Community Advisory Committee (CAC), Regional Advisory Committee (RAC), Racial Equity Commission (REC), Kern Health Equity Partnership (KHEP) to comply with HEA Accreditation requirements.</li> </ul>



	Goal 2
Goal Name   Description	Workforce Develop initiatives for the recruitment and retention of both internal and external workforce needed to fulfill KHS' mission
Strategy 1	Identify Provider Network needs and gaps to inform target areas and approaches.
Accomplishments	<ul> <li>Completed Q4 Provider Network Management Network Report. Network report utilizes appointment availability studies, member feedback, and provider volume/geographic analytics to monitor network accessibility within the network. On an ongoing basis, the network report is informing network expansion work planning, goal setting, and benchmarking.</li> <li>Q4 2024 Network Adequacy Committee (NAC) was held October 18, 2024. NAC provides oversight to the accessibility monitoring and network expansion efforts of the plan, through establishing network standards, monitoring network compliance, promoting health equity, and steering continuous improvement. Amongst the multiple topics discussed in the Q4 meeting: a review of member grievances by geographic area, OBGYN shortage in Eastern Kern, ABA appointment availability issues.</li> <li>Completed Annual Provider Appointment Availability Survey outreach in line with Department of Managed Health Care (DMHC) requirements; this data will be submitted to the DMCH for regulatory review of Plan network.</li> </ul>
Strategy 2	Strengthen and expand the KHS provider network through innovative and effective recruitment and retention programs.
Accomplishments	<ul> <li>Healthcare Workforce Expansion grant initiatives continue to progress. Dignity Health continues to make strong progress on its construction projects, while Adventist Health has successfully completed the feasibility study for their Family Medicine Residency Program. In Q4, Good Samaritan focused on advancing their ACGME application and securing necessary approvals. Taft College has completed its construction phase, which included building new faculty offices, installing new carpeting in classrooms, and relocating the science lab to create space for a nursing lab. Presentations from various institutions outlining their project progress are being coordinated and are being shared during Board meetings for comprehensive updates. Ongoing collaboration with these institutions ensures consistent communication, with monthly progress reports submitted to monitor developments and address any emerging challenges.</li> <li>In Q4 2024 Provider Recruitment Specialist conducted target provider identification and recruitment efforts at specific specialties as follows: Applied Behavioral Analysis (ABA), Dermatology, Hospice Services, Mental Health Services, Neurology, Oncology, Physical Therapy, Psychiatry, Rheumatology, SNF/Subacute, Transportation Services, and Vascular Surgery. Per APL 24-002, continuous outreach was conducted to Indian Health Care Providers (IHCPs) for Tribal Services. Service areas included cities within the Plan's service area of Kern County (Bakersfield &amp; Ridgecrest) and outside (including Lancaster and Santa Clarita).</li> </ul>



	• As of the end of Q4 2024 the Plan has identified a quarterly growth of 2.85% amongst its Primary Care Network and a 2.01% increase amongst its Specialty Provider Network.
Strategy 3	Identify business needs and gaps in current workforce to inform target areas and approaches.
Accomplishments	• KHS Board approved the Mercer study and equity adjustments. We have successfully completed the equity adjustments and have implemented the new pay band.
Strategy 4	Meet the growing operational demands of the organization by creating recruitment and retention programs for internal staffing and leadership needs.
Accomplishments	• Finalized implementation for the switch to the self-funded health plan with Blue Shield of California. Open enrollment completed effective January 2025.



Goal 3			
Goal Name   Description	CalAIM Continue to develop, implement, and grow the programs and policies included under DHCS' CalAIM initiative		
Strategy 1	Continued growth and maturity of existing CalAIM programs – Population Health Management, Enhanced Care Management, Community Supports, and Long-Term Care.		
Accomplishments	<ul> <li>Launched three (3) ECM program providers in Quarter 4, bringing the total number of ECM program provider sites launched in 2024 to 12. Be Finally Free went live on 10/1/24 with the assistance of IPP PY3 funding. Stay Focused Ministries also went live on 10/1/24. Bakersfield American Indian Health Project went live in Lake Isabella on 12/1/24 with the assistance of IPP PY3 Funding. BAIHP Lake Isabella was provided IPP funding to ensure there was an ECM program provider in the rural area of the Lake Isabella basin. Be Finally Free and Stay Focused Ministries were brought on specifically as Justice-Involved program providers (specialty program providers).</li> <li>Community Supports team was able to onboard three new Community Based Organizations to provide Housing and Meals services.</li> <li>Population Health Management team continued the growth and development of several key programs. The ER Frequent User Initiative engages high-risk members who frequently utilize Emergency Department services. The Homebound Program is in the contracting phase and aims to offer personalized care plans to members who face physical, mental, and/or medical challenges that prevent them from leaving home. And the End Stage Renal Disease (ESRD) Program which will explore partnerships with nephrologists to offer a comprehensive model of care for members with ESRD.</li> </ul>		
Strategy 2	Strengthen Existing and Establish New Community Partnerships to Support CalAIM.		
Accomplishments	• Community-Based Organizations (CBOs) involved in the "Community Based Initiative" grant program are making a significant impact in our community. Farmworker community clinics have been well-received, addressing critical challenges such as transportation barriers and the difficulty farmworkers face in accessing nearby healthcare. Through these outreach visits, grant awardees continue to support individuals who are unable to travel to a specific location for care. Additionally, other CBOs are working to close gaps in healthcare by expanding access to immunizations and preventive services for school-aged children in underserved areas of Kern County. One active CBO has made tremendous progress over the past year, helping clients achieve and maintain abstinence. The grant is truly making a meaningful difference in our community.		



	<ul> <li>Team continued to attend, support, and participate in the CalAIM PATH HC2 Collaborative meetings monthly along with our sister Managed Care plans including Anthem Blue Cross and Kaiser Permanente.</li> <li>KHS continues to lead the quarterly MOU meetings between managed care plans (MCPs) and county agencies for Kern County. Progress reports for Q3 were submitted and approved by DHCS. The MOUs with Kern County Public Health and CSV WIC were approved and signed. The MOUs with CAPK WIC and Kern County Probations is planned for signatures in January 2025. The MOU terms for the IHSS and Child Welfare MOUs are awaiting additional guidance from the state and the Kern Regional Center MOU redlines are under review by their new administration. Agency discussions on the First 5 Kern MOU will begin in Q1 2025 and KHS is awaiting further guidance from DHCS on the status of the LEA MOU.</li> </ul>
Strategy 3	Ongoing collaboration between KHS staff and the Department of Health Care Services (DHCS) on the development and implementation of future CalAIM initiatives.
Accomplishments	<ul> <li>The ECM Leadership Team continued monthly collaborative meetings with the Kern County Probation Department, Kern County Sheriff Department, Kern Behavioral Health and Recovery Services, Kern County Department of Human Services, Kern Medical, the California Department of Corrections and Rehabilitation (CDC-R), and our sister Managed Care plans including Anthem Blue Cross and Kaiser Permanente, for the purposes of collaborating and maintaining relationships regarding the implementation of the Justice-Involved Initiative/pre-release services in Kern County. Both the Kern County Probation Department and the Kern County Sheriff Office submitted their correctional facility readiness assessments on December 31, 2024 to DHCS, with our input and assistance. If approved, all county juvenile and adult facilities will begin providing pre-release services in Kern County as of July 1, 2025.</li> <li>During Q4, Kern Health Systems continued to lead efforts with the CDC-R team in working to discuss data exchange and the contents of the pre-release care plan requirements, including how to ensure it is consumed by the plan to be shared with the ECM program provider post-release. CDC-R has already submitted their correctional facility readiness assessment for all prisons throughout California and intends for their pre-release services to go live as of February 1, 2025.</li> <li>Population Health Management team is closely monitoring the DHCS Closed Loop Referral (CLR) requirements for the PHM Department to ensure effective care coordination between KHS and community resources, allowing members to receive timely services. Through collaboration with the Enhanced Care Management (ECM) and Community Support Services (CSS) Departments, which have already received DHCS guidelines, PHM can integrate the existing CLR infrastructure, standardizing the process at KHS. Our teams maintain regular communication to align strategies, share insights, and improve care outcomes for our members.</li> <li>Community Supports</li></ul>



Goal 4		
Goal	<u>Medicare Duals Special Needs Plan (D-SNP)</u>	
Name   Description	Develop and implement a competitive Medicare Duals Special Needs Plan (D-SNP) product in alignment with State and Federal requirements	
Strategy 1	Development of the long-term D-SNP strategy and implementation roadmap.	
Accomplishments• Through an RFP process, KHS has chosen to partner with an Administrative Services Contractor for the D-SNP line of bus contract contains several administrative functions including call center, grievance, enrollment, claims, utilization managem • Completed second Department of Managed Health Care regulatory filing and submitted the CMS NOIA (notice of intent to Analysis of the appropriate market factors to maximize the competitiveness of the product.		
		Accomplishments
Strategy 3	Design and implementation of an efficient Medicare D-SNP offering with competitive advantages, leveraging KHS innovation and new business/new product development capabilities.	
Accomplishments	<ul> <li>As a result of the new direction and governing board approval, KHS is revisiting and updating the finalized step-by-step delegation implementation plan. This will include incorporating key milestones, revised timelines, and alignment with the partner's implementation plan.</li> <li>The team is also revisiting the 2025 resource planning for all D-SNP-related work to ensure accurate budgeting and allocation of resources as the team collaborates with the delegate partner on implementation.</li> </ul>	



Goal 5		
Goal	Behavioral Health	
Name   Description	Improve the integration, coordination and outcomes for members experiencing behavioral and mental health conditions	
Strategy 1	Development and maturity of an internal Behavioral Health Department.	
Accomplishments	<ul> <li>Onboarded 2 staff (BH Supervisor Licensed and BH Care Coordinator) and created Tier positions for Care Coordinator and CHW.</li> <li>Initiated efforts to develop the Department's Capability Model, and ongoing work on the BH Work Model.</li> <li>Final Member Experience Survey report delivered and initiated qualitative and quantitative analysis for NCQA requirements.</li> <li>Completed the BHT workflow. Ongoing efforts with the BHT Program Implementation work will go into 2025.</li> </ul>	
Strategy 2	Evaluate and ensure the mental health provider network is adequate to provide all outlined non specialty mental health services (NSMHS).	
Accomplishments	<ul> <li>Six new MH/BH contracts in Q4. 70 new providers were credentialed and effective in Q4.</li> <li>Ongoing efforts to finalize remediation on the Timeliness of Access (Referral Aging report).</li> </ul>	
Strategy 3	Communication and coordination with County Behavioral Health regarding DHCS requirements.	
Accomplishments	<ul> <li>Continuing implementation of MOU with County MHP and DMC-ODS and alignment of policies based on MOU requirements.</li> <li>Ongoing implementation with KBHRS on data exchange efforts.</li> <li>Further discussions on Transition of Care process to ensure accuracy with documentation to support request for step down.</li> </ul>	
Strategy 4	Further evaluate and develop the implementation of Primary Care Provider Roles with Substance Use Disorder services / Medication Assisted Treatment (MAT) services.	
Accomplishments	Additional efforts in 2025 BH Project to develop and implement MAT workflow.	



Goal 6		
Goal Nome   Description	<u>Member Engagement</u>	
Name   Description	Increase member engagement in their health care	
Strategy 1	Identify and implement innovative and effective offerings designed to engage members more in their health care.	
	• East Kern (Ridgecrest) Member Engagement Representative (MER) began visiting with the residents of the women's shelter and is	
Accomplishments	<ul> <li>now visiting regularly to assist residents to access their benefits.</li> <li>East Kern MER (Mojave) expanded plan presence in Rosamond providing plan presentations to residents, parents, and students.</li> </ul>	
-	<ul> <li>North Kern MER (Delano) moved to a more accessible office location and is cohabiting with a KHS Community Navigator.</li> </ul>	
<b>Strategy 2:</b> Work with internal staff and external partners to develop strategies that ensure continuity of coverage for our members.		
	Placed a Community Navigator in the new Delano office for member assistance with renewals.	
Accomplishments	Carried over campaign strategies and efforts from 2024 Medi-Cal Renewals Campaign.	
<b>F</b>	Training session refresher for member facing staff to assist members with Medi-Cal Renewals.	
Strategy 3:	Leverage convenient technology to enhance the effectiveness of engagement and suit members' needs.	
	Text message automation and customization project was kicked off.	
Accomplishments	Member Engagement Dashboard revived.	
Г. Т. Т. Г. Т.	Member Engagement project kicked off for 3 main customer relations management use cases.	



Goal 7		
Goal	KHS Foundation	
Name   Description	Explore the opportunity for KHS to create a non-profit foundation to further its mission in the community	
Strategy 2	Begin collaboration with law firm on the corporate formation documents and finalize the development phase of the foundation.	
Accomplishments	• The Bylaws were finalized by the external law firm and await final approval from the Foundation Committee. Status Report provided to the KHS Board of Directors at the December meeting. Once the Bylaws are adopted, the initial Directors need to be appointed, and an initial organizational meeting should be held.	

## ATTACHMENT B

#### Bill Tracking:

Title	Description	Status
AB 29	This bill would require the department, as part of its above-described duties, to include	12/03/24 -
	(1) community-based organizations and local health jurisdictions that provide health	From
	services through community health workers and (2) doulas, that are enrolled Medi-Cal	printer.
	providers, as providers qualified to provide, and eligible to receive payments for, ACEs	May be
	trauma screenings pursuant to the provisions described above. The bill would require the	heard in
	department to file a state plan amendment and seek any federal approvals it deems	committee
	necessary to implement these provisions and condition implementation on receipt of any	January 2.
	necessary federal approvals and the availability of federal financial participation. The bill	
	would also require the department to update its internet website and the ACEs Aware	
	internet website to reflect the addition of the Medi-Cal providers described above as	
	authorized to provide ACEs screenings.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB29	
AB 37	Existing law establishes the California Workforce Development Board as the body	12/03/24 -
	responsible for assisting the Governor in the development, oversight, and continuous	From
	improvement of California's workforce investment system and the alignment of the	printer.
	education and workforce investment systems to the needs of the 21st century economy	May be
	and workforce.	heard in
	This bill would state the intent of the Legislature to enact legislation relating to	committee
	expanding the workforce of those who provide mental health services to "homeless	January 2.
	persons" or "homeless people," as specified.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB37	
AB 45	This bill would state the intent of the Legislature to enact legislation to make it unlawful	12/03/24 -
	to geofence an entity that provides in-person health care services and to prohibit health	From
	care providers from releasing medical research information related to an individual	printer.
	seeking or obtaining an abortion in response to a subpoena or request if that subpoena or	May be
	request is based on another state's laws that interfere with a person's rights under the	heard in
	Reproductive Privacy Act.	committee
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB45	January 2.

AB 50	Existing law, the Pharmacy Law, establishes in the Department of Consumer Affairs the	
	California State Board of Pharmacy to license and regulate the practice of pharmacy.	12/03/24 -
	Exiting law requires a pharmacist, when furnishing self-administered hormonal	From
	contraceptives, to follow specified standardized procedures or protocols developed and	printer.
	approved by both the board and the Medical Board of California in consultation with the	May be
	American Congress of Obstetricians and Gynecologists, the California Pharmacists	heard in
	Association, and other appropriate entities. Existing law requires those standardized	committee
	procedures or protocols to require that the patient use a self-screening tool that will	January 2.
	identify related patient risk factors and that require the pharmacist to refer the patient for	
	appropriate follow-up care, as specified. Existing law requires the pharmacist to provide	
	the recipient of the drug with a standardized factsheet that includes the indications and	
	contraindications for use of the drug, the appropriate method for using the drug, the need	
	for medical follow-up, and other appropriate information.	
	This bill would limit the application of those requirements to self-administered hormonal	
	contraceptives that are prescription-only and would authorize a pharmacist to furnish	
	over-the-counter contraceptives without following those standardized procedures or	
	protocols. The bill would make related conforming changes.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB50	
AB 54	Existing law sets forth provisions, under the California Constitution, regarding the	12/03/24 -
	fundamental right to choose to have an abortion. Existing law, the Reproductive Privacy	From
	Act, prohibits the state from denying or interfering with a pregnant person's right to	printer.
	choose or obtain an abortion prior to viability of the fetus, or when the abortion is	May be
	necessary to protect the life or health of the pregnant person.	heard in
		committee
	This bill, the Access to Safe Abortion Care Act, would make legislative findings about	January 2.
	medication abortion, with a focus on use of the drugs mifepristone and misoprostol. The	
	bill would state the intent of the Legislature to enact legislation that would ensure access	
	to medication abortion.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB54	

AB 55	Existing law establishes the Medi-Cal program, which is administered by the State	12/03/24 -
	Department of Health Care Services and under which qualified low-income individuals	From
	receive health care services. The Medi-Cal program is, in part, governed and funded by	printer.
	federal Medicaid program provisions. Existing law sets forth certain criteria for Medi-Cal	May be
	reimbursement to alternative birth centers for facility-related delivery costs.	heard in
		committee
	Under existing law, as a criterion under both the licensing provisions and the Medi-Cal	January 2.
	reimbursement provisions described above, the facility is required to be a provider of	-
	comprehensive perinatal services as defined in the Medi-Cal provisions.	
	This bill would remove, under both sets of criteria, the certification condition of being a	
	provider of comprehensive perinatal services as defined in the Medi-Cal provisions. The	
	bill would also make a technical change to an obsolete reference within a related	
	provision.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB55	
AB 96	Existing law required the Department of Health Care Access and Information, on or	01/08/25 -
	before July 1, 2023, to develop and approve statewide requirements for community	From
	health worker certificate programs. Existing law defines "community health worker" for	printer.
	these purposes to mean a liaison, link, or intermediary between health and social services	May be
	and the community to facilitate access to services and to improve the access and cultural	heard in
	competence of service delivery. Existing law specifies that "community health worker"	committee
	include Promotores, Promotores de Salud, Community Health Representatives,	February 7.
	navigators, and other non licensed health workers with the qualifications developed by	
	the department.	
	This bill would also enosify for these numbers that a "community health worker"	
	This bill would also specify for these purposes that a "community health worker" includes a peer support specialist.	
	https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB96	
AB 220	Existing law establishes the Medi-Cal program, which is administered by the State	01/08/25 -
AD 220	Department of Health Care Services, under which qualified low-income individuals	Read first
	receive health care services. The Medi-Cal program is, in part, governed and funded by	time. To
	federal Medicaid program provisions. Existing law requires the department to establish a	print
	subacute care program in health facilities, as specified, to be available to patients in	Pint
	health facilities who meet subacute care criteria. Existing law requires that medical	
	necessity for pediatric subacute care be substantiated by specified conditions. Existing	
	regulations require a treatment authorization request for each admission to a subacute	
	unit.	
	This bill would require a health facility that provides pediatric subacute or adult subacute	
	care services pursuant to these provisions to submit with a treatment authorization	

	request, including an electronic treatment authorization request, a specified form when requesting authorization for subacute care services. The bill would prohibit a Medi-Cal managed care plan from developing or using its own criteria to substantiate medical necessity for pediatric subacute or adult subacute care services with a condition or standard not enumerated in those forms. The bill would require the department to develop and implement procedures, and authorize the department to impose sanctions, to ensure that a Medi-Cal managed care plan complies with these provisions. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB220	
AB 242	Existing law establishes the continuously appropriated Genetic Disease Testing Fund (GDTF), consisting of fees paid for newborn screening tests, and states the intent of the Legislature that all costs of the genetic disease testing program be fully supported by fees paid for newborn screening tests, which are deposited in the GDTF. Existing law also authorizes moneys in the GDTF to be used for the expansion of the Genetic Disease Branch Screening Information System to include cystic fibrosis, biotinidase, severe combined immunodeficiency (SCID), adrenoleukodystrophy (ALD), and any other disease that is detectable in blood samples, as specified, and exempts the expansion of contracts for this purpose from certain provisions of the Public Contract Code, the Government Code, and the State Administrative Manual, as specified.	01/15/25 - From printer. May be heard in committee February 14.
	This bill would require the department to expand statewide screening of newborns to include screening for Duchenne muscular dystrophy as soon as possible, but no later than January 1, 2027. By expanding the purposes for which moneys from the GDTF may be expended, this bill would make an appropriation. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB242	
AB 257	This bill would, subject to an appropriation, require the California Health and Human Services Agency, in collaboration with the Department of Health Care Access and Information and the State Department of Health Care Services, to establish a demonstration project for a telehealth and other virtual services specialty care network that is designed to serve patients of safety-net providers consisting of qualifying providers, defined to include, among others, rural health clinics and community health centers. The bill would authorize the focus of the project to include increasing access to behavioral and maternal health services and additional specialties prioritized by the agency. The bill would state the intent of the Legislature that implementation of the demonstration project would facilitate compliance with any applicable network adequacy standards.	01/17/25 - From printer. May be heard in committee February 16.
	The bill would require the demonstration project to include a grant program to award funding to grantees, as defined, that meet specified conditions relating to specialist networks and health information technology. Under the bill, the purpose of the grant	

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	program would be to achieve certain objectives, including, among others, reducing	
	structural barriers to access experienced by patients, improving cost-effectiveness, and	
	optimizing utilization. The bill would require a grantee to evaluate its performance on the	
	objectives and to submit a report of its findings to the agency.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB257	
AB 260	Existing law establishes the California Reproductive Health Service Corps within the	01/17/25 -
	department for the purposes of recruiting, training, and retaining a diverse workforce of	From
	reproductive health care professionals who will be part of reproductive health care teams	printer.
	to work in underserved areas. Existing law defines reproductive health, for purposes of	May be
	the corps, to mean health services relating to abortion care, sexual health counseling,	heard in
	contraception, sexually transmitted infections, reproductive tract infections, HIV,	committee
	gynecology, perinatal care, midwifery care, gender-affirming care, and gender-based	February
	violence prevention.	16.
	This bill would state the intent of the Legislature to enact legislation to ensure that	
	patients can continue to access care, including abortion, gender-affirming care, and other	
	sexual and reproductive health care in California, and to allow patients to access care	
	through asynchronous modes.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB260	
AB 278	Existing law establishes the Office of Health Care Affordability within the Department of	01/22/25 -
	Health Care Access and Information to analyze the health care market for cost trends and	From
	drivers of spending, develop data-informed policies for lowering health care costs for	printer.
	consumers and purchasers, and create a state strategy for controlling the cost of health	May be
	care. Existing law establishes the Health Care Affordability Board to establish, among	heard in
	other things, a statewide health care cost target and the standards necessary to meet	committee
	exemptions from health care cost targets or submitting data to the office. Existing law	February
	authorizes the office to establish advisory or technical committees, as necessary, in order	21
	to support the board's decision-making.	
	This bill would require the board, on or before June 1, 2026, to establish a Patient	
	Advocate Advisory Standing Committee, as specified, that is required to publicly meet,	
	and receive public comments, at least 4 times annually. The bill would require the	
	committee to include specified data from the meetings to the board as part of its annual	
	report.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB278	

SB 278	Existing law establishes the Medi-Cal program, which is administered by the State	02/04/25 -
	Department of Health Care Services and under which qualified low-income individuals	Introduced.
	receive health care services. The Medi-Cal program is, in part, governed and funded by	Read first
	federal Medicaid program provisions.	time. To
		Com. on
	Under existing law, public health records relating to human immunodeficiency virus	RLS. for
	(HIV) or acquired immunodeficiency syndrome (AIDS), containing personally	assignment.
	identifying information, that were developed or acquired by a state or local public health	To print.
	agency, or an agent of that agency, are generally confidential and are prohibited from	
	being disclosed.	
	Under existing, in the form of exceptions, certain disclosures of the information are	
	authorized for the purpose of facilitating appropriate HIV/AIDS medical care and	
	treatment, including disclosures by state or local public health agency staff to agency	
	staff, the designated health care provider, or the HIV-positive person who is the subject of	
	the record, as specified.	
	This bill would additionally authorize specified staff to disclose the information to State	
	Department of Health Care Services staff, followed by authorized disclosures to the	
	Medi-call managed care plan if applicable, the HIV-positive person who is the subject of	
	the record, and the designated health care provider, for the purpose of proactively	
	offering and coordinating care and treatment services to the person or for the purpose of	
	administering quality improvement programs designed to improve HIV care for Medi-	
	Cal beneficiaries.	
	The bill would make a conforming change to a related provision regarding authorized	
	disclosure of HIV test results for the purpose of administering quality improvement	
	programs under Medi-Cal as described above.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB278	

AB 280	This bill would require a plan or insurer to annually verify and delete inaccurate listings	01/22/25 -
	from its provider directories, and would require a provider directory to be 60% accurate	From
	on July 1, 2026, with increasing required percentage accuracy benchmarks to be met	printer.
	each year until the directories are 95% accurate on or before July 1, 2029. The bill would	May be
	subject a plan or insurer to administrative penalties for failure to meet the prescribed	heard in
	benchmarks.	committee
		February
	The bill would require a plan or insurer to provide coverage for all covered health care	21.
	services provided to an enrollee or insured who reasonably relied on inaccurate,	
	incomplete, or misleading information contained in a health plan or policy's provider	
	directory or directories and to reimburse the provider the out-of-network amount for	
	those services. The bill would prohibit a provider from collecting an additional amount	
	from an enrollee or insured other than the applicable in-network cost sharing.	
	The bill would require a plan or insurer to provide information about in-network	
	providers to enrollees and insureds upon request and would limit the cost-sharing	
	amounts an enrollee or insured is required to pay for services from those providers under	
	specified circumstances. The bill would require the health care service plan or the	
	insurer, as applicable, to ensure the accuracy of a request to add back a provider who was	
	previously removed from a directory and approve the request within 10 business days of	
	receipt, if accurate. Because a violation of the bill's requirements by a health care service	
	plan would be a crime, the bill would impose a state-mandated local program.	
	On or before January 1, 2026, this bill would authorize the Department of Managed	
	Health Care and the Department of Insurance to develop uniform formats for plans and	
	insurers to use to request directory information from providers and to establish a	
	methodology and processes to ensure accuracy of provider directories and consistency	
	with other laws, regulations, or standards.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB280	

		01/00/05
AB 302	Existing law, the Confidentiality of Medical Information Act, prohibits a provider of	01/23/25 -
	health care, a health care service plan, or a contractor from disclosing medical	Read first
	information, as defined, regarding a patient of the provider of health care or an enrollee	time. To
	or subscriber of the health care service plan without first obtaining an authorization,	print.
	except as prescribed.	
	Existing law requires a provider of health care, a health care service plan, or a contractor	
	to disclose medical information when specifically required by law or if the disclosure is	
	compelled by, among other things, a court order or a search warrant lawfully issued to a	
	governmental law enforcement agency.	
	This bill would instead require a provider of health care, a health care service plan, or a	
	contractor to disclose medical information when specifically required by California law.	
	The bill would revise the disclosure requirement relating to a court order to require	
	disclosure if compelled by a California state court pursuant to an order of that court or a	
	court order from another state based on another state's law so long as that law does not	
	interfere with California law, as specified. The bill would revise the disclosure	
	requirement relating to a search warrant to require disclosure if compelled by a warrant	
	from another state based on another state's law so long as that law does not interfere with	
	California law. By narrowing the exceptions for disclosing medical information, and	
	thereby expanding the crime of violating the act, this bill would impose a state-mandated	
	local program.	
	local program.	
	Existing law prohibits a provider of health care, health care service plan, contractor, or	
	corporation and its subsidiaries and affiliates from intentionally sharing, selling, using for	
	marketing, or otherwise using medical information for a purpose not necessary to provide	
	health care services to the patient, except to the extent expressly authorized by a patient,	
	enrollee, or subscriber, or if compelled pursuant to the above-described requirements.	
	Existing law prohibits a contractor or corporation and its subsidiaries and affiliates from	
	further disclosing medical information received under these provisions to a person or	
	entity that is not engaged in providing direct health care services to the patient or the	
	patient's provider of health care or health care service plan or insurer or self-insured	
	employer, except to the extent expressly authorized by a patient, enrollee, or subscriber,	
	or if compelled pursuant to the above-described requirements.	
	This bill would delete the exceptions allowing disclosure pursuant to an express	
	authorization by a patient, enrollee, or subscriber. By expanding prohibitions against	
	disclosing medical information, and thereby expanding the crime of violating the act, this	
	bill would impose a state-mandated local program.	
	on would impose a state-mandated local program.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB302	

AB 315	Existing law sets forth provisions for the implementation of the Nursing Facility/Acute	01/23/25 -
	Hospital Transition and Diversion Waiver, which is the predecessor of the Home and	Read first
	Community-Based Alternatives (HCBA) Waiver, for purposes of providing care	time. To
	management services to individuals who are at risk of nursing facility or institutional	print.
	placement.	
	This bill would recast those provisions to refer to the HCBA Waiver. The bill would	
	delete a provision authorizing the expansion of the number of waiver slots up to 5,000	
	additional slots and would instead require the enrollment of all eligible individuals who	
	apply for the HCBA Waiver. The bill would require the department, by March 1, 2026, to	
	seek any necessary amendments to the waiver to ensure that there is sufficient capacity to	
	enroll all eligible individuals who are currently on a waiting list for the waiver, as	
	specified.	
	The bill would require the department, by March 1, 2026, to submit a rate study to the	
	appropriate fiscal and policy committees of the Legislature addressing the sustainability,	
	quality, and transparency of rates for the HCBA Waiver. The bill would require that the	
	study include an assessment of the effectiveness of the methods used to pay for services	
	under the waiver, with consideration of certain factors. The bill would make related	
	legislative findings.	
	https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202520260AB315	
AB 322	Existing law establishes the State Department of Education in state government and vests	01/27/25 -
	the department with specified powers and duties relating to the state's public school	Read first
	system, including encouraging and assisting school districts to improve and monitor the	time.
	health of their pupils. Existing law requires the department, as part of that assistance, to	
	provide information and guidance to schools that request the information and guidance to	
	establish "Health Days" to provide screenings for common health problems among	
	pupils.	
	This bill would require the department to include county offices of education and charter	
	schools in the above-described provisions. The bill would require the department to	
	encourage school districts, county offices of education, and charter schools to participate	
	in programs that offer reimbursement for school-based health services and school-based	
	mental health services, as provided.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB322	

AB 346	Existing law provides for the county-administered In-Home Supportive Services (IHSS)	01/30/25 -
	program, under which qualified aged, blind, and disabled persons are provided with	From
	specified services in order to permit them to remain in their own homes and avoid	printer.
	institutionalization. Existing law defines supportive services for purposes of the IHSS	May be
	program to include those necessary paramedical services that are ordered by a licensed	heard in
	health care professional, which persons could provide for themselves, but for their	committee
	functional limitations. Existing law requires an applicant for, or recipient of, in-home	March 1.
	supportive services, as a condition of receiving these services, to obtain a certification	
	from a licensed health care professional declaring that the applicant or recipient is unable	
	to perform some activities of daily living independently, and that without services to	
	assist the applicant or recipient with activities of daily living, the applicant or recipient is	
	at risk of placement in out-of-home care, and defines a licensed health care professional	
	to mean an individual licensed in California by the appropriate California regulatory	
	agency, acting within the scope of their license or certificate as defined in the Business	
	and Professions Code.	
	This bill would instead define "licensed health care professional" for those purposes to	
	mean any person who engages in acts that are the subject of licensure or regulation under	
	specified provisions of the Business and Professions Code or under any initiative act	
	referred to in those specified provisions. The bill would also clarify that as a condition of	
	receiving paramedical services, an applicant or recipient is required to obtain a	
	certification from a licensed health care professional, as specified.	
A D 240	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB346	01/20/25
AB 348	Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by	01/30/25 -
	the voters as Proposition 63 at the November 2, 2004, statewide general election, funds a	From
	system of county mental health plans for the provision of mental health services, as	printer.
	specified. The MHSA establishes the Mental Health Services Fund, a continuously	May be
	appropriated fund, which is administered by the State Department of Health Care	heard in
	Services (department), to fund specified county mental health programs. Existing law, the	committee March 1.
	Behavioral Health Services Act (BHSA), a legislative act amending the MHSA that was	March 1.
	approved by the voters as Proposition 1 at the March 5, 2024, statewide primary election, recast the MHSA by, among other things, renaming the fund to the Behavioral Health	
	Services Fund and reallocating how moneys from that fund may be spent. The BHSA	
	requires each county to establish and administer a full-service partnership program that	
	includes, among other things, outpatient behavioral health services, as specified, and	
	housing interventions.	
	This bill would establish criteria for an individual with a serious mental illness to be	
	presumptively eligible for a full-service partnership, including, among other things, the	
	person is transitioning to the community after 6 months or more in the state prison or	

	county jail. The bill would specify that a county is not required to enroll an individual who meets that presumptive eligibility criteria if doing so would exceed full-service partnership funding. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB348	
AB 350	Existing law provides for the Medi-Cal program, administered by the State Department of Health Care Services and under which health care services are provided to low-income individuals. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law establishes a schedule of benefits under the Medi-Cal program and provides for various services, including certain dental services, that are rendered by Medi-Cal enrolled providers. Under existing law, silver diamine fluoride treatments are a covered benefit for eligible children 0 to 6 years of age, inclusive, as specified, and application of fluoride or other appropriate fluoride treatment is covered for children 17 years of age and under.	01/30/25 - From printer. May be heard in committee March 1.
	This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2026, to provide coverage for the application of fluoride varnish in the primary care setting for children under 21 years of age. Because a willful violation of this provision by a health care service plan would be a crime, the bill would impose a state-mandated local program.	
	This bill would make the application of fluoride or other appropriate fluoride treatment, including fluoride varnish, a covered benefit under the Medi-Cal program for children under 21 years of age. The bill would require the State Department of Health Care Services to establish and promulgate a policy governing billing and reimbursement for the application of fluoride varnish, as specified.	
AB 360	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB350 Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law sets forth specified coverage requirements for health care service plan contracts and health insurance policies.	01/31/25 - From printer. May be heard in committee
	This bill would state the intent of the Legislature to enact legislation relating to menopause that ensures patients experiencing menopause have access to health care providers who are well equipped to offer effective treatments and support and to promote greater awareness and education within the medical community to address gaps in care.	March 2.
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB360	

AB 375	Existing law, the Medical Practice Act, establishes the Medical Board of California and	02/04/25 -
	charges it with administrative and enforcement duties related to the provision of medical	From
	services under the act. Existing law establishes requirements for the delivery of medical	printer.
	services, including via telehealth by specified health care providers. A violation of the act	May be
	is a crime.	heard in
		committee
	Under existing law, a "health care provider," for purpose of the act, includes a qualified	March 6.
	autism service provider or a qualified autism service professional that is certified by a	
	national entity, as specified.	
	This bill would expand that definition of "health care provider" to also include a	
	qualified autism service paraprofessional. By expanding the scope of a crime under the	
	act, the bill would impose a state-mandated local program.	
	https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202520260AB375	
AB 384	Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the	02/04/25 -
	licensure and regulation of health care service plans by the Department of Managed	From
	Health Care, and makes a willful violation of the act a crime. Existing law provides for	printer.
	the regulation of health insurers by the Department of Insurance. Existing law requires a	May be
	health care service plan or health insurer to ensure that processes necessary to obtain	heard in
	covered health care services, including, but not limited to, prior authorization processes,	committee
	are completed in a manner that assures the provision of covered health care services to an	March 6.
	enrollee or insured in a timely manner appropriate for the enrollee's or insured's	
	condition, as specified.	
	This bill, the California Mental Health Protection Act, would prohibit a health care	
	service plan contract or health insurance policy issued, amended, or renewed on or after	
	January 1, 2027, that provides coverage for mental health and substance use disorders	
	from requiring prior authorization (1) for an enrollee or insured to be admitted for	
	medically necessary 24-hour care in inpatient settings for mental health and substance	
	use disorders, as specified, and (2) for any medically necessary health care services	
	provided to an enrollee or insured while admitted for that care. The bill would authorize	
	the Director of the Department of Managed Health Care or the Insurance Commissioner,	
	as applicable, to assess administrative or civil penalties, as specified, for violations of	
	these provisions.	
	Existing law establishes the Medi-Cal program, which is administered by the State	
	Department of Health Care Services and under which qualified low-income individuals	
	receive health care services through various delivery systems, including managed care.	
	The Medi-Cal program is, in part, governed and funded by federal Medicaid program	
	provisions.	

	artificial intelligence. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB7	January 2.
	This bill would declare the intent of the Legislature to enact legislation relating to	heard in committee
	the director and the department to exercise various powers in creating and managing the information technology policy of the state.	may be
	Technology, which is supervised by the Director of Technology. Existing law authorizes the director and the department to everyise various powers in creating and managing the	From printer.
<b>SB 7</b>	Existing law establishes within the Government Operations Agency the Department of	12/03/24 -
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB403	12/02/24
	for CHW services billed to the department, as specified.	
	and by Medi-Cal managed care plan as applicable, and data on Medi-Cal reimbursements	
	capacity and the needs of Medi-Cal beneficiaries, a disaggregation of the assessment by geographic region, race, ethnicity, language, age, and other sociodemographic factors,	
	The bill would require the analysis to include, at a minimum, an assessment of CHW	
	website, with the first analysis due July 1, 2027.	
	analysis to the Legislature, and publish each analysis on the department's internet	
	the department to annually conduct an analysis of the CHW services benefit, submit each	
	This bill would require the department to annually review the above-described outreach and education efforts conducted by Medi-Cal managed care plans. The bill would require	
	the department to inform stakeholders about implementation of the benefit.	
	law requires a Medi-Cal managed care plan to engage in outreach and education efforts to enrollees with regard to the CHW services benefit, as specified. Existing law requires	
	services and to improve the access and cultural competence of service delivery. Existing	print.
	intermediary between health and social services and the community to facilitate access to	time. To
	benefit subject to any necessary federal approvals. CHW is defined as a liaison, link, or	Read first
AB 403	Under existing law, community health worker (CHW) services are a covered Medi-Cal	02/04/25 -
	and the receipt of any necessary federal approvals https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB384	
	implementation of these provisions on the availability of federal financial participation	
	or impose sanctions on, an entity that violates these provisions. The bill would condition	
	the Director of the State Department of Health Care Services to terminate a contract with,	
	services provided to a beneficiary while admitted for that care. The bill would authorize	
	admission for medically necessary 24-hour care in inpatient settings for mental health and substance use disorders, as specified, and (2) for any medically necessary health care	
	This bill would prohibit requiring prior authorization under the Medi-Cal program (1) for	

SB 32	This bill would state the intent of the Legislature to enact legislation relating to	12/03/24 -
	menopause that ensures patients experiencing menopause have access to health care	From
	providers who are well equipped to offer effective treatments and support and to promote	printer.
	greater awareness and education within the medical community to address gaps in care.	May be
	https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202520260SB32	heard in
		committee
		January 2.
SB 53	Existing law defines "automated decision system" as a computational process derived	01/08/25 -
	from machine learning, statistical modeling, data analytics, or artificial intelligence (AI)	From
	that issues simplified output, including a score, classification, or recommendation, that is	printer.
	used to assist or replace human discretionary decision-making and materially impacts	May be
	natural persons. Existing law defines "artificial intelligence" as an engineered or	acted upon
	machine-based system that varies in its level of autonomy and that can, for explicit or	on or after
	implicit objectives, infer from the input it receives how to generate outputs that can	February 7.
	influence physical or virtual environments.	-
	Existing law, the Generative Artificial Intelligence Accountability Act, among other	
	things, requires the Department of Technology, under the guidance of the Government	
	Operations Agency, the Office of Data and Innovation, and the Department of Human	
	Resources, to update the report to the Governor, as required by Executive Order No. N-	
	12-23, as prescribed, and requires the Office of Emergency Services to perform, as	
	appropriate, a risk analysis of potential threats posed by the use of generative AI to	
	California's critical infrastructure, including those that could lead to mass casualty	
	events.	
	This bill would declare the intent of the Legislature to enact legislation that would	
	establish safeguards for the development of AI frontier models and that would build state	
	capacity for the use of AI, that may include, but is not limited to, the findings of the Joint	
	California Policy Working Group on AI Frontier Models established by the Governor.	
	https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202520260SB53	
SB 238	Employment: artificial intelligence- This spot bill states the intent of the Legislature to	01/30/25 -
	enact legislation relating to the use of artificial intelligence in the workplace.	From
		printer.
	https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202520260SB238	May be
		acted upon
		on or after
		March 1.

SB 242	Existing federal law additionally provides for the issuance of Medicare supplement	02/03/25 -
	policies or certificates, also known as Medigap coverage, which are advertised,	From
	marketed, or designed primarily as a supplement to reimbursements under the Medicare	printer.
	Program for the hospital, medical, or surgical expenses of persons eligible for the	May be
	Medicare Program, including coverage of Medicare deductible, copayment, or	acted upon
	coinsurance amounts, as specified. Existing law, among other provisions, requires	on or after
	supplement benefit plans to be uniform in structure, language, designation, and format	March 2.
	with the standard benefit plans, as prescribed. Existing law prohibits an issuer from	
	denying or conditioning the offering or effectiveness of any Medicare supplement	
	contract, policy, or certificate available for sale in this state, or discriminating in the	
	pricing of a contract, policy, or certificate because of the health status, claims experience,	
	receipt of health care, or medical condition of an applicant in the case of an application	
	that is submitted prior to or during the 6-month period beginning with the first day of the	
	first month in which an individual is both 65 years of age or older and is enrolled for	
	benefits under Medicare Part B. Existing law requires an issuer to make available	
	specified Medicare supplement benefit plans to a qualifying applicant under those	
	circumstances who is 64 years of age or younger who does not have end stage renal	
	disease.	
	This bill would delete the exclusion of otherwise qualified applicants who have end stage	
	renal disease, thereby making the specified Medicare supplement benefit plans available	
	to those individuals. The bill, on and after January 1, 2026, would prohibit an issuer of	
	Medicare supplement coverage in this state from denying or conditioning the issuance or	
	effectiveness of any Medicare supplement coverage available for sale in the state, or	
	discriminate in the pricing of that coverage because of the health status, claims	
	experience, receipt of health care, medical condition, or age of an applicant, if an	
	application for coverage is submitted during an open enrollment period, as specified in	
	the bill. The bill would entitle an individual enrolled in Medicare Part B to a 90-day	
	annual open enrollment period beginning on January 1 of each year, as specified, during	
	which period the bill would require applications to be accepted for any Medicare	
	supplement coverage available from an issuer, as specified. The bill would require the	
	open enrollment period to be a guaranteed issue period.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB242	

SB 246	Existing law requires the department, subject to any necessary federal approvals and the	02/03/25 -
50 240	availability of federal financial participation, to make Medi-Cal payments to designated	From
	public hospitals (DPHs) and their affiliated government entities, as defined, in	printer.
		1
	recognition of the Medi-Cal managed care share of graduate medical education (GME)	May be
	costs. Existing law requires that the payments consist of direct and indirect GME	acted upon
	payments made in recognition and support of the direct costs incurred in the operation of	on or after
	GME programs and the increased operating and patient care costs associated with	March 2.
	teaching programs, respectively.	
	Under existing law, the nonfederal share of these payments consist of voluntary	
	intergovernmental transfers (IGTs) of funds provided by DPHs or their affiliated	
	government entities, or other eligible public entities, as specified. Under existing law, the	
	continuously appropriated DPH GME Special Fund is established for these purposes.	
	This hill would require the department, subject to any passagery federal energy and	
	This bill would require the department, subject to any necessary federal approvals and	
	the availability of federal financial participation, to make additional Medi-Cal payments	
	to district and municipal public hospitals (DMPHs), defined as non-designated public	
	hospitals, and to their affiliated government entities, in recognition of the Medi-Cal	
	managed care share of GME costs. Under the bill, these payments would be made in a	
	manner consistent with the methodology for GME payments to DPHs and their affiliated	
	government entities and would consist of the above-described direct and indirect GME	
	payment components. The bill would authorize the department to seek federal approval	
	for other forms of GME payments to DMPHs and their affiliated government entities, as	
	specified.	
	Under the bill, the nonfederal share of payments under these provisions would consist of	
	voluntary IGTs of funds provided by DMPHs or their affiliated government entities, or	
	other eligible public entities, to the extent permitted under certain federal regulations and	
	other applicable federal Medicaid laws, and with no state General Fund moneys being	
	used to fund the nonfederal share of payments. The bill would establish the DMPH GME	
	Special Fund, with moneys deposited being continuously appropriated to the department	
	for purposes of these provisions.	
	The bill would require the department to seek any necessary federal approvals for GME	
	payments, effective no sooner than January 1, 2026. The bill would authorize the	
	Director of Health Care Services to modify the requirements set forth in these provisions	
	to the extent necessary to meet federal requirements or to maximize federal financial	
	participation, as specified.	
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB246	

SB 250	Existing federal Medicaid law requires the state to publish an online directory of	02/03/25 -			
	physicians and, at state option, other providers, as specified. Existing state law sets forth	From			
	Medi-Cal managed care provisions relating to a Medi-Cal applicant or beneficiary being	printer.			
	informed of the health care options available regarding methods of receiving Medi-Cal				
	benefits, including through certain provider directories. The department has	acted upon			
	administratively created an online provider directory through an internet website known				
	as Medi-Cal Managed Care Health Care Options.				
	This bill would require, as part of the health care options information posted by the				
	department, in the provider directory that lists accepted Medi-Cal managed care plans,				
	through the Medi-Cal Managed Care Health Care Options internet website and any other				
	applicable mechanisms, that the directory include skilled nursing facilities as one of the				
	available searchable provider types. The bill would require that this provision be				
	implemented in conjunction with implementation of the above-described provisions.				
	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB250				

Attachment C



# Grants and Strategic Initiatives: Quality Grant | Community Based Initiative



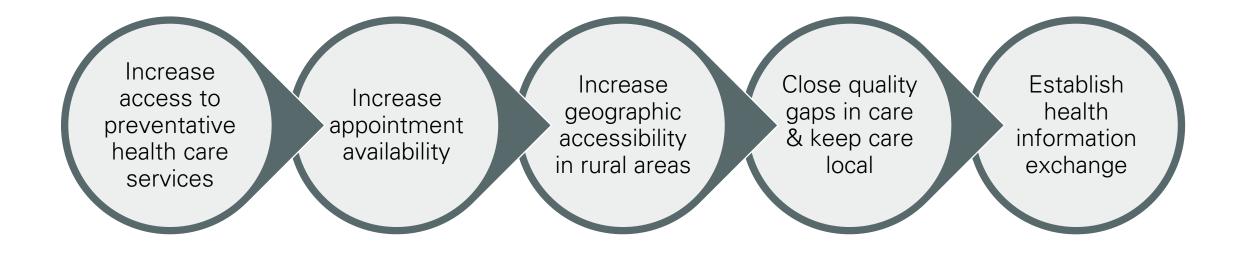
# **Quality Grant: Background**

The Quality Grant allocated **\$5million** to providers to create and establish programs, infrastructure, and best practices that can be implemented immediately to increase performance. Establishing high performance practice habits and member engagement to support KHS' mission of increasing the health status of our members is always the driving force behind such efforts.

- Mobile Clinics
- Electronic Medical Record (EMR) & Data Exchange
- Children Domain
- Cancer Prevention & Reproductive Health Domain



# **Quality Grant: Goals**





## Awardees

## 10 local providers awarded

- Clinica Sierra Visita (CSV)
- Kern Medical Center
- Premier Valley Medical Group
- Omni Family Health
- Komoto Pharmacy
- Coastal Kids
- Polyclinic Medical Center Inc
- San Michael Pediatrics
- Universal Healthcare Services Inc
- Vanguard Medical Corporation



# **Kern Medical Center**

Funding Allocation: \$1,300,000 Project Name: Mobile Clinic Services **Project Goal:** The mission of the Kern Medical Mobile Clinics is to build a stable patient base to be self-sufficient and long-term by bridging gaps in underserved and remote communities. Since the start of the grant period, Kern Medical has hosted over 100 mobile clinics providing various services from school & sports physicals, immunizations & vaccinations, hearing & vision screenings, oral health assessments, and Medi-Cal enrollment.





# **Komoto Pharmacy**

Funding Allocation: \$104,100

Project Name: Mobile Pediatric Vaccine Clinics

Project Goal: Increase the number of children and teens up-to-date on Advisory Committee on
Immunization Practices (ACIP) recommended vaccines by hosting mobile clinics throughout Kern County.
Since the kickoff of the program in April 2024, Komoto Pharmacy has successfully completed 7 mobile
clinics, administering over 200 doses of Vaccines for Children (VFC) to 132 patients throughout Delano,
Bakersfield, Wasco, and Lamont.





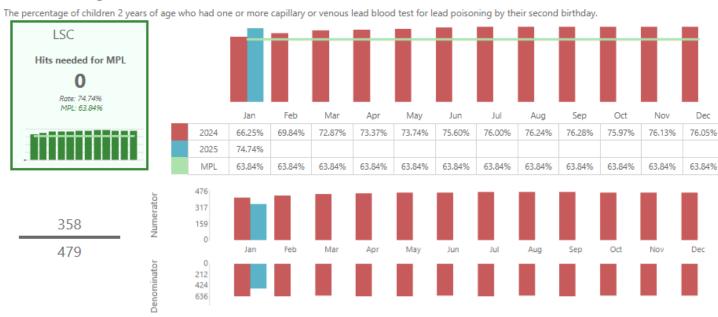
# **Coastal Kids**

## Funding Allocation: \$150,000

Project Name: Improve MCAS

Measures & Telemedicine Expansion

Project Goal: Improve Lead Screening measure by 10% and expand telemedicine services. Coastal Kids' performance for Lead Screening in Children (LSC) has increased from 66.25% in January of 2024 to 76.05% in December of 2024.

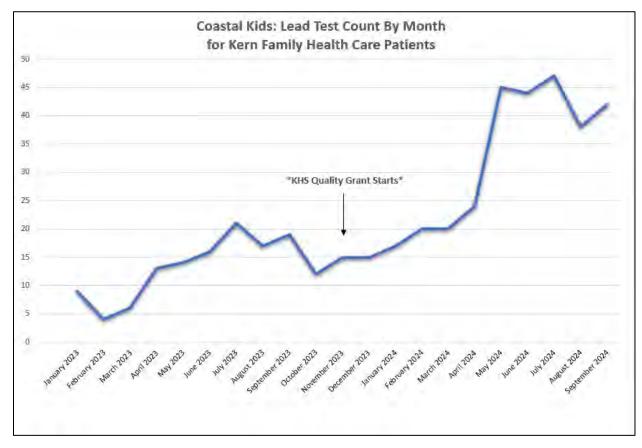


#### Lead Screening in Children



# **Coastal Kids**

- Data is pulled from Coast Kids EHR system (eCW) that flows into our internal organization Data Cubes.
- With the KHS Quality Grant, Coastal Kids has been able to increase the lead test kits in the offices as well as increase the number of lead tests given to Kern Family Health Care members.
- The monthly rate of lead tests has more than doubled from the 10-month period before the grant until the 10-month period into the grant.



## **Coastal Kids [Office Lab Spaces Where Lead Testing Occurs]**

## **Bakersfield Pediatrics- 34th Street**





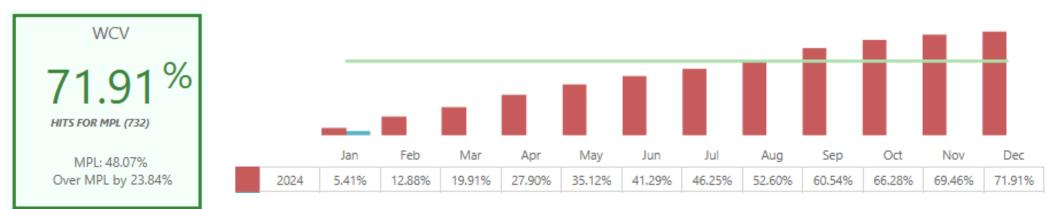


# **San Michael Pediatrics**

Funding Allocation: \$100,000

Project Name: Increase Appointment Availability.

Project Goal: Improve HEDIS, quality, and workflow by hiring additional staff. On average, 300 calls are made to patients regarding their well child visits monthly. To date, almost 4,000 individuals have been scheduled.



San Michael Pediatrics is currently meeting the Well Child Visits (WCV) measure and saw a significant increase from January 2024 with a **5.41%** to December of 2024 with a **71.91%**.

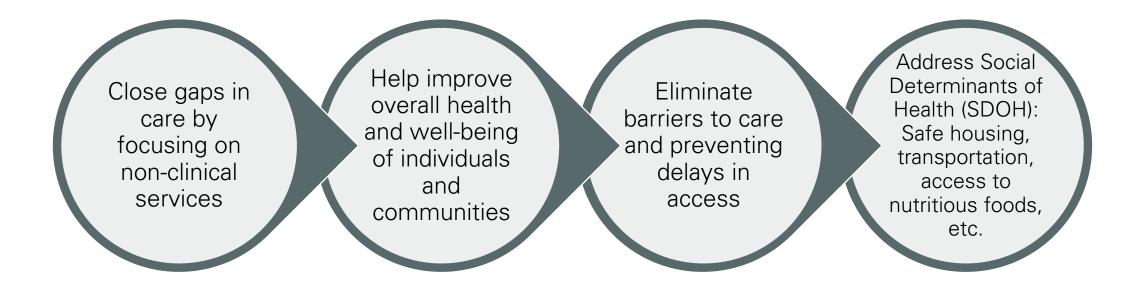


# **Community Based Initiative - Background**

- The Community Based Initiative allocated \$2million to community-based organizations that will work together to create innovative social service delivery models that will focus on reducing barriers to care and focus on wellness and healthy living.
- Prioritizing health and wellness education campaigns such as fitness programs, nutrition campaigns for children and adolescents, and access to social services to address key social determinants of health (SDOH) by promoting healthier lifestyles, reducing barriers to resources, and supporting overall well-being in underserved communities.
- Member navigation outreach and education to retain Medi-Cal coverage: Provide education on the renewal process and basic access to care on eligibility.



# **Initiative Goals**





# **Community Based Organization**

## 16 local community-based organizations awarded

- Bakersfield Recovery Services
- Building Health Communities
- California Farmworker Foundation
- Community Intervention
- Dolores Huerta Foundation
- First 5 Kern
- Habitat for Humanity Golden Empire
- Health Berry Counseling, Inc.
- JJ's Legacy
- Kern County Cancer Foundation
- Links for Life
- Make A Wish Foundation
- Safe Haven Kids League
- The Mission of Kern
- United Way of Eastern California
- Vision y Compromiso



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# **Building Healthy Communities (BHC)**

- Funding Allocation: \$200,000
- Project Name: Health Equity for All
- Project Goal: Conduct Medi-Cal enrollments and address social determinants of health by conducting outreach efforts of Kern County communities. BHC continues to conduct outreach events in the community to promote Medi-Cal enrollments and certifications. With more than 40 community events completed and outreach to over 2,000 people.





# **Community Interventions**

- Funding Allocation: \$200,000
- Project Name: Love In Action 2.0
- Project Goal: The purpose of this grant initiative is to utilize approved funds to support the project goals of Love in Action 2.0. Community Interventions is providing support group sessions three times per week to our community. They have seen more than 300 participants and have provided food boxes, bus passes, and vouchers to the participants.

Appreciate these groups because life is hard and challenging.

It always is a helpful place to be at. Specially when feeling safe and relaxed.

## Testimonials:

Thank you to all the support group staff and others who make these groups successful.

Yes it was healing for me I find myself more and more comfortable and feel better coming to this special group.









# FIRST 5

- Funding Allocation: \$150,000
- Project Name: Advancing Family-Engaged Development Monitoring in Kern County
- Project Goal: To address low development screening rates in underserved areas of the county by promoting HMGKC, develop a provider curriculum, and training 60 providers and pediatricians along with their staff, to increase developmental health knowledge, screening, and referral, while promoting collaboration between medical providers and HMGKC.
  - First 5 has successfully conducted two in-person trainings importance of It focused on the Family-Engaged Developmental Monitoring (FEDM) method, which emphasizes a collaborative approach where families and providers work together to monitor and support a child's developmental progress. This approach aims to create a supportive environment that recognizes and addresses the needs of both children and their families, promoting optimal developmental outcomes.





# **Links for Life**

- Funding Allocation: \$100,000
- Project Name: Links for Life
- **Project Goal:** The goal is to assist breast cancer survivors with nutrition education and grocery cards while in active cancer treatment.



Links for Life staff and survivors conduct training sessions.



Bolstered by the KHS grant, Links for Life is serving more survivors in treatment than ever before, providing monthly grocery cards and nutrition classes to program participants. **623 grocery cards** distributed from Nov. 2023 to Sept. 2024

## Number of enrolled survivors by month

November	83
December	
January	90
February	72
March	
April	80
May	
June	
July	78
August	108
September	

**150 nutrition class attendees** from Nov. 2023 to Sept. 2024



# Vision y Compromiso

- Funding Allocation: \$200,000
- Project Name: Me Veo Bien, Me Siento Bien (I look Good, I Feel Good)
- **Project Goal:** This program aims to increase healthcare accessibility for underserved populations in Kern County by streamlining the enrollment process and providing essential outreach and training.

# Visión y Compromiso™

Visión v Compromiso is committed to community well-being by supporting Promotoras and Community Health Workers.

Visión y Compromiso is a pioneer and innovator in the movement of and for Promotoras. We provide training, leadership building, workforce development, peer networking, advocacy, and ongoing support to strengthen the skills of resident leaders to apply the community transformational model to their work in the community.



# Vision y Compromiso



Our Collaboration with Kern Health Systems-"Me Veo Bien, Me Siento Bien" (I Look Good, I Feel Good)

## "ME VEO BIEN, ME SIENTO BIEN GROUPS IN KERN COUNTY

Me Veo Bien, Me siento Bien promotes physical activity, healthy nutrition, emotional well-being and management of chronic diseases: Diabetes, High Pressure, High cholesterol, depression, and more. These groups create a space for conversation and mutual support among its members, healthy personal relationships are established, and members provide each other with support to achieve their health goals and their emotional well-being.

*Me Veo Bien, Me Siento Bien* is active and popular in different areas of the Kern County. Our curriculum has created a network of support lead by employed and volunteered Promotoras in different community spaces.

*Me Veo Bien, Me Siento Bien* is an ongoing program that includes *Bailoterapia* as physical activity. This program consists of nine sessions. Our Promotoras work on promotion and recruitment of participants at the end of each cohort.



## Public Relations and Publicity Media Clips Report

December 2024-February 2025

## Features

## Kern Family Health Care brings holiday cheer with free community event By: Kern Sol News | December 3, 2024

"The Winter Wellness Wonderland aims to spread holiday cheer while promoting community health and wellness. Emily Duran, CEO of **Kern Family Health Care**, emphasizes the importance of health during the festive season: "This event is our way of giving back to the community and encouraging families to prioritize their health care while enjoying an evening of fun and holiday spirit." <u>Click here to read more.</u>

## Wasco Independence High School holds ribbon cutting for new Falcon Closet

#### By: 23abc | December 10, 2024

"The closet at Independence High is stocked with a variety of necessities to ease the burden on students and families in Wasco and was created in part by a \$5,000 grant from **Kern Family Health Care**...Ms. Gonzalez applied for this wonderful project, and we loved it right off the bat because it helps our population, it helps our rural areas," said Daisy Torres..." <u>Click here to read more.</u>

## Blood bank seeks donors as older generations age out

#### By: BakersfieldNow | January 8, 2025

"To address this shortfall, Houchin has set a significant goal to boost blood donations. In collaboration with **Kern Family Health Care**, the blood bank is offering a 24-ounce shaker bottle to all donors as a reminder that "staying hydrated saves lives." <u>Click here to read more.</u>

## New Indian Health Services Clinic opens up in Mt. Mesa with plans to expand services By: 23abc | January 14, 2025

"Galvez says they have a contract to serve those that have insurance under **Kern Family Health Care** and that the services they offer will mirror what they provide at their Bakersfield clinic." <u>Click here to read more.</u>

# KRV Bridge Connection building opens in Lake Isabella to provide residents with more resources

#### By: 23abc | January 14, 2025

"Zuber is showing me around the 3,000 square foot building located at 6069 Lake Isabella Boulevard, that will give various non-profits a foothold into the Kern River Valley. "Inside the building we will have Flood Ministries, Open Door Network, CAP-K, Be Finally Free, Garden Pathways, Cerro Coso College, Stewards, **Kern Healthcare Systems**." <u>Click here to read more.</u>

## Features (cont...)

#### Arvin community hosts 'Know Your Rights' town hall and resource fair By: 23abc | January 16, 2025

"To alleviate some of their concern and show their support to the community, the city partnered with non-profits like Clinica Sierra Vista, the Dolores Huerta Foundation, and Kern Family Health Care who provided information on each of their respective organizations." <u>Click here to read more.</u>

#### Hospital attains health care agreement with VA

#### By: Kern Valley Sun I January 16, 2025

"McGlew told the Kern Valley Sun, "We have a transport service; with a grant from **Kern Health Systems** we bought three vehicles, as well as the staff to run those. And that has allowed us to take patients from their homes to the hospital, to their clinic, to doctor's appointments, even down to Bakersfield for specialist visits. And this is all part of putting this together. There's no cost for it." <u>Click here to read more.</u>

## Evento lleva a explorar cómo se alinean los principios de las Zonas Azules Power 9 y las escrituras biblicas

#### By: El Popular | January 24, 2025

"Los panelistas incluyeron a Traco Matthews, director de equidad en salud de **Kern Health Systems** y pastor de la Iglesia de Dios; el Dr. David Goh, co-pastor de The Garden; Daisy Ortiz, gerente general de Lotus Radio." <u>Click here to read more.</u>

#### **10-week Parent Learning Series classes begin**

#### By: The Daily Independent | January 25, 2025

"...sponsor it: Clarvida Hope Center, The Fleet & Family Support Center, Sierra Sands Unified School District, CAPK Oasis Family Resource Center, and Kern Family Health Care. The sponsors had tables organized with information about their organizations..." Click here to read more.

## Kern job fairs in February seek candidates for school, healthcare, and more roles By: BakersfieldNow | February 5, 2025

"Kern Health Systems has a couple of job openings which include: Database Administrator...To apply for these positions, you can go <u>here</u>." <u>Click here to read more.</u>

## Mentions

## Powers holds "New To Town" event

By: Kern Valley Sun | December 21, 2024

"Vendors at the event included the Kern Valley Exchange Club, Narcotics Anonymous, Riverstone Wellness Center, the Lake Isabella & Bodfish Property Owners Association,

**Kern Family Health Care**, Boys and Girls Club of Kern County Kernville, Kernville Union School District, Kern County Library, Kern Valley Hospital Foundation, the Kern River Valley Bridge Connection, and Sierra Shared Spaces." <u>Click here to read more.</u>

## **DEFYING GRAVITY: Presented by Kern Dance Alliance and the League of Dreams By: The Bakersfield Californian** | February 4, 2025

"The 2024/25 ADAPTIdance program is supported in part by Kern Dance Alliance, League of Dreams, the Arts Council of Kern County, CARE Foundation, **Kern Family Health Care**, North of the River, and the Historic Bakersfield Fox Theater." <u>Click here to read more.</u>



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# COMMITTEE:DRUG UTILIZATION REVIEW (DUR) COMMITTEEDATE OF MEETING:NOVEMBER 25, 2024CALL TO ORDER:6:30 P.M. BRUCE WEARDA, RPh, DIRECTOR OF PHARMACY – ALTERNATE CHAIR

Members Present On-Site:	Alison Bell, PharmD – Network Provider, Geriatrics Dilbaugh Gehlawat, MD – Pediatrician Kimberly Hoffmann, Pharm D Pharmacist and BOD Member	James "Patrick" Person, RPh – Network Provider	Martha Tasinga, MD – KHS Chief Medical Officer Bruce Wearda, RPh – KHS Director of Pharmacy
Members Virtual Remote:	Abdolreza Saadabadi, MD – Network Provider, Psy.D. Vasanthi Srinivas, MD – Network Provider, OB/GYN	Sarabjeet Singh, MD - Network Provider, Cardiology	
Members Excused=E Absent=A	Joseph Tran, MD – Network Provider – A		
Staff Present:	Amy Daniel, KHS Executive Health Srvs Coordinator Sukhpreet Sidhu, MD, KHS Medical Director		

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
Quorum	Attendance / Roll Call	Committee quorum requirement met.	N/A
APPROVAL OF MINUTES	The Committee's Alternate Chairperson, Bruce Wearda, RPh, presented the meeting minutes for approval.	ACTION: Vasanthi Srinivas moved to approve minutes of September 30, 2024, seconded by Alison Bell. 7 approved, 0 nays.	11/25/24
OLD BUSINESS	Incontinent Supplies Audit	• Dr. Miller reported no evidence of Fraud, Waste, and Abuse.	

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AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
NEW BUSINESS	<ul> <li>Report of Plan Utilization Metrics</li> <li>Pat Person asked if the plan could ensure or enforce pharmacies to bill for nebulizers as opposed to sending them to other pharmacies. He stated he often sees instances where people have the medicine, but not the nebulizer to utilize it.</li> <li>Dr. Dilbaugh Gehlawat also commented he has seen it too – where the pharmacy will tell a member it's denied or make them pay for the nebulizer.</li> <li>Dr. Kim Hoffmann wanted to know what the time limits are for</li> </ul>	It was suggested that a memo be sent to the pharmacies explaining coverage and how to bill for medical devices that KHS is responsible for. KHS PR Rep will educate the specific pharmacies not billing appropriately.	RESOLVED
	<ul> <li>billing different medical devices.</li> <li>Bruce replied it varies upon the device. Nebulizers are 3 years;</li> <li>Blood Pressure Machines are 5 years but those go to Medi-Cal Rx.</li> <li>Other devices have varying time frames as well.</li> <li>Dr. Vasanthi Srinivas wanted to know the billing time limits for</li> <li>blood glucose monitors. Bruce replied these also are carved out to</li> <li>Medi-Cal Rx. However, manufacturers often provide at no charge,</li> <li>so it seems odd that there should ever be a scenario where they are</li> <li>denied or not available.</li> <li>Educational Articles</li> </ul>		
	<ul> <li>The State DUR Educational Article on Drug-Drug Interactions (Amlodipine with Simvastatin or Lovastatin) was shared. We also share this information with the KHS Network.</li> <li>DUR General Topics <ol> <li>Oncology Criteria</li> <li>PA Criteria/UM Program Description</li> <li>Zynteglo Criteria</li> </ol> </li> </ul>	<ul> <li>ACTION: Pat Person moved to approve the Oncology Criteria (accepting NCCN guidelines as the criteria.) It was seconded by Dr. Dilbaugh Gehlawat. 7 Ayes, 0 Nays.</li> <li>ACTION: Alison Bell moved to approve the UM Program Description (Procedures for evaluating or reviewing PAD type requests.) It was seconded by Dr. Vasanthi Srinivas. 7 Ayes, 0 Nays.</li> <li>ACTION: Pat Person moved to approve the Zynteglo Criteria. It was seconded by Dr. Vasanthi Srinivas. 7 Ayes, 0 Nays.</li> </ul>	

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
	<ul> <li>DHCS/Executive Order N-01-09 Medi-Cal</li> <li>Global DUR</li> <li>Dr. Kimberly Hoffmann asked what our program for actions will be regarding the Retro DUR GLP-1/DPP-4 Initiative Report.</li> <li>Dr. Kimberly Hoffmann asked about what the state expects or requires regarding the SUPPORT Act.</li> <li>Bruce responded there is no specific guidelines as to what or how to do the monitoring and identifying of potential inappropriate therapies. The plans must monitor and identify.</li> <li>Bruce outlined the different reports identified in the SUPPORT Act.</li> <li>Dr. Kimberly Hoffmann wanted to know if it was ok to dispense Naloxone without a corresponding opioid on the same prescription.</li> </ul>	It was recommended to send a bulletin to the Provider and Pharmacy Networks and send letters to the providers identified in the report.	
OPEN FORUM	There were no topics presented during open forum.	☑ ACTION: N/A	11/25/24
NEXT MEETING	Next meeting will be held Monday, March 31, 2025 at 6:30 pm	CLOSED: Informational only.	N/A
ADJOURNMENT	The Committee adjourned 7:15 pm.	ACTION: Kim Hoffmann moved to adjourn the meeting. It was seconded by Dr. Vasanthi Srinivas. 7 Ayes, 0 Nays.	11/25/24

#### Respectfully submitted: Amy Daniel, KHS Executive Health Services Coordinator

For Signature Only – Drug Utilization Review Committee Minutes 11/25/24

The foregoing minutes were APPROVED AS PRESENTED on:			
	Date	Name	
The foregoing minutes were APPROVED WITH MODIFICATION on:			
	Date	Name	

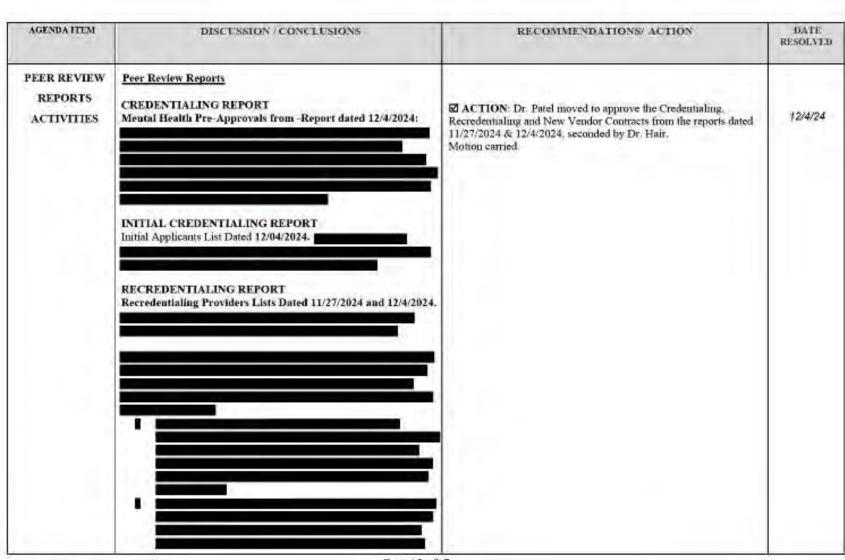


# COMMITTEE: PHYSICIAN ADVISORY COMMITTEE DATE OF MEETING: DECEMBER 4, 2024 CALL TO ORDER: 7:09 AM BY MARTHA TASINGA, MD – KHS CHIEF MEDICAL DIRECTOR

Members Present On-Site:	Martha Tasinga, MD – KHS Chief Medical Officer Atul Aggarwal, MD – Network Provider, Cardiology	Miguel Lascano – Network Provider, OB/GYN Raju Patel, MD - Network Provider, Internal Medicine	
Members Virtual Remote:	Hasmukh Amin. MD – Network Provider, Pediatrics David Hair, MD - Network Provider, Ophthalmology Ashok Parmar, MD– Network Provider, Pain Medicine		
Members Excused=E Absent=A	Gohar Gevorgyan, MD - Network Provider, FP (E)		
Staff Present:	Jake Hall, Deputy Director of Contracting Amy Daniel, Executive Administrative Yolanda Herrera, Credentialing Manager (REMOTE)	Magdee Hugais, Director of Quality Improvement John Miller MD, QI Medical Director Abdolreza Saadabadi MD, BH Medical Dir. (REMOTE)	Yesenia Sanchez, Credentialing Coordinator Sukhpreet Sidhu MD, PHM Medical Director Bruce Wearda, Director of Pharmacy

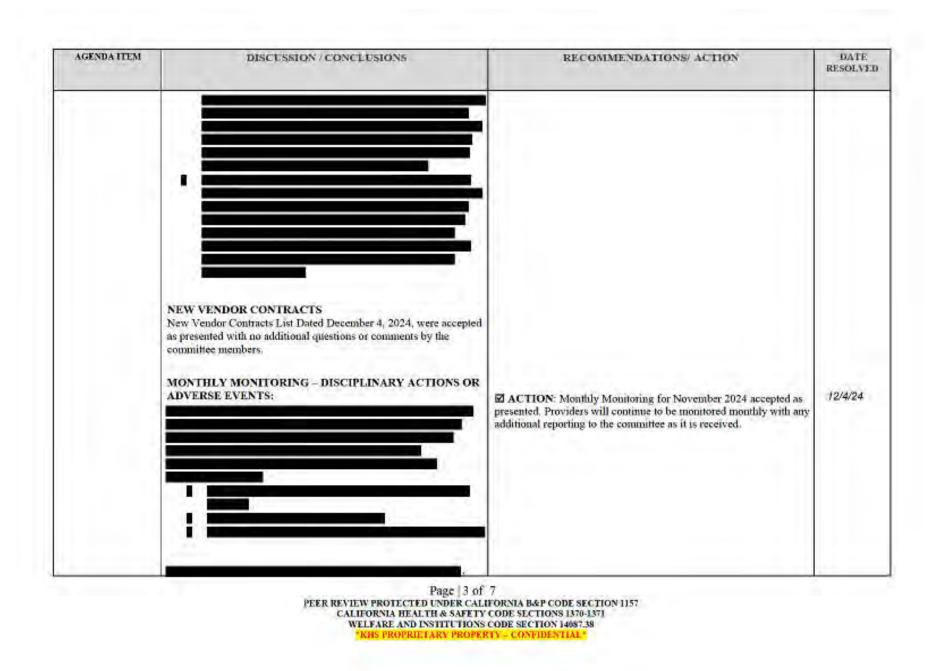
AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
Quorum	Attendance / Roll Call	Committee quorum requirements met.	N/A
Call to Order	Dr. Martha Tasinga MD, KHS Chief Medical Officer, called the meeting to order at 7:09 am.		N/A
Committee Minutes	Approval of Minutes Dr. Tasinga presented the meeting minutes of November 6, 2024 for review and approval.	ACTION: Dr. Patel moved to approve minutes of November 6, 2024, seconded by Dr. Hair. Motion carried.	12/4/24

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AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVEI
	Delegated Credentialing 3 <sup>rd</sup> Quarter 2024 - Quarter Oversight Reports Yolanda Herrera KHS Credentialing Manager informed the committee that the 3rd Quarter 2024 Delegated Oversight Reports have all been received and reviewed for CHLA Medical Group, ConferMED, Valley Children's Child Net, Vision Services Plan, UCLA Medical Group and USC Medical Group. During 3 <sup>rd</sup> Quarter 2024, delegates reported Credentialing Committee dates for initial credentialing, recredentialing and terminations. There were no significant changes in provider network that would affect KHS members. There were no identified issues.	☑ CLOSED – Report Received and Filed.	12/4/24
	LEVEL 2 POI CASE DISCUSSION (HANDOUT):	ACTION:	12/4/24

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AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVE
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AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
OLD BUSINESS	Bariatric Surgery Quality of Care Issues Dr. Miller informed the members that the follow-up review is still in process and anticipates completion in 1 <sup>st</sup> Quarter 2025.	<b>PENDING:</b> Dr. Miller conduct random 10-case review in 6- months as follow-up on this issue.	Pending
NEW BUSINESS	Pharmacy Criteria         Bruce Wearda presented the Pharmacy criteria submitted for approval under pharmaceutical covered medical benefit as follows:         • Casgevy         • Zynteglo         • Oncology Criteria	<ul> <li>ACTION: Dr. Patel moved to approve the Casgevy criteria, seconded by Dr. Parmar. Motion carried.</li> <li>ACTION: Dr. Lascano moved to approve the Zynteglo criteria, seconded by Dr. Patel. Motion carried.</li> <li>ACTION: Dr. Lascano moved to approve the Oncology criteria, seconded by Dr. Amin. Motion carried.</li> </ul>	12/4/24
OPEN FORUM	There was no open discussion.	CLOSED - Informational Only	N/A
NEXT MEETING	Next meeting will be held Wednesday, February 5, 2025	Informational only.	N/A
ADJOURNMENT	The Committee adjourned at 8:17 am. Respectfully submitted: Amy Daniel, KHS Executive Health Services Coordinator	N/A	N/A

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#### For Signature Only – Physician Advisory Committee Minutes 12/04/2024

The foregoing minutes were APPROVED AS PRESENTED on:			
_	Date	Name	
The foregoing minutes were APPROVED WITH MODIFICATION on:			
	Date	Name	



#### COMMITTEE: COMMUNITY ADVISORY COMMITTEE (CAC) DATE OF MEETING: December 10, 2024 CALL TO ORDER: 11:05 AM by Rukiyah Polk - Chair

Members	Rukiyah Polk	Members Absent:	Staff	Anastasia Lester, Senior Health Equity Analyst
Present:	Lourdes Bucher	Rocio Castro	Present:	Stephanie Rico, Member Engagement Coordinator
	Jessika Lopez	Alyssa Olivera		Vanessa Nevarez, Health Equity Coordinator
	Tammy Torres	Mark McAlister		Louie Iturriria, Sr Director of Marketing & Member Engagement
	Ashton Chase	Jay Tamsi		Lela Criswell, Member Engagement Manager
	Nalasia Jewel	Jasmine Ochoa		Nate Scott, Senior Director of Member Services
	Tammy Torres			Cynthia Jimenez, Cultural & Linguistics Specialist
	Michelle Bravo			Jackie Byrd, Senior Marketing & Communications Specialist
	Jennifer Wood-Slayton			Isabel Silva, Senior Director of Wellness & Prevention
	Beatriz Basulto			Melinda Santiago, Director of Behavioral Health
	Evelin Torres-Islas			Courtney Morris, Behavioral Health Supervisor
				Moises Manzo, Cultural & Linguistics Specialist
				Finster Paul, Health & Wellness Manager

Agenda Item	Discussion/Conclusion	Recommendations/Action	Date Resolved
Quorum	11 committee members present; Rocio Castro, Alyssa Olivera, Mark McAlister, Jay Tamsi, and Jasmine Ochoa were absent.	Committee quorum requirements met.	N/A
Call to Order	Rukiyah Polk, Chair, called meeting to order at 11:05 am.	N/A	N/A
Public Presentation	There were no public presentations.	N/A	N/A

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Agenda Item	Discussion/Conclusion	Recommendations/Action	Date Resolved
Committee Announcements	<ul> <li>Rukiyah gave the opportunity for member updates.</li> <li>Jennifer W. announced that she received an award at the KHS Health Equity &amp; Awards dinner and thanked KHS for the recognition.</li> </ul>	<ul> <li>Informational Only.</li> </ul>	N/A
Committee Minutes	<ul> <li><u>Approval of Minutes</u></li> <li>CA-3) The Committee's Chairperson, Rukiyah Polk, presented the CAC Minutes for approval.</li> <li>Jennifer W. commented that Item 7 on the 9/24/24 meeting minutes have Jennifer A. when it should be Jennifer W.</li> <li>Beatriz Basulto &amp; Evelin Torres arrived at 11:09 am.</li> </ul>	<ul> <li>Action:</li> <li>Item 7 on the 9/24/24 meeting minutes have been edited.</li> <li>Jennifer W. first, Tammy T. second. All aye's. Motion carried.</li> </ul>	12-10-24
Old Business	There was no old business to present.	N/A	N/A
New Business	Consent Agenda Items CA-4) December 2024 Medi-Cal Membership Enrollment Report	N/A	N/A

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5) Behavioral Health Outreach and Education Plan
<ul> <li>S) Behavioral Health Outreach and Education Plan</li> <li>Melinda S. presented an overview of the KHS Behavioral Health (BH) Program. Melinda S. posed the following questions regarding mental health services to the committee for input: How many know that this is a benefit? How many know how to access services? What do you see as a barrier to accessing these services? Jennifer W. shared that instead of families needing to take their kids to get services, the services are available at the schools. The best approach is to take the care and resources to the families, not the other way around. Beatriz B. commented about the misinformation and no follow-up when trying to get access to help. Melinda S. asked how KHS can share the correct information and added that we have trained providers as well as our website. Beatriz B. responded that Hispanics need to be educated on what behavioral health is and who needs it. Beatriz B. added that employees can reach out to attendees at resource fairs as opposed to waiting for someone to come to the booth. Beatriz B. added that she works with the community health initiative NANII and that it has been very successful and sharing that their hours are flexible.</li> </ul>

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Melinda S. asked the committee what PCP's
need for support from KHS. Ashton C. asked
for clarification on the screening tool that BH
uses. Melinda S. replied that the screening tool
is used for providers as a referral. The provider
submits the referral and KHS takes over from
there. A DHCS screening is then required and if
the tool shows over mild to moderate then
KHS partners with Kern Behavioral Health.
Melinda S. expressed concern that providers
may be unaware of how to submit a referral to
KHS. Ashton C. confirmed that Clinica Sierra
Vista's referrals stay internal and that she does
not know how to get them to KHS.
Rukiyah P. asked if BH targets home schooled
families at all since they tend to remain
somewhat off the grid. Rukiyah P. offered
advice of finding home schooled students via
social media.
Jennifer W. asked if BH can help change the
perception of the timeliness of appointments.
Melinda S. replied that their rule is to get the
member with a doctor within 10 days, if it's
urgent it should be 48 hours.
Beatriz B. commented that a barrier to
accessing BH services may be due to the
questions that are asked to the members. An
example is a member may feel embarrassed
for not having a house. Jennifer W. added that
it is scary for families to share vulnerability
with doctors. Beatriz B. highly recommends

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<ul> <li>Promatoras because people will open up to them. Ashton C. asked what KHS' goal is for the homeless population. Melinda S. responded that BH receives notifications and KHS employees will go out to them. Melinda S. highly recommends Community Health Workers (CHWs) in primary care settings. Ashton C. replied that her team goes out and does street medicine every day.</li> <li>6) Member Services Grievance Operational Report and Grievance Summary Report for Q3 2024</li> </ul>	Informational only	N/A
<ul> <li>Nate S. presented the Member Services Operational Report and Grievance Summary Report that covered Q3 2024 data.</li> <li>Nate S. explained that any member dissatisfaction is labeled as a grievance. If a member does not want to file a grievance, a complaint still becomes a grievance. As a plan KHS is held to that standard.</li> <li>Jennifer W. commented that standards are set by NCQA.</li> </ul>	<ul> <li>Ashton C. first, Tammy T. second. All aye's. Motion carried.</li> </ul>	12/10/24

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	<ul> <li>7) School Wellness Grant Outcomes 2022-2024</li> <li>Finster P. gave an overview of the School Wellness Grant (SWG) program outcomes that covered 2022-2024.</li> </ul>	Informational only.	N/A
	<ul> <li>8) Wellness &amp; Prevention Member Programs Overview</li> <li>Finster P. gave an overview of the programs Wellness &amp; Prevention has for their members.</li> </ul>	Informational only.	N/A
	<ul> <li>Isabel S. gave a public comment that Jasmin O. will give a presentation at the 3/25/25 CAC meeting that will give an overview of the CHIP and the CHA as previously requested by the CAC.</li> </ul>	<ul> <li>Informational only.</li> </ul>	N/A
Next Meeting	The next meeting will be held Tuesday, March 25, 2025, at 11:00am.	N/A	N/A
Adjournment	The Committee adjourned at 12:24pm. Respectfully submitted: Vanessa Nevarez, Health Equity Project Coordinator	Tamme T. first, Evelin T. second. All aye's. Motion carried.	N/A



# COMMITTEE:UTILIZATION MANAGEMENT COMMITTEEDATE OF MEETING:DECEMBER 11, 2024CALL TO ORDER:12:05 PM BY MANINDER KHALSA, MD, UM MEDICAL DIRECTOR - CHAIR

Members Present On-Site:	Ashok Parmar, MD –Specialist Pain Medicine	Parikshat Sharma, MD – Outpatient Specialist	
Members Virtual Remote:	Maninder Khalsa, MD – KHS UM Medical Director		
Members Excused=E Absent=A	Philipp Melendez, MD – OB/GYN (E)		
Staff Present:	Amy Daniel, KHS Executive Health Services Coordinator	Loni Hill-Pirtle, Director of Enhanced Case Mgmt. John Miller, MD, QI Medical Director	Melinda Santiago, Director of Behavioral Health Nate Scott, Director of Member Services Sukhpreet Sidhu, MD, PHM Medical Director Isabel Silva, Director of Health & Wellness

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
Quorum	Attendance / Roll Call	Committee quorum requirements were not met as the composition as described in the committee charter are still in development and recruiting participating providers.	N/A
Call to Order	Dr. Maninder Khalsa, KHS UM Medical Director called the meeting to order at 12:02 PM.		N/A
Committee Minutes	<u>Approval of Minutes</u> The minutes of September 11, 2024 were presented for review and approval.	ACTION: Dr. Sharma moved to approve minutes of September 11, 2024, seconded by Dr. Parmar. Motion carried.	N/A
OLD BUSINESS	There was no old business to present.	N/A	N/A
NEW BUSINESS	Welcome & Introduction Introductions:	Z CLOSED: Informational only.	N/A
	Dr. Khalsa welcomed the members of UM Committee.		

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AGENDA ITEM	DISCUSSION / CONCLUSIONS	<b>RECOMMENDATIONS/ ACTION</b>	DATE RESOLVED
	Policy Review and Approval		
	procedures were revised and sent out prior to committee meeting for	ACTION: Dr. Sharma moved to approve the policy and procedure revisions and the new policies that were presented, seconded by Dr. Parmar. Motion carried.	12/11/24
	Members reviewed the policies presented and had no further discussion or input on these revisions and new policies.		
	<ul> <li>page indicates Q4 however, date is from 3<sup>rd</sup> Quarter 2024). The following highlights were noted:</li> <li>UM Timeliness of Decisions – KHS is at 99% for both</li> </ul>	<b>CLOSED</b> : Report accepted as presented with no further discussion or questions from the committee members.	12/11/24
	<ul> <li>Urgent and Routine compliance.</li> <li>Outpatient Referrals – remain consistent and between current and last quarter.</li> <li>Adult Referrals – remain consistent in comparison to past quarters.</li> <li>Denial Percentage – July, August and September appear consistent at an average of 3% referrals denied.</li> <li>IRR Q3 Results – All staff are able to complete the Q2 IRR Case studies for NCIC process in meeting our passing standards of 95% or higher.</li> </ul>		

AGENDA ITEM	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS/ ACTION	DATE RESOLVED
		☑ CLOSED: Report accepted as presented with no further discussion or questions from the committee members.	12/11/24
	Percent of referrals delayed         <1%         <1%         <1%           Audit sample size         10 referrals         10 referrals         10 referrals           As part of the corrective actions, emails have been sent to staff reminding them to print all manual correspondence stored in JIVA to ensure letters are being sent.		
		<b>ACTION</b> : Dr. Sharma moved to approve the criteria, seconded by Dr. Parmar. Motion carried.	
OPEN FORUM	<b>Open Forum</b> There were no further open items presented for discussion or comment by the committee members.	CLOSED: Informational discussion only.	12/11/24
NEXT MEETING	Next meeting will be held Wednesday, March 7, 2025 at 12:00 PM	CLOSED: Informational only.	N/A
ADJOURNMENT	The Committee adjourned at 12:45 PM <i>Respectfully submitted: Amy L. Daniel; Executive Health Services</i> <i>Coordinator</i>	N/A	N/A

# For Signature Only – Utilization Management Committee Minutes 12/11/24

The foregoing minutes were APPROVED AS PRESENTED on:			
	Date	Name	
The foregoing minutes were APPROVED WITH MODIFICATION on:			
	Date	Name	



#### COMMITTEE: EXECUTIVE QUALITY IMPROVEMENT HEALTH EQUITY COMMITTEE (EQIHEC) DATE OF MEETING: DECEMBER 12, 2024 CALL TO ORDER: 7:17 AM BY TRACO MATTHEWS, CHAIR

Members	Jennifer Ansolabehere, KC Public Health	Allen Kennedy – Quality Team DME	Rukiyah Polk - CAC Chair
Present	5 5 5	Michael Komin, MD – Komin Medical Group	Traco Matthews – KHS Chief Health Equity Officer
On-Site:	Danielle Colayco, PharmD – Komoto	Chan Park, MD – Vanguard Family Medicine	
Members Virtual Remote:			
Members Excused=E Absent=A	Debra Cox – Omni Family Health (A) Jasmine Ochoa - Health Equity Manager of Public Health (E)	Todd Jeffries – Bakersfield Community Healthcare (E) Philipp Melendez, MD – OB/GYN (A)	
Staff Present:		Magdee Hugais – Director of Quality Improvement Kailey Collier - Director of Quality Performance Maninder Khalsa – Medical Director Christine Pence, Senior Director of Health Services Adriana Salinas – Director of CSS Nate Scott – Member Services Director	Vanessa Nevarez - Health Equity Coordinator Greg Panero – Provider Network Analytics Abdolreza Saadabadi, MD – BH Medical Director Isabel Silva - Senior Director of Wellness & Prevention Melinda Santiago – Director of Behavioral Health Aurora De La Torre – MCAS Supervisor

Agenda Item	Discussion/Conclusion	Recommendations/Action	Date Resolved
Quorum	8 of 12 committee members present; Debra Cox, Jasmine Ochoa, Todd Jeffries, and Philipp Melendez were absent.	Committee quorum requirements met.	N/A
Call to Order	Traco Matthews, Chair, called meeting to order at 7:17 am.	N/A	N/A
Public Presentation	There were no public presentations.	N/A	N/A

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Agenda Item	Discussion/Conclusion	Recommendations/Action	Date Resolved
Committee Announcements	<ul><li>Traco Matthews gave the opportunity for member updates.</li><li>There were no committee announcements.</li></ul>		
Committee Minutes	Approval of Minutes CA-3) The Committee's Chairperson, Traco Matthews, presented the EQIHEC Minutes for approval.	Action: • Satya A. first, Chan P. second. All aye's. Motion carried.	12/12/24
Old Business	There was no old business to present.	N/A	N/A
New Business	<ul> <li>Consent Agenda Items</li> <li>CA-4) Behavioral Health Advisory Committee (BHAC) Minutes from October 16, 2024</li> <li>CA-5) Health Equity Transformation Steering Committee (HETSC) Minutes from September 12, 2024</li> <li>CA-6) Network Advisory Committee (NAC) Minutes from October 18, 2024</li> <li>CA-7) Pharmacy Drug Utilization Review (DUR) Minutes from September 30, 2024</li> <li>CA-8) Physician Advisory Committee (PAC) August 7, 2024, Redacted Summary of Proceedings</li> <li>CA-9) Physician Advisory Committee (PAC) September 4, 2024, Redacted Summary of Proceedings</li> <li>CA-10) Population Health Management (PHMC) Minutes from September 4, 2024</li> <li>CA-11) Utilization Management Committee (UMC) Minutes from September 11, 2024</li> <li>CA-12) Quality Improvement Workgroup (QIW) Minutes from September 26, 2024</li> </ul>	Action: • Satya A. first, Chan P. second. All aye's. Motion carried.	12/12/24
	<ul> <li>13) Behavioral Health Advisory Committee Report</li> <li>Melinda S. gave a presentation that covered the Q3 and Q4 reports of the Behavioral Health Department and posed a question to the committee regarding how the current KHS provider information is being promoted.</li> </ul>	Action:	

	• Chan P. replied to Melinda S. that he would like a more hands-on approach that includes more communication and follow-up. He recommended having more staff and resources for internal provider staff.	<ul> <li>Michael K. first, Satya A. second. All aye's. Motion carried.</li> </ul>	12/12/24
<u>14</u>	<ol> <li>Quality Performance Report</li> <li>Kailey C. presented the Quality Performance Summary Report that covered Q3 2024 data. Kailey C. concluded by asking the group if site reviews have been helpful and for specifics within their practice that are working with their patients.</li> <li>Danielle C. asked if the HPV rate is bringing down compliance rates.</li> <li>Kailey C. responded that yes, the second dose is bringing down rates and that Care Data is required to report vaccines. The oversight and monitoring can be improved by KHS and KHS will work better with providers to report the data.</li> <li>Kailey C. asked the committee how KHS can better educate our members.</li> <li>Danielle C. suggested KHS look at more rewards programs. She also recommended to start HPV vaccinations at age 9.</li> </ol>	<ul> <li>No response was given from the committee.</li> <li>Kailey C. will investigate the NCQA age requirements.</li> <li>Chan P. first, Satya A. second. All aye's. Motion carried.</li> </ul>	12/12/24
<u>15</u>	<ul> <li>5) Quality Improvement Workgroup Report</li> <li>Magdee H. presented the Quality Improvement Report that covered Q3 2024 data. Magdee H. concluded by asking the group for any recommendations for QIW.</li> </ul>	<ul> <li>No response was given from the committee.</li> <li>Satya A. first, Michael K. second. All aye's. Motion carried.</li> </ul>	12/12/24

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<ul> <li>16) Grievance Summary Report</li> <li>Nate S. presented the 2023 Grievance Analysis, the Q3 2024 Grievance Operational Board Update, and the Q3 2024 Summary Report.</li> <li>Michael K. asked if the 10 grievances KHS currently has is per provider.</li> <li>Nate S. responded that the grievances are not per provider, they are overall. He then began to define what a grievance is. He explained that KHS is required to accept a member's dissatisfaction as a grievance, even though the member did not want to formally file a grievance. Nate S. added that per our member satisfaction survey, our members are very happy, however, there is always room for improvement as NCQA continues to raise the bar for quality assurance.</li> <li>Michael K. asked if providers ask to dismiss their</li> </ul>		
<ul> <li>grievances.</li> <li>Dr. Martha T. responded no. She added that when providers ask to no longer have members as patients it is usually due to their relationship being broken. Also, if a member wants to change their doctor at any time, KHS will do that for them.</li> </ul>	• Jennifer A. first, Satya A. second. All aye's. Motion carried.	12/12/24
<ul> <li>17) Utilization Management Program Report</li> <li>Dr. Maninder K. presented the UM Program report that covered Q3 2024 data. Dr. Martha T. added that KHS has 72 hours for urgent referrals and routine referrals are 5 days.</li> <li>Satya A. left the meeting at 8:30am.</li> </ul>	<ul> <li>No response was given from the committee.</li> <li>Allen K. first, Chan P. second. All aye's. Motion carried.</li> </ul>	12/12/24
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<ul> <li>Network Adequacy Committee Report</li> <li>Greg P. presented the Network Adequacy Report that covered Q4 2024 data. He also addressed a concern that Jennifer A. had regarding lack of birthing centers at the 9-12-24 EQIHEC meeting.</li> <li>Greg P. stated that KHS is currently trying to be contracted with the Antelope Valley Hospital which has OBGYN access and that the Ridgecrest Regional Hospital should be opening their labor and delivery hospital soon. Dr. Sukhpreet S. added that KHS has recently credentialed a provider for OB services in Ridgecrest.</li> </ul>	<ul> <li>Chan P. first, Allen K. second. All aye's. Motion carried.</li> </ul>	12/12/24
<ul> <li>Pop Health Management Report</li> <li>Michelle C. presented the Pop Health Management Report that covered Q4 2024 data. She also addressed a concern that Jennifer A. had regarding lack of access of maternal healthcare in East Kern at the 9-12-24 EQIHEC meeting.</li> <li>Michelle C. presented a call to action by her group that has resulted in a workgroup that was developed to tackle the issue of limited access to healthcare services for pregnant women in East Kern.</li> <li>Jennifer A. questioned the data in Michelle C's. presentation that stated 46% of pregnant members were not seen by their providers.</li> <li>Dr. Martha T. responded that some of the possibilities for such a high percentage is because some women may not keep their baby, or their cultural norm is to not see a doctor in the first trimester. Michelle C. added that KHS is participating in groups that are trying to find resolutions to address education and health literacy issues.</li> </ul>	<ul> <li>Jennifer A. first, Chan P. second. All ave's. Motion carried.</li> </ul>	12/12/24

<ul> <li>20) Health Equity Transformation Steering Committee</li> <li>Pawan G. presented the Sexual Orientation &amp; Gender Identity (SOGI) Policy &amp; Procedure.</li> <li>Danielle C. asked if unisex is an option under the category 'sex assigned at birth' and stated she would like to get with Pawan offline to answer additional questions due to time constraints.</li> <li>Pawan G. responded that she welcomes feedback.</li> </ul>	<ul> <li>Chan P. first, Danielle C. second. All aye's. Motion carried.</li> </ul>	12/12/24
<ul> <li>21) EQIHEC Report Templates</li> <li>Traco M. presented the new EQIHEC report template which includes a written summary that will be published on the KHS website for approval.</li> </ul>	<ul> <li>Danielle C. first, Chan P. second. All aye's. Motion carried.</li> </ul>	12/12/24

Agenda Item	Discussion/Conclusion	Recommendations/Action	Date Resolved
Open Forum	N/A	Informational only.	N/A
Next Meeting	The next meeting will be held Tuesday, March 18, 2024, at 7:15am.	Informational only.	N/A
Adjournment	The Committee adjourned at 9:17am.	• Danielle C. first, Chan P. second. All aye's. Motion carried.	N/A
	Respectfully Submitted: Vanessa Nevarez, Health Equity Project Coordinator		

#### For Signature Only – EQIHEC Minutes 12/12/24

The foregoing minutes were APPROVED AS PRESENTED on:	Date	Name
The foregoing minutes were APPROVED WITH MODIFICATION on: _	Date	Name

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## SUMMARY

## FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS 2900 Buck Owens Boulevard Bakersfield, California 93308

## Friday, December 13, 2024

## 8:30 A.M.

#### COMMITTEE RECONVENED

Members: Elliott, Bowers, McGlew, Turnipseed, Watson ROLL CALL: 4 Present; 1 Absent - Bowers

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

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

#### COMMITTEE ACTION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

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

#### COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

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#### FINANCIAL MATTERS

CA-3) Minutes for Kern Health Systems Finance Committee meeting on October 4, 2024 -APPROVED Turnipseed-Watson: 4 Ayes; 1 Absent – Bowers

- 4) Presentation by Moss Adams on 2024 Audit Planning (Fiscal Impact: None) DAMU STELIAN AND ASHLEY MERDA, MOSS ADAMS, HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS Watson-McGlew: 4 Ayes; 1 Absent – Bowers
- 5) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2024 (Fiscal Impact: None) – IRA COHEN, UBS FINANCIAL, HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS **Turnipseed-Watson: 4 Ayes; 1 Absent – Bowers**
- 6) Proposed reinsurance policy with Odyssey RE to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2025 through December 31, 2025 (Fiscal Impact: \$3,300,000 estimated; Budgeted) – DAVE KALB AND LUCIENNE ALLEN, ODYSSEY RE, HEARD; APPROVED; REFERRED TO KHS BOARD OF DIRECTORS McGlew-Turnipseed: 4 Ayes; 1 Absent – Bowers
- 7) Proposed Kern Health Systems 2025 Operating and Capital Budgets (Fiscal Impact: None) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS Watson-McGlew:4 Ayes; 1 Absent – Bowers
- Proposed Budget Request for 2025 Project Consulting Professional Services, from January 1, 2025 through December 31, 2025 (Fiscal Impact: \$20,271,816 Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS McGlew-Watson: 4 Ayes; 1 Absent – Bowers
- 9) Proposed New Agreement with MedImpact Healthcare Systems, Pharmacy Benefit Management for D-SNP from January 1, 2025 through December 31, 2028 with a Notto-Exceed amount of \$3,800,000 of administrative cost over the term of the contract. (Fiscal Impact: \$3,800,000; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS

#### McGlew-Watson: 4 Ayes; 1 Absent – Bowers

 Proposed Contract Extension with Cotiviti for the Medical Record Retrieval (MRR) from December 5, 2024 through December 6, 2025 and increase the Not-To-Exceed amount by \$200,000 from \$199,000 to \$399,000. (Fiscal Impact: \$200,000; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS McGlew-Watson: 4 Ayes; 1 Absent – Bowers

NOTE – DIRECTOR WATSON LEFT THE DAIS AT 9:28 AND DID NOT RETURN

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- Proposed Contract Extension with Citius Tech, for Interoperability support, from December 15,2024 through December 14,2025. Increasing the Not-to-Exceed amount by \$102,575 from \$751,305 to \$853,880. (Fiscal Impact: \$102,575; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS Turnipseed-McGlew: 3 Ayes; 2 Absent – Watson, Bowers
- 12) Proposed Contract Extension with Gartner, for IT to research material and diagnostic tools, from January 1,2025 through December 31,2025. Increasing the Not-to-Exceed amount by \$211,600 from \$189,765 to \$401,365 over the term of the contract. (Fiscal Impact: \$211,600; Budgeted) APPROVED; REFERRED TO KHS BOARD OF DIRECTORS

McGlew-Turnipseed: 3 Ayes; 2 Absent – Watson, Bowers

- 13) Proposed Contract Extension with Gartner, for the Human Resource licenses to research material and diagnostic tools, from January 1, 2025 through December 31, 2025. Increasing the Not-to-Exceed amount by \$179,500 from \$184,800 to \$359,800 over the term of the contract. (Fiscal Impact: \$179,500; Budgeted) APPROVED; REFERRED TO KHS BOARD OF DIRECTORS McGlew-Turnipseed: 3 Ayes; 2 Absent Watson, Bowers
- 14) Report on Kern Health Systems financial statements for September 2024 and October 2024 (Fiscal Impact: None) RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
   McGlew-Turnipseed: 3 Ayes; 2 Absent Watson, Bowers
- 15) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for September 2024 and October 2024 and IT Technology Consulting Resources for the period ended September 30, 2024 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS **McGlew-Turnipseed: 3 Ayes; 2 Absent – Watson, Bowers**

ADJOURN TO FRIDAY, FEBRUARY 14, 2025 AT 8:30 A.M.

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# SUMMARY

## **GOVERNANCE AND COMPLIANCE COMMITTEE MEETING**

KERN HEALTH SYSTEMS 2900 Buck Owens Boulevard Bakersfield, California 93308

Friday, February 7, 2025

## <u>8:30 A.M.</u>

COMMITTEE RECONVENED

Members: Acharya, Hoffmann, Meave, Turnipseed ROLL CALL: 2 Present – 2 Absent – Acharya, Meave

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

STAFF RECOMMENDATION SHOWN IN CAPS

ADJOURNED TO CLOSED SESSIOIN

 CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Government Code § 54956.9 (e)(3).) Number of cases: Two (2) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on the receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection. SEE RESULTS BELOW

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#### 2) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Government Code § 54956.9 (d)(2).) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on facts and circumstances that might result in litigation against Kern Health Systems but which Kern Health Systems believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed. (Government Code § 54956.9 (e) (1).) SEE RESULTS

#### 8:45 A.M.

#### COMMITTEE RECONVENED

#### REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 1 concerning a CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION - (Government Code § 54956.9 (e)(3).) Number of cases: Two (2) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on the receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection. HEARD; NO REPORTABLE ACTION TAKEN

Item No. 2 concerning a CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION - (Government Code § 54956.9 (d)(2).) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Directors on the advice of legal counsel, based on facts and circumstances that might result in litigation against Kern Health Systems but which Kern Health Systems believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed. (Government Code § 54956.9 (e) (1).) HEARD; NO REPORTABLE ACTION TAKEN

#### PUBLIC PRESENTATIONS

3) This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Also, the Committee may take action to direct the staff to place a matter of business on a future agenda. SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!

NO ONE HEARD

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#### COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

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

#### COMMITTEE MATTERS

- 5) Report on Kern Health Systems 2025 Compliance Program MCAL (Fiscal Impact: None) RECEIVED AND FILED
- 6) Report on Kern Health Systems 2025 Code of Conduct (Fiscal Impact: None) RECEIVED AND FILED
- 7) Report on Kern Health Systems 2025 Compliance Guide (Fiscal Impact: None) RECEIVED AND FILED
- 8) Report on Kern Health Systems 2025 Anti-Fraud Plan (Fiscal Impact: None) RECEIVED AND FILED
- 9) Report on Kern Health Systems 2024 Compliance Workplan Q4 update (Fiscal Impact: None) RECEIVED AND FILED
- 10) Report on Kern Health Systems 2025 Compliance Workplan (Fiscal Impact: None) RECEIVED AND FILED

ADJOURN TO THURSDAY, MARCH 27, 2025 AT 8:30 A.M.